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DEMOCRATIC REPUBLIC OF CONGO

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FIRST REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF QUANTITATIVE PERFORMANCE CRITERIA, AND FINANCING ASSURANCES REVIEW—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR THE DEMOCRATIC REPUBLIC OF CONGO

In the context of the requests for an arrangement under the extended credit facility and an arrangement under the resilience and sustainability facility, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on July 2, 2025, following discussions that ended on May 13, 2025, with the officials of the Democratic Republic of Congo on economic developments and policies underpinning the IMF arrangement under the Extended Credit Facility. Based on information available at the time of these discussions, the staff report was completed on June 18, 2025.
- A **Debt Sustainability Analysis** prepared by the staffs of the IMF and the Internal Development Association.
- A **Statement by the Executive Director** for the Democratic Republic of Congo.

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PRESS RELEASE

PR 25/238

IMF Executive Board Completes the First Review under the Extended Credit Facility Arrangement for the Democratic Republic of the Congo

FOR IMMEDIATE RELEASE

- The IMF Executive Board has completed the first review under the Extended Credit Facility arrangement for the Democratic Republic of the Congo. The decision allows for an immediate disbursement of US$ 261.9 million towards international reserves, to continue building buffers.
- The DRC's economy has been resilient in a challenging environment amid the escalation of the armed conflict in the eastern part of the country, which placed significant strains on the budget. The authorities have made good progress on the structural reform's agenda, but a few quantitative targets were missed.
- The recent peace agreement signed between the governments of the DRC and Rwanda, mediated by the United States, is encouraging for the prospect of a peaceful resolution of the conflict and renewed focus on development goals.

Washington, DC – **July 2, 2025:** The Executive Board of the International Monetary Fund (IMF) completed the first review under the Extended Credit Facility (ECF) Arrangement for the Democratic Republic of the Congo (DRC) approved on January 15, 2025 (see PR 25/003). The completion of the first review allowed an immediate disbursement equivalent to 190.4 million SDR (about US$ 261.9 million) to support balance-of-payment needs, bringing the aggregate disbursement to date to 380.5 million SDR (about 523.4 US$ million).

The DRC has been facing significant challenges amid the intensification of the armed conflict in its eastern part since end-2024. The escalation of hostilities has claimed thousands of lives and caused severe social and humanitarian damages, including disruptions in access to essential services such as food, water, and electricity. Diplomatic efforts are ongoing to secure a cessation of hostilities and ensure sustainable peace in the region. The signing on June 27, 2025, of a peace agreement between the governments of the DRC and Rwanda, under the mediation of the United States, is encouraging for the prospect of a peaceful resolution on the ongoing conflict and renewed focus on addressing development goals.

Despite the challenging environment, economic activity remained resilient, with robust GDP growth of 6.5 percent in 2024, driven by continued dynamism in the extractive sector. External stability has strengthened, as the current account deficit narrowed and the accumulation of international reserves continued. Inflationary pressures continue to ease, and year-on-year inflation declined from 23.8 percent at end-2023 to 11.7 percent at end-2024 and 8.5 percent at end-June 2025.

Performance under the program was mixed, as the intensification of the conflict has placed significant strains on the budget. Despite strong revenue collection, the domestic fiscal deficit reached 0.8 percent of GDP in 2024, exceeding the program target of 0.3 percent, owing to spending overruns linked to the escalation of the conflict, including on exceptional security spending and public investments. The program target on the Central Bank of the Congo (BCC)'s foreign exchange assets held with domestic correspondents was missed as well, due to higher-than-expected tax payments in foreign currency on government accounts. Other quantitative performance criteria of the ECF were met. Most indicative targets were also met, except those related to the floor on social spending and the ceiling on spending executed through emergency procedures—owing to elevated exceptional security spending linked to the conflict intensification. Appropriate corrective measures are being implemented by the authorities.

In completing the first review, the Executive Board also approved the authorities' request for waivers of nonobservance of the performance criteria on the floor on the domestic fiscal balance at end-December 2024 on the basis of corrective actions, and the continuous ceiling on the levels of foreign currency assets of the BCC held with domestic correspondents on the basis of the temporary nature of the deviation which has since been remedied. Further, the Executive Board completed the financing assurances review under the ECF arrangement. No reform measures under the Resilience and Sustainability Facility (RSF) arrangement, approved in January 2025, were due for review at this time.

At the conclusion of the Executive Board's discussion, Mr. Okamura, Deputy Managing Director and Chair stated:

"The Democratic Republic of the Congo (DRC) has been confronted with heightened security challenges since late 2024. The escalation of the conflict in the eastern part of the country has caused serious human, social and economic damage and induced the government to increase spending. Despite these difficulties, the macroeconomic environment of the DRC remained broadly stable. Growth has remained robust, due to the resilience of mining production. Inflation continues to decrease, and the external position has strengthened. The economic outlook remains positive, but is fraught with downside risks related to the persistence of the conflict, declining external humanitarian assistance, global economic headwinds, and potential escalation of geopolitical conflicts. The authorities are committed to closely monitor these risks and to respond proactively to evolving challenges.

"Budget implementation remains challenging in a difficult security context. As a result, the domestic fiscal deficit is projected to be larger than initially projected for 2025, but is expected to return to the path envisaged at program approval starting in 2026, reflecting the authorities' commitment to carry out measures to enhance domestic revenue mobilization and strengthen the budget implementation process. Additionally, to guard against unforeseen adverse shocks, the authorities have adopted a contingency plan.

"The Central Bank of the Congo (BCC) has maintained a tight monetary policy stance, thereby helping bring inflation down to single digits for the first time in three years. The accumulation of international reserves has continued, on the back of the narrowing of the current account deficit. Efforts must continue, to strengthen the monetary policy implementation framework, refine the foreign exchange intervention strategy, enhance the governance and safeguards of the BCC and ensure its adequate recapitalization.

"The authorities have committed to accompany these efforts to preserve macroeconomic stability with an acceleration of structural reforms in key areas, including strengthening the AML/CFT framework, improving the business climate, enhancing transparency and governance, combating corruption and upgrading national statistics. Efforts to lay the groundwork for a timely implementation of the reform measures underpinning the RSF arrangement approved in January should be stepped up.”

Table 1. Democratic Republic of the Congo: Selected Economic and Financial Indicators, 2023-26

	2023	2024		2025		2026	
	Est.	CR No. 25/023	Prel.	CR No. 25/023	Proj.	CR No. 25/023	Proj.
	(Annual percentage change, unless otherwise indicated)						
GDP and prices							
Real GDP	8.5	6.0	6.5	5.4	5.3	5.1	5.3
Extractive GDP	19.7	11.6	12.2	7.7	8.2	5.2	5.8
Non-extractive GDP	3.5	3.2	3.5	4.2	3.6	5.0	5.0
GDP deflator	14.4	17.4	19.9	8.8	8.2	7.4	6.7
Consumer prices, period average	19.9	17.7	17.7	8.9	8.8	7.3	7.1
Consumer prices, end of period	23.8	12.0	11.7	7.8	7.8	7.0	7.0
	(Annual change in percent of beginning-of-period broad money)						
Money and credit							
Net foreign assets	19.9	17.4	23.0	18.2	14.5	23.7	22.7
Net domestic assets	20.3	4.9	5.6	-3.5	-1.0	-10.9	-10.5
Domestic credit	34.3	15.4	15.2	9.9	10.5	3.7	4.2
Broad money	40.3	22.4	28.1	14.7	13.8	12.8	12.3
	(Percent of GDP, unless otherwise indicated)						
Central government finance							
Revenue and grants	14.8	15.6	15.2	15.0	14.8	14.9	14.9
Expenditures	16.5	16.8	16.5	16.8	17.0	16.6	16.6
Domestic fiscal balance	-1.2	-0.3	-0.8	-0.8	-1.2	-0.8	-0.8
Investment and saving							
Gross national saving	9.5	9.1	9.6	12.2	11.2	13.0	12.5
Investment	15.7	14.2	13.5	15.0	14.4	15.3	14.8
Non-government	12.0	10.0	10.0	10.0	10.0	10.0	10.0
Balance of payments							
Exports of goods and services	44.0	45.1	47.4	45.4	46.1	45.5	46.6
Imports of goods and services	49.9	48.9	50.3	47.3	47.5	46.9	47.0
Current account balance, incl. transfer	-6.2	-5.1	-3.9	-2.8	-3.2	-2.4	-2.4
Current account balance, excl. transfers	-7.5	-5.1	-5.0	-2.7	-3.4	-2.3	-2.6
Gross official reserves (weeks of imports)	8.2	10.0	10.1	11.5	11.8	12.7	12.8
External debt							
Debt service in percent of government revenue	7.6	5.7	6.1	6.7	7.1	7.0	7.4

Sources: Congolese authorities and IMF staff estimates and projections.

INTERNATIONAL MONETARY FUND

DEMOCRATIC REPUBLIC OF THE CONGO

June 18, 2025

FIRST REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF QUANTITATIVE PERFORMANCE CRITERIA, AND FINANCING ASSURANCES REVIEW

EXECUTIVE SUMMARY

Context. Fighting continues in the East, though attracting less attention, driving further displacement and humanitarian needs. Since January, the M23 rebel group has made significant territorial gains, resulting in over 3,000 deaths and disrupting access to food, water, and electricity. The crisis has severely strained public finances, with significant revenue shortfalls and escalating security spending crowding out other essential expenditures.

Program performance. Program performance was mixed. Most end-December 2024 quantitative performance criteria (QPCs) were met, except for two: the QPCs on the domestic fiscal balance and on the BCC's FX assets held with domestic correspondents were missed, due to unexpectedly high spending late in the year, as the security crisis escalated, and to higher-than-expected tax payments in foreign currency. Most indicative targets (ITs) were met, except for the IT on social spending and the IT on spending through emergency procedures, as these procedures were used to process high spending late in the year. All structural benchmarks for the first review were met. The authorities are committed to implementing the strong corrective actions agreed upon to prevent future deviations from the program's targets. Corrective measures relate to an acceleration of domestic revenue mobilization and a strengthening of budget credibility, including by adhering to budget spending plans and ensuring institutional coordination for debt service forecasts. No Reform Measures under the Resilience and Sustainability Facility (RSF) approved in January 2025 are due at this review.

Program policies. Discussions focused on the need to maintain fiscal discipline by prioritizing spending amid a surge in military spending, together with enhancing revenue mobilization and continued reform efforts to strengthen the budget process. Other issues discussed included monitoring of inflation and financial stability risks stemming from the closure of financial institutions in the East.

Staff views. Staff supports the authorities' request for the completion of the first review under the ECF arrangement, the financing assurances review, as well as the requested modifications to QPCs and waivers of non-observance of two performance criteria.

Approved By
Annalisa Fedelino (AFR), Geremia Palomba (SPR)

Discussions took place during April 29-May 13, 2025, in Kinshasa. The staff team comprised C. Ahokpossi (head), R. Barbosa, L. Drissi Bourhanbour, and F. Rahim (all AFR), D. Al Masri (FAD), J. Capella-Ramos (SPR), R. Tapsoba (Resident Representative), and H. Katuala and J. Senzele (local economists). Mr. Matungulu and Ms. Nkusu (OEDAF) participated in the meetings. The team met with Deputy Prime Minister and Minister of Economy Daniel Mukoko Samba, Minister of State in charge of the Budget Aimé Boji Sangara, Minister of Finance Doudou Fwamba Likonde, Central Bank Governor Malangu Kabedi Mbuyi and other ministers and senior officials, as well as the President of the Senate, the President of the National Assembly and its Economic and Finance Commission, representatives of the private sector, CSOs, trade unions and development partners. B. Wang assisted with the data and C. Ndome-Yandun helped with document preparation.

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BACKGROUND

1. **The security situation in Eastern DRC has deteriorated sharply and is weighing on public finances.** Tensions had been rising since late last year, and in January, the M23 rebel group made rapid territorial gains, taking over North and South Kivu provinces and threatening to advance into neighboring locations. This escalation has so far resulted in over 3,000 deaths, and disrupted access to food, water and electricity. Diplomatic efforts are underway to address the crisis—amid concerns that it could spill into a regional conflict. The humanitarian fallout of the crisis could be further compounded by the recent global freeze on U.S. foreign aid, as DRC is the second largest recipient of U.S. assistance among LICs in absolute dollar terms. The conflict has also disrupted public finances, impacting revenue and security spending, which is crowding out other expenditures, including salaries that were paid with delay early in the year. Despite limited international media coverage, fighting is ongoing across both provinces, driving further displacement and humanitarian needs.[1]

2. **In this context, the authorities have requested a frontloading of IMF budget support envisaged under the program to help address pressing near-term financing needs.** This will partially address the fiscal gap stemming from the revenue shortfall due to the worsening security situation. They have committed to implementing a number of key policy measures ahead of the second review and they are taking measures, both on revenue and spending, to significantly reduce this fiscal gap (see ¶18).

RECENT ECONOMIC DEVELOPMENTS

3. **Economic growth slowed in 2024, as copper production stabilized.** Real GDP growth declined from 8.5 percent in 2023 to 6.5 percent in 2024, primarily reflecting developments in the extractive sector, which grew by 12.8 percent, down from 19.8 percent in 2023, as copper production increased marginally, while cobalt production (12 percent of the extractive sector) increased by close to 40 percent. Zinc production, although still negligible in 2023, increased fourfold, as the largest zinc mine in the country came into operation in 2024. The non-extractive GDP grew by 3.5 percent, the same as in 2023, with a slowdown in industry being compensated by a faster growth in services. The construction sector returned to historical levels after strong growth in 2023.

4. **CPI inflation has decelerated, driven by tight monetary policy.** Inflation continued to experience significant broad-based deceleration in the final months of 2024. Year-on-year inflation reached 11.7 percent in December 2024 and decreased further in early 2025 to 9.1 percent at end-May (first single digit inflation since July 2022). Exchange rate depreciation pressures were subdued in 2024, with depreciation of 6.3 percent for the parallel rate and 6.2 percent for the official rate, and

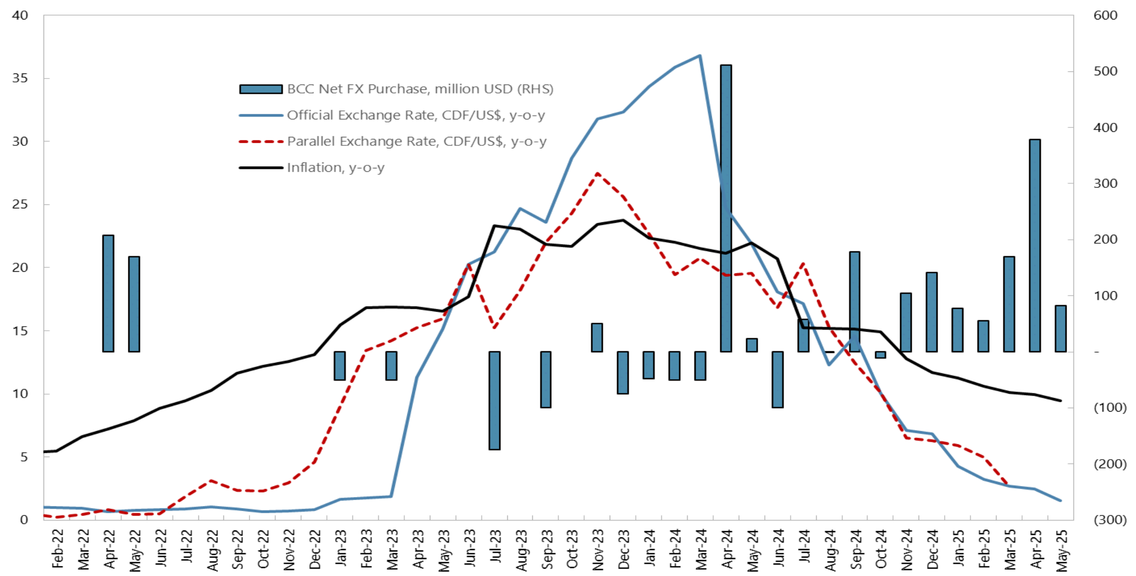
[1] As of end-April, over 112,000 internally displaced persons (IDPs) were sheltering across 13 spontaneous sites and 52 collective centers in Masisi, Rutshuru, Lubero, and Beni, while more than 140,000 people have fled to neighboring countries.

relative stability since mid-2024. In this context, the BCC maintained its policy rate at 25 percent at the last Monetary Policy Committee meeting (April 2025).

5. The external position strengthened in 2024, despite some mixed underlying dynamics. The current account deficit narrowed significantly to 3.9 percent of GDP from 6.2 percent in 2023, largely reflecting strong mining exports—particularly of copper and cobalt. Foreign direct investment remained robust, continuing to finance gross fixed capital formation and imports. Gross international reserves outperformed expectations, increasing by US$1,312 million by year-end. However, import growth picked up, especially for mining-related chemicals, as well as transport and insurance services. By end-2024, reserves covered approximately 10.1 weeks of non-aid imports. Continued trade inflows and active BCC interbank operations helped sustain reserve accumulation despite rising import costs, positioning the economy on a stronger external footing for 2025.

Text Figure 1. Inflation, FX intervention and Exchange Rate Developments, 2022-25

(Percent, unless otherwise indicated)



Sources: Congolese authorities and IMF staff estimates.

6. A surge in spending in the last quarter of 2024, mostly related to security spending, resulted in a larger-than-expected domestic fiscal deficit at end-December. Data indicates that the domestic fiscal deficit reached 0.8 percent of GDP, higher than the program target of 0.3 percent. This deviation reflects unexpectedly high spending in Q4 (essentially in December, as the security crisis escalated), with limited time and opportunity for offsetting revenue and expenditure measures. Revenue, excluding payments from the SICOMINES deal, performed well, meeting nominal program projections, but was not as high as the authorities had expected.

However, the fiscal balance was impacted by higher-than-anticipated expenditures on security, domestic interest payments, and subsidies, which exceeded projections by 0.3, 0.2 and 0.1 percentage points of GDP respectively. Excluding planned SICOMINES investments, domestically financed investment also overshot by 0.2 percentage points of GDP. The acceleration of investment, and transfers and subsidies late in the year was also a response to the security shock, as rebels reportedly took advantage of the lack of infrastructure and provision of social services from the central government to recruit or sway populations on their side. The deficit was principally financed by the issuance of T-Bills and bonds taken up by domestic banks.

Text Table 1. DRC: 2024 Fiscal Outcomes

Category	Program projections	Actual
Revenue 1/	12.9	12.5
SICOMINES deal	0.4	0.1
Excl. SICOMINES	12.5	12.4
Current expenditure	10.5	10.6
o/w Interest payments	0.3	0.5
Subsidies and other transfers 1/	1.4	1.5
Capital expenditure	4.2	3.3
o/w Domestic capex	1.8	1.6
SICOMINES deal	0.4	0.1
Excl. SICOMINES	1.3	1.5
Exceptional expenditure	2.1	2.4
o/w Security spending	2.0	2.3
Arrears repayment	0.6	0.5
Domestic fiscal balance (program target)	-0.3	-0.8

1/ Excluding special accounts

7. **Public debt remained broadly stable in nominal terms in 2024.** Strong economic and revenue growth helped contain debt levels; however, elevated expenditures toward year-end increased financing needs. These were met primarily through domestic issuances, as noted above, as external borrowing in the last quarter of 2024 fell short of earlier projections. As a result, total public debt reached 22.5 percent of GDP, with public and publicly guaranteed (PPG) external debt estimated at 14.5 percent of GDP. Interest spending rose significantly compared to 2023, driven in part by higher payments to commercial external creditors, whose terms were less favorable than the DRC's typical concessional financing. This was compounded by rising interest costs associated with increased domestic borrowing, as the local debt market, while continuing to deepen, remains relatively shallow.

8. **Banks' financial performance remained strong through December 2024.** Private sector credit in U.S. dollars terms grew by 12 percent, —compared to 30 percent a year earlier —as lower inflation likely relieved firms' cash-flow pressures, dampening demand for short-term borrowing. Deposits surged 19 percent in US dollar, up from 4 percent in 2023, while local currency deposits fell 3 percent following a 14 percent drop last year. Dollarization progressed, reaching 92 and 97 percent of deposits and loans, respectively. Asset quality improved, as the NPL ratio declined from 8 percent at end-2022 to 6.3 percent at end-2024. Capital adequacy strengthened, with the sector-wide regulatory capital ratio rising from 12.1 percent at end-2021 to 14.6 percent at end-2024[2].

OUTLOOK AND RISKS

9. **The growth outlook remains robust in the baseline scenario.** Real GDP is projected to expand by 5.3 percent in 2025. This reflects a slowdown in the extractive sector from a higher output

[2] All but one banks meet the 10 percent capital adequacy minimum.

base in 2024—mostly compensated by a higher expected output in zinc production— and roughly similar growth in the non-extractive sectors, reflecting a mix of slightly stronger growth in manufacturing and some services like transportations and communications and some drag of the conflict on economic activity in the affected areas and elsewhere in the country. Over the medium term, growth is anticipated to stabilize within a 5.0-5.5 percent range, as the mining sector's growth steadies, and the non-extractive sector gains momentum. Inflation is expected to continue its downward trend to the BCC's target of 7 percent, notwithstanding the conflict-related supply shock in the near term, given the reliance of the economy on the affected regions in the domestic production of certain agricultural goods. The latest DSA shows that the DRC remains at moderate risk of external and overall debt distress, with some space to absorb shocks.[3]

10. On the fiscal side, the conflict is expected to lower revenue and increase spending, while the external sector remains stable. Revenues in 2025 are projected to fall short of initial program forecasts by 0.1 percent of GDP, while expenditures are expected to exceed forecasts by 0.3 percent of GDP. Strong policy actions will be necessary to contain the associated financing gap, given financing constraints. On the external side, terms of trade are projected to continue improving in 2025—albeit at a slower pace than in 2024—while the current account deficit is expected to narrow further to 3.2 percent of GDP, driven by sustained growth in mining exports. Private inflows have financed large private investments and imports in 2022–2024, with projections assuming mining profits will be repatriated as dividends or used to replenish deposits abroad. The DRC's external vulnerabilities are heightened by uncertainties over sustained donor support (including from the U.S.), as geopolitical shifts or fiscal constraints could lead to reduced funding. Reserve coverage is projected to exceed the reference threshold of three months of non-aid imports by the end of 2027, but maintaining adequate buffers will remain critical to mitigate external vulnerabilities and safeguard macroeconomic stability.

Text Table 2. DRC: Medium-Term Macroeconomic Framework, 2023-30

	2023	2024		2025		2026	2027	2028	2029	2030
	Act.	CR No. 25/023	Proj.	CR No. 25/023	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Real GDP (percent change)	8.5	6.0	6.5	5.4	5.3	5.3	5.4	5.4	5.4	5.4
of which: extractive	19.7	11.6	12.2	7.7	8.2	5.8	4.7	3.8	3.6	3.5
GDP deflator (percent change)	14.4	17.4	19.9	8.8	8.2	6.7	6.5	6.4	6.8	6.4
CPI inflation, average (percent)	19.9	17.7	17.7	8.9	8.8	7.1	7.0	7.0	7.0	7.0
CPI inflation, eop (percent)	23.8	12.0	11.7	7.8	7.8	7.0	7.0	7.0	7.0	7.0
Domestic fiscal balance (% GDP), cash basis	-1.2	-0.3	-0.8	-0.8	-1.2	-0.8	-0.8	-0.7	-0.6	-0.6
External public debt (% GDP)	17.8	16.0	14.5	17.6	16.2	17.4	18.1	17.6	17.3	16.7
Current account balance (% GDP)	-6.2	-5.1	-3.9	-2.8	-3.2	-2.4	-2.8	-3.2	-3.6	-4.2
Gross international reserves (weeks of imports)	8.2	10.0	10.1	11.5	11.8	12.8	13.3	13.9	14.1	14.5

Sources: Congolese authorities and IMF staff estimates and projections.

11. The outlook is increasingly fraught with downside risks, underscoring the importance of identifying contingency measures to safeguard macroeconomic stability and ensure the program remains on track. Rising insecurity in the eastern regions, declining official development

[3] See Request for an Arrangement under the Extended Credit Facility and an Arrangement under the Resilience and Sustainability Facility—Debt Sustainability Analysis, December 2024.

assistance (ODA), and global economic headwinds present significant challenges. The escalation of the conflict has intensified fears of broader instability and is placing growing pressure on public resources. At the same time, the ongoing health-related shock and uncertainty surrounding international peacekeeping missions continue to weigh on the outlook. Political debate has also intensified, with varying proposals from the President, the political opposition and religious leaders on possible responses to the security crisis. On the external front, ODA is projected to decline, with the baseline already incorporating a substantial drop in grants consistent with confirmed donor commitments. However, deeper cuts in aid—whether from bilateral or multilateral sources—remain a significant risk. In addition, spillovers from recent tariff increases could affect the economy through weaker external demand and terms of trade, while continued commodity price volatility poses upside risks to inflation. Baseline assumptions on commodity prices and trading partner growth are aligned with the April 2025 World Economic Outlook[4] projections.

12. Should these main risks materialize (*adverse scenario*), the impact on public finances and the balance of payments would be substantial, particularly given limited financing buffers:

- *Aid shortfalls*. In 2024, total ODA amounted to approximately US$1.8 billion, largely off-budget and concentrated in humanitarian and health assistance. A sharper decline in overall donor support beyond baseline projections would create additional social and fiscal pressures, requiring increased government spending or reallocation of limited resources, with adverse effects on social outcomes and development indicators. A deeper shortfall in external ODA inflows would also weigh on the balance of payments, particularly given the high import content of previously aid-financed spending.

- *Escalation of the conflict*. Under the *adverse scenario*, security spending could exceed current projections by as much as 2 percent of GDP. This would have material fiscal implications, potentially widening the deficit or crowding out priority spending. With an estimated 50 percent import content, this additional security spending would further worsen the current account balance by about 1 percent of GDP. If adequate financing could not be found externally, reserve accumulation would be adversely affected, possibly putting pressure on the exchange rate, with potential second-round effects on inflation.

- *Combined GDP impact*. Macroeconomic trade-offs would emerge as the government's limited financing capacity forces difficult expenditure choices. Although the aggregate GDP impact may remain contained due to import leakages, this would come at the cost of lower public investment and weakened service delivery.

13. The authorities are committed to closely monitoring risks and responding proactively to evolving challenges. A credible contingency framework—including spending reprioritization and mobilization of concessional financing and donor support—will be essential. Rebuilding fiscal

[4] See IMF (2025), *World Economic Outlook, April 2025: Navigating Divergent Paths*, International Monetary Fund, Washington, DC.

buffers remains a priority to bolster resilience, while sustained donor engagement and transparent communication of reform priorities will be key to preserving confidence and advancing medium-term objectives.

PROGRAM PERFORMANCE

14. Program performance is mixed, as most (five out of seven) end-December 2024 performance criteria have been met (Table 11). The QPC on domestic fiscal balance was missed due to higher-than-expected exceptional security spending, interest payments and domestically-financed investment (excluding SICOMINES). The QPC on the ceiling on the levels of foreign currency assets of the BCC held with domestic correspondents[5] was missed due to high USD tax payment at end-December. The authorities are committed to implementing corrective actions to address the missed QPC on domestic fiscal balance (MEFP ¶4). The missed QPC on the ceiling on BCC's foreign currency assets held with domestic correspondents will be recalibrated to give the BCC sufficient time to address any temporary spike in account balances, independent of BCC's actions. As a reminder, this QPC ensures the safeguard of BCC's FX assets by transferring to its account at the Bank of International Settlements (BIS) any balances held in domestic commercial banks exceeding the program ceiling (see ¶36). The PC on the floors on changes in net international reserves of the BCC was met with some margin. Most ITs (three out of five) are also met, except for the IT on spending by emergency procedure (before the decree on spending procedures was adopted– a prior action for program approval) and the IT on social spending, for which 66 percent of programmed spending has been executed.

15. Implementation of structural reforms under the ECF is underway. All structural benchmarks (SBs) for the first review have been met. Notable achievements include the adoption of an FX intervention policy (SB January 2025), a roadmap for adopting a resource-based fiscal framework (SB March 2025), and regulatory decrees for the implementation of various PFM reforms, including the definition of Treasury accounting functions in the expenditure chain (SB April 2025).

16. Work is ongoing for several RSF reform measures, even though no measure is due at the current review. The authorities are laying the groundwork for several of them. General priorities at this stage include: (i) the clear definition of responsibilities across entities; (ii) the development of clear and feasible timetables for each measure; (iii) the identification of necessary resources to implement the reform measures, including technical assistance from the IMF or other development partners. Some measures have already been partially implemented, including a first publication of forest geo-data, with a second publication to follow in early 2027.

[5] These accounts are mostly used for the execution of Treasury expenditures and the collection of taxes in USD.

POLICY DISCUSSIONS

A. Fiscal Policy and Budget Priorities

17. The direct impact of the escalation of the conflict as well as conflict-related and other policy measures are expected to create a fiscal gap of 2.2 percent of GDP in 2025, relative to the program (Text Table 3). The closure of revenue administration offices and financial institutions in North and South Kivu provinces as well as the wider impact of the conflict, including tax revenue losses from Kinshasa-based firms are expected to generate a revenue loss amounting to approximately 0.4 percent of GDP (a direct exogenous impact of the conflict). An additional 0.3 percent of GDP of revenue loss is related to measures adopted by the government last year exempting basic necessity goods from VAT and customs to alleviate cost of living pressures. On the expenditure side, the wage bill is expected to increase by 0.5 percent of GDP, as the authorities plan further military recruitment and have doubled the salaries of the military and the police, to boost morale. Interest payments are now projected to increase by 0.2 percent of GDP, reflecting the correction of a previous underestimation. Finally, exceptional security spending is expected to increase by 0.8 percent of GDP, based on spending trends observed since the intensification of the conflict (2024-Q4 and 2025-Q1). As a result, the end-March target on the domestic fiscal balance was missed.

18. The authorities are taking measures, both on revenue and spending, to significantly reduce this fiscal gap (Text Table 3).

- **Revenue (0.6 percent of GDP)**. On income taxes, measures include actions to recover tax arrears, improve digitalization, and better integrate information sources. On VAT, measures involve phasing out fuel exemptions granted to large corporations and rolling out the standardized invoice system for VAT. On customs, the authorities will establish a Commission to resolve customs disputes. They will also strengthen efforts to curb excise duty evasion. As for non-tax revenue, they are already implementing checks and controls to recover environmental levies, and are doubling efforts to recover unpaid mining royalties. In addition to these measures, the authorities expect to benefit from 0.2 percent of GDP from one-off contributions of extra-budget funds in 2025, the bulk of which has already been collected. The authorities have also committed to adopting a medium-term revenue mobilization plan by September 2025, with particular focus on rationalizing exemptions (MEFP ¶12).

- **Expenditure (1.2 percent of GDP).** The authorities have committed to reducing the cost of operating the government. These measures include: (i) a reduction in spending on goods and services—a cut in travels, representation, official missions, and bonuses, and a freeze on vehicle purchases—amounting to 0.5 percent of GDP; (ii) a 20 percent cut in the salary of senior officials and heads of institutions, amounting to 0.1 percent of GDP; and (iii) a 0.4 percent of GDP reduction in transfers and subsidies, notably those to state-owned enterprises. Some of these measures are already effective to various degrees, including representation and vehicle purchase. In addition, a more rigorous prioritization of budget-financed investment is expected to yield further savings of 0.3 percent of GDP. As of end-May, only 25 percent of the program investment budget has been implemented, giving room for further identifying projects that could be delayed in case of heightened fiscal pressures. As an offsetting measure, the authorities will ensure an acceleration of the implementation of infrastructure projects financed under the SICOMINES agreement. The delay in executing these projects in 2024 was due to the authorities' finalizing the projects late in the year. Project execution is now expected to pick up. The authorities will continue to implement the November 2023 strategy for the gradual clearance of domestic arrears (MEFP ¶15), although only a modest reduction of 0.1 percent of GDP is projected for 2025.

Text Table 3. DRC: Impacts of the Conflict and Policy Measures, 2025 (percent of GDP)

	Program approval	"Cost of living" measure	Security shock and policy reaction	Compensating policy measures	Revised	Gap
Revenue	14.0	-0.3	**-0.4**	0.6	13.9	-0.1
Current spending						0.0
Wages	4.4		0.5	-0.1	4.8	0.4
Interest	0.2		0.2		0.4	0.2
Goods and services	2.5			-0.5	2.0	-0.5
Transfers and subsidies	3.2			-0.4	2.8	-0.4
Investment (domestic)	2.5			-0.3	2.2	-0.3
Exceptional spending (security)	1.5		0.8		2.3	0.8
Arrears repayment	0.6			-0.1	0.5	-0.1
Domestic fiscal balance	-0.8	-0.3	-1.9	1.8	-1.2	**-0.4**
Overall fiscal balance	-2.4				-2.8	

Sources: Congolese authorities and IMF staff estimates and projections.

19. As a result, the fiscal balance is projected to deteriorate by 0.4 percent of GDP, accommodating the revenue shortfall stemming from the worsened security situation. This approach separates the exogenous impact of the security shock (revenue loss) from the authorities' own policy choices—staff support the accommodation of the former while seeking offsetting measures for the latter given financing constraints and the need to strengthen policy credibility. The remaining fiscal gap will be financed by higher domestic borrowing, an increase in budget support from the World Bank, and a relative frontloading of IMF budget support (see below). In light of a revised revenue profile —with lower revenues expected in the first half of 2025—the authorities have front-loaded the issuance of T-Bills in the first half of 2025. In the second half of the year, T-Bill issuance will primarily serve to roll over maturing debt. The QPC on the domestic fiscal balance for end-June has been revised accordingly.

20. The authorities have included a contingency plan in the 2025 supplementary budget to address potential shocks. This comes amid heightened uncertainty on the security situation and limited prospects for additional budget support beyond what is currently planned. In the event of an increase in budget revenues, the authorities' priority will be to direct it towards savings with a view to investing and/or reducing the cost of debt. In the event of increased spending pressures, such as exceptional security spending, the authorities will adjust other spending, with priority given to goods and services and non-priority investments. In this regard, the authorities plan to prioritize the 2025 investment portfolio, to enable for the deferral of less urgent projects if necessary.

21. In this context, given the authorities' planned efforts to maintain macroeconomic stability, staff support the rephasing of the budget support already approved under the ECF (12.5 percent of quota in 2025—0.15 percent of GDP—and the remaining 37.5 percent of quota spread over subsequent reviews (Tables 3a, 3b and 9). This could help reduce the need to rollover costly domestic debt. The rephasing of budget support would be conditional on progress in PFM reforms.

22. Over the short and medium term, the authorities will ramp up efforts to accelerate and broaden domestic revenue mobilization reforms, some of which have been awaiting implementation for some time.

- The authorities will adopt an action plan for the mobilization of revenues which includes measures to rationalize VAT tax expenditures (SB, September 2025). The recommendations from recent revenue administration and tax policy TA missions will feed into the action plan, which will also ensure proper coordination of the different measures among the revenue collecting agencies.

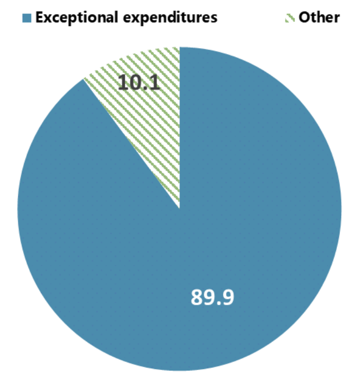
- The implementation of the standardized VAT invoice system is underway but faces implementation risks that stem from pre-requisite technical actions. The latter include the approval and roll-out of physical tax devices ("Dispositifs Electroniques Fiscaux" or DEFs), commissioning of a data center, the need to secure telecom contractors, and technical complications in harmonizing the software and devices (DEFs) used by companies. Due to this, the generalization of the standardized VAT invoice system will be delayed from July to September of this year (SB, September 2025). The authorities have taken measures to accelerate the reforms that include additional training sessions to businesses and DGI agents, the acquisition of a smaller batch of physical devices (DEFs), the finalization of required regulations governing their approval, and the completion of contracts with telecom operators (MEFP ¶13).

- The authorities are progressing with their work on harmonizing provincial taxation, and in the write-up of the general tax code, with the support of the IMF and the World Bank, accompanied by a tax procedures code and a section on non-tax revenues. Improving control over mineral production and export flows is also critical for a sustainable revenue increase. Towards this end, the authorities will adopt a draft interministerial decree between the Ministry of Finance and the Ministry of Mines to amend the existing procedures manual decree on the traceability of marketable mineral products to formally integrate DGI agents among the designated enforcement services (MEFP ¶13). Further, the authorities are progressing in their efforts to digitalize revenue administration and have deployed non-tax revenue software (LOGIRAD) in six provinces.

23. Other structural reforms are progressing but need to be accelerated to help cushion the impact of the security shock.

- **Recourse to emergency procedures in the expenditure chain remains high.** The authorities issued the decree on clarifying the use of emergency procedures (prior action for program approval), along with a circular by the Prime Minister reinforcing the implementation of the new decree. However, resorting to emergency procedures remains high at approximately 15.6 percent of total spending (missed December and March IT), and is driven by high exceptional spending (which makes up approximately 90 percent of spending under emergency procedures). Should the expected abatement of the conflict materialize, the use of emergency procedures should decline substantially. That said, the authorities will regularize all spending conducted under this procedure in Q1 2025 by end-June 2025, as per the new decree (MEFP ¶21). The authorities have published the 2024 Q4 report on spending under exceptional procedures (met SB), while the quarterly reports on the execution of expenditure by volume, type and institution, will be evaluated at end-June, for Q1 2025.

Text Figure 2. Spending Categories Under Emergency Procedures
(Q1 2025, percent)



Source: Authorities data and IMF staff calculations.

- **The authorities are making progress on the PFM reform agenda, which is a priority**. The authorities are on track to complete the installation of the expenditure chain software in the pilot ministries (SB, June 2025), but the main constraint remains the interface with the accounting module which will allow for its full operationalization. They have drafted and adopted the necessary decrees to operationalize the DGTCP and network of accountants (met SB, April 2025).[6] Due to the requirement of implementing competitive examinations and evaluations for staff redeployment, the selection and training of senior staff is slightly delayed. The deployment agents and mid-level managers to their positions of employment within the administrative structures of the DGTCP is on track (SB, August 2025), and so is the roll-out of the network of public accountants to the first four pilot ministries (SB, August 2025).

- **The authorities are committed to the process of implementing and operationalizing the Treasury Single Account (TSA).** An agreement between the Minister of Finance and BCC was signed on the management of the TSA, and its architecture and operational parameters have been defined. The authorities are aiming to update the census of central government accounts

[6] Those include orders dated March 18, 2025, establishing accounting posts in the following ministries: health, ITP, national education, rural development, fisheries, higher education, and agriculture; and orders creating and regulating the recruitment commission for public accountants in pilot ministries.

at commercial banks in June 2025, and they will conduct a stress test of the impact of account closures (SB, October instead of September 2025). Having recently benefitted from an AFRITAC TA mission, the authorities will aim to implement the needed adjustment in the IT structure of the BCC software and to study the technical feasibilities of NAVISION. Among other prerequisites, budget credibility remains a challenge, and the authorities will work to enhance the alignment between the procurement plan, the budget commitment plan, and the cash flow plan.

- **The authorities are taking steps to implement the transition to a resource-based fiscal framework (Box 1).** They have published information on the budget balance excluding the mining sector (extractive sector), in addition to other standard balances, in the 2025 budget and 2025-2027 Medium-Term Budget Framework (MTBF), which accompanied the draft finance law submitted to Parliament. The authorities will revise the interministerial decree establishing the Macroeconomic Projection Committee (CPCM) to incorporate the fiscal analysis and modeling function for extractive industries (FARI), with the aim of strengthening the collection and centralization of data from the extractive sector, in collaboration with all stakeholders (SB, September 2025). With support from AFRITAC, GIZ, and EITI, they will enhance mining revenue forecasting and aim to incorporate projects representing 80 percent of mining exports into the FARI model (SB, August 2026, MEFP ¶22).

- **Capital spending reforms are advancing, albeit at a slow pace.** A ministerial decree signed in March 2025 established a technical commission to operationalize the public investment governance framework, while progress was made on implementing a unique project identification system across key ministries' databases, with next steps including formalizing the codification by decree, updating IT systems, and aligning budget nomenclature accordingly. To monitor public investment project execution and adherence to the budget ceilings, the authorities will publish, on a quarterly basis, payments made to each investment project, distinguishing those included in the approved budget from those that are not (SB, March 2026). Furthermore, the authorities will indicate in the budget investment annex whether each project has undergone an ex-ante appraisal and prior inclusion in the public investment pipeline (PIP) prepared by the Ministry of Planning *(MEFP ¶19*). The authorities also plan to revise the PPP legal framework and operational guide to integrate climate risk assessments.

- **The level and effectiveness of social spending remain inadequate and lack clear prioritization, particularly in light of rising humanitarian needs due to the ongoing war.** Data indicates that at end-2024, the authorities had executed 66 percent of the budget allocated to health programs, missing the IT floor. End-March 2025 data shows that no execution has been done, as a large part of payments have been backloaded to 2025 Q2, where the execution rate is already 82 percent at end-May. The IT targets on the social spending floor have been recalibrated in line with the current macro-framework.[7]

[7] The change in social spending floor does not reflect decreased ambition on social spending. It rather reflects execution challenges of the added social programs in the indicator (education and humanitarian spending).

- **Fuel subsidies reforms are on track.** The authorities have created a Permanent Technical Unit for the Regulation of Strategic Product Prices, drafted interministerial order on eligibility criteria and methods for the calculation of losses, and updated the transport fees calculations. Mining companies have been excluded from direct subsidies in the southern region, following the introduction of the molecular fuel marking scheme, which was extended to the eastern zone in since September 2024. By end-2024, liabilities to the oil companies are estimated to have declined to US$31.6 million,[8] down from approximately US$288 million of remaining 2023 arrears by May 2024. The authorities have since repaid US$268 million in 2025 towards clearing the stock of 2023 and first half of 2024. Most of the subsidy remains foregone taxation, which the authorities plan to remove for mining companies, as part of the revised 2025 budget.

- **The authorities have launched the process to adopt a comprehensive civil service reform.** With the doubling of salaries for the military and the police, and the prospects of more military recruiting, the wage bill will grow faster than anticipated. To help contain it, the authorities have taken important actions including the adoption of a decree in July 2023 requiring coordination among key ministries for any salary increase, and the recent roll-out of biometric identification with support from the World Bank. Hiring remains restricted pending the adoption of a new national wage policy, expected by end 2025. Work is also underway to digitalize administrative services, publish a national civil servant directory, and relaunch and gradual roll-out of the retirement program in line with the revised 2025 budget.

[8] This amount is after deducting identified claims that the oil companies owe the state.

Box 1. Transitioning to a Resource-Based Fiscal Framework in the DRC

The DRC has adopted a roadmap to facilitate the transition to a resource-based fiscal framework. The country is the world's top producer of cobalt and the second largest producer of copper after Chile. However, this potential is hindered by institutional weaknesses, fiscal risks, procyclical policies, low budget transparency, and weak public investment effectiveness.

The roadmap aims to strengthen fiscal governance of extractive revenues to ensure their efficient, transparent, and sustainable use. It has four pillars: (i) develop a macro-fiscal framework that includes resource revenue; (ii) better budget management of mining and hydrocarbon revenues; (iii) stronger governance and transparency of special funds; and (iv) legal and regulatory reforms in extractive sector financial management.

A critical step is the formulation of a fiscal anchor based on the non-resource balance, which would help insulate fiscal policy from commodity price volatility and safeguard sustainability. The macro-economic model, complemented by the FARI module for project-level forecasting, is being operationalized to improve revenue projections and embed them in medium-term planning. Enhancing the institutional role of the macroeconomic projection committee (CPCM) and systematically integrating resource revenue risks into fiscal projections are also priorities. Simultaneously, authorities will be working to overcome limitations in data quality and accessibility.

The roadmap aims to improve the integration of resource revenues into the budget. The roadmap aims for the establishment of credible and transparent fiscal frameworks through the implementation of fiscal rules, in the form of expenditure constraints. Further, the roadmap will review the frameworks establishing extrabudgetary entities that receive a share of revenues from natural resources (mines, oil, and forestry), including all ancillary services (special accounts and annex budgets), with a view to align them with the provisions of the general law of public finance (LOFIP). The roadmap also builds on progress to strengthen the appraisal and selection of mining projects.

The roadmap recognizes the need to address the fragmented and opaque governance of resource-related funds. Some funds, for instance, receive direct payments from companies and operate outside the Treasury Account. The absence of a stabilization or savings fund exposes the budget to volatility and undermines intergenerational equity. Key reforms could include establishing a stabilization fund, transparent revenue management mechanism, enhancing the audit capacity of oversight institutions, and conducting internal and external audits on the traceability and use of natural resource revenues. Further, the fiscal risk analysis should be enhanced with assessments of commodity price shocks and SOE-related risks to better anticipate potential budgetary impacts.

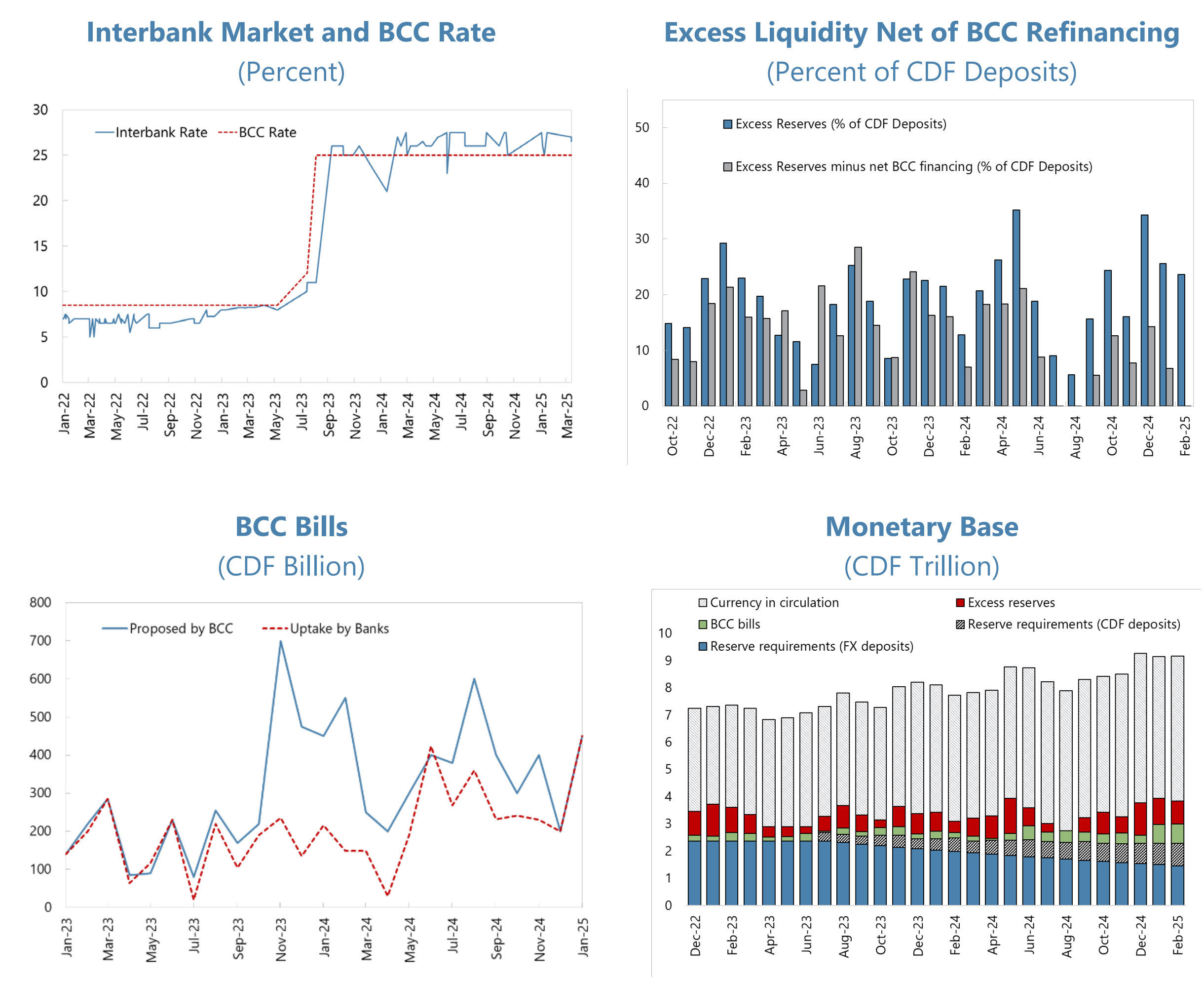
The transition should be supported by legal reforms to harmonize extractive sector legislation with fiscal governance norms. The authorities intend to amend the organic law on public finances (LOFIP) to formalize the non-resource balance and increase the accountability of the tax administration for its functions of collecting compulsory levies in the mining and hydrocarbon sectors.

Successful implementation of the roadmap depends on several cross-cutting enablers: The ambitious reforms are being sequenced over the 2024–2027 period, with quarterly and semi-annual milestones and cross-ministerial responsibilities. The authorities estimate total financing needs of approximately US$5 million and are actively mobilizing FAD technical assistance from the IMF and development partners, like GIZ. The roadmap is implemented in parallel with complementary PFM reforms, including program budgeting, public investment management reforms, and digitalization.

B. Strengthen External Buffers and the Monetary Policy Operating Framework

24. In the near term, monetary policy must remain tight until inflation is firmly on track to converge to the BCC's target (MEFP ¶25). With the BCC maintaining its policy rate at 25 percent during its latest Monetary Policy Committee meeting (April 15) and continuing to contain money growth, inflation is expected to decline and real interest rates to increase. The continued easing of price pressures is also underpinned by reduced volatility in the FX market and improved liquidity management coordination between the Treasury and the BCC. Meanwhile, banks' reliance on BCC refinancing has sharply declined by more than 70 percent in 2024 compared to 2023, and the short-term lending window is inactive since the beginning of 2025. Given risks of delayed impact or second round effects of the conflict in Eastern DRC on inflation, BCC should remain vigilant in monitoring inflation.

Text Figure 3. BCC Bills and Monetary Policy Implementation



Sources : Banque centrale du Congo and IMF staff calculations.

25. Monetary policy structural reforms are ongoing (MEFP ¶25). The BCC has adopted the FX intervention strategy (SB January 2025) in line with the IMF TA recommendations, to smooth disruptive volatility in the FX market. The BCC now monitors a set of indicators with the aim to flag episodes of extreme volatility which the market may not be able to absorb. The SB aiming to establish a standard refinancing instrument through competitive liquidity auction and eliminate the short-term lending facility is on track to be achieved by June 2025, as expected. The authorities are also moving forward with updating the exchange rate on the frozen Reserve Requirement (RR) held in CDF for USD deposits based on a scenario that would have a neutral net effect on CDF liquidity. This will be achieved by combining this update with an acceleration of the ongoing conversion agenda of the frozen RR into USD.

26. Vulnerabilities identified in the 2022 Financial Sector Stability Review (FSSR) persist, and the conflict in the East may introduce new challenges. Financial institutions in the East, including BCC branches, have suspended operations, leading to a severe cash shortage. Liquidity pressures are mounting, as loan repayments have been interrupted while withdrawals continue—though constrained by the limited reach of mobile money. The banking system's direct exposure to the region is limited – about 4 percent of total assets.[9] Microfinance institutions in the region face greater challenges due to their stronger local presence, especially cooperatives which, by legal obligation, operate solely within their home provinces. The BCC has temporarily relaxed prudential norms by permitting multiple restructurings of affected loans, thereby easing provisioning requirements. Going forward, the BCC needs to closely monitor the buildup of the financial vulnerabilities linked to the conflict in the East and stand ready to alleviate liquidity risk and further temporarily relaxed loan provisioning. Meanwhile, conflict-related financing needs have been met mainly through domestic borrowing, leading to a rise in banks' exposure to sovereign risk, albeit from a very low base. In this context, and as part of ongoing reforms, the BCC reduced the capital requirement on sovereign risk from 70 to 30 percent. The impact will be limited, though, as it only applies to debt labeled in CDF, whereas most treasury issuances are denominated in USD. The authorities' efforts to extend the maturity profile of domestic debt is still constrained by banks' preference for short-term instruments driven by a history of high macroeconomic instability. While this limits their exposure to long-term sovereign risk, it concentrates rollover risk and underscores the need to broaden the investor base and strengthen market confidence.

27. An updated safeguards assessment of the BCC has been substantially completed in March 2025 (MEFP ¶31). Preliminary Findings revealed limited progress since the 2020 assessment, with elevated safeguards risks primarily due to suboptimal governance arrangements that impede effective oversight, and compromised transparency and accountability mechanisms owing to chronic delays in annual audits and significant capacity constraints. The control environment remains deficient, marked by vulnerabilities that permeate critical operations such as foreign reserve management, government payments, lending, currency management, and monetary data reporting

[9] Loans and deposits from conflict-affected provinces account for 3.3 and 4.3 percent, respectively, of the national banking portfolio.

to the IMF. As follow-up from the safeguard mission, the BCC committed to publish IFRS-compliant financial statements audit for FY 2023 by end-June 2025 and finalize the framework agreement between the Ministry of Finance and the BCC regarding their respective responsibilities for servicing financial obligations to the IMF as required for budget support cases. Other priority recommendations include measures to strengthen data reliability, and a multi-phase governance reform plan. Fund TA in these areas would be beneficial.

C. Structural Reforms to Improve Governance and Business Climate

28. The authorities are making progress in strengthening the AML/CFT framework and exiting the FATF grey list (MEFP ¶37). As of the seventh follow-up report discussed in April 2025, the authorities indicated achievement of 75 percent of the action plan, with notable milestones including the development of supervisory plans and guidelines for key oversight bodies. The authorities' objective remains the timely completion of the action plan, notably through Parliament's approval of the revised AML/CFT law recently submitted by the government. The law is meant to address some pending FATF recommendations, which will further assist with the country's removal from the FATF grey list. The authorities are encouraged to prioritize the outstanding action plan items related to enhancing implementation of AML/CFT supervision and investigating terrorist financing activities.

29. The authorities are advancing on the broad agenda to improve the business climate and unleash the private sector's potential in fostering inclusive and sustainable growth (MEFP ¶37).

- A roadmap to streamline tax and parafiscal regulations is expected by September 2025, with the objective of reducing compliance costs and shielding taxpayers from undue administrative practices. To support this effort, the government established in April 2025 a permanent interministerial commission within the Ministries of Budget and Finance to oversee parafiscal reforms.
- An action plan is expected by October 2025 to improve VAT refund procedures, based on IMF recommendations. Key measures include risk-based differentiated processing of refund requests and limiting deferred VAT payments to frequent net-creditor companies. A broader strategy is also being developed to address the existing stock of VAT credits.
- A roadmap for the roll-out of e-filing and e-payment systems will be adopted by September 2025, starting with VAT-registered large and medium-sized enterprises.
- A National Tax Mediation Commission will be operational by September 2025 to provide an independent advisory mechanism for resolving disputes between taxpayers and the tax administration during the administrative phase.

30. The authorities are advancing reforms to strengthen governance and combat corruption (MEFP ¶37):

- In April 2025, the government adopted and submitted to parliament a draft law to create the Economic and Financial Criminal Court (TPEF) along with its associated National Economic and Financial Prosecutor's Office (PNEF) to enhance the prosecution of corruption and financial crimes. To effectively contribute to fighting corruption and illicit enrichment, the envisaged TPEF along with its associated PNEF should be granted strong operational independence parameters governing their functioning, including using transparent and appropriate mechanisms allowing to recruit competent, independent and dedicated staff for their functioning. The authorities' commitment to ensuring the TPEF's effective coordination with other oversight institutions is also welcome.
- A comprehensive anti-corruption bill, in line with UN Convention against Corruption (UNCAC) and legislation, will be submitted to Parliament in November 2025. This law is expected to serve as the legal framework guiding all anti-corruption efforts going forward, including criminalizing corruption acts and illicit enrichment, in accordance with the provisions of the UNCAC.
- The government adopted in April 2025 a decree on asset and interest declarations for public officials and their families, with a view to preventing conflicts of interest and illicit enrichment, in collaboration with the World Bank. A proper enforcement of this decree requires strengthening the operational capacities of the structure (OSCEP) in charge of checking the accuracy and comprehensiveness of the expected asset declarations, including through allocating adequate human and financial resources to OSCEP.

31. To support private sector development, the authorities are taking steps to reduce regulatory uncertainty and improve the predictability of the legal and institutional framework (MEFP ¶37). In this context, the haphazard implementation of the "subcontracting" law, adopted to promote national entrepreneurship, has been disrupting to the business environment. The authorities are expected to adopt, by October 2025, a decree clarifying the definition, scope, and application of the term "subcontractor", with the aim to reduce arbitrariness when implementing the subcontracting legislation.

32. Improvement of economic statistics is crucial to inform economic policy decisions and build investor confidence. To that effect, the finalization and submission of the draft Statistics Law to parliament (MEFP ¶46) is a critical step towards consolidating the recent momentum in enhancing the quality and dissemination of macroeconomic statistics. The authorities should also ensure financing to carry out these reforms is available.

D. RSF Reform Measures

33. The authorities are taking steps for the implementation of RSF measures, clarifying ownership of each measure, and producing roadmaps for their implementation. As no RM is due during the first review, the priority at this stage is to focus on devising effective implementation strategies for each measure to keep track of progress and enhance accountability. This entails identifying the entity responsible for the implementation of the measures at each stage and any potential bottlenecks or challenges, and actionable solutions to address them. The authorities have committed to adopt implementation strategies for all RMs before the start of the next review.

34. Technical assistance by development partners is proceeding according to schedule. IMF TA on the integration of climate costs in PPPs, relevant for RM9, was delivered in December 2024. A mission on the evaluation of climate impacts on investment projects, relevant for RM10 and RM12, and one on the integration of climate risks in the budget were carried out in May 2025. Most of the remaining TA missions/activities have defined dates and should be finalized before the end of 2025. Other development partners, such as the WB (RM1 and RM8), UNDRR (RM8), GIZ (RM3, RM4 and RM5), CAFI (RM1, RM3, RM4 and RM5) and IDI (RM2 and RM6), are also providing ongoing assistance. Close collaboration between the authorities, staff and development partners will remain key to identifying obstacles and ensuring a timely implementation of RSF reform measures.

35. The authorities have made progress during the first months of the program across the different RSF pillars. Implementation of the RMs will contribute to balance-of-payments stability primarily by safeguarding export-oriented sectors such as mining and forestry from climate-related risks, while also helping mitigate fiscal and balance of payments risks associated with climate change and natural disasters (MEFP Table 3). Overall, implementation is on track, supported by effective technical assistance and the establishment of inter-agency committees tasked with developing and adopting implementation strategies for key reforms:

- **Pillar 1 – Forest Protection and Sustainable Mining:** The authorities have secured the assistance of development partners regarding the RM on forest policy concessions (RM1) and funding from CAFI has been obtained which allows the work on the revision of the forest code to commence—previously dependent on the approval of the forest policy in Parliament. Additionally, the Ministry of Environment and Sustainable Development (MEDD) has adopted a roadmap detailing the implementation of this measure. The Court of Auditors has included the audit of the National Forest Fund (FFN) (RM2) in its annual workplan, appointed a team leader to conduct the audit and requested information to the FFN to devise its audit plan. A first publication of geo-spatial data (RM3) has been almost accomplished—pending the purchase of a website license. While the availability of resources and expertise poses obstacles to the implementation of RM1, RM2 and RM3, progress is ongoing. Regarding the measures related to changes to the Mining Code (RM4 and RM5), issues in the coordination between the Ministry of the Environment and the Ministry of Mines have delayed progress. An interministerial committee has been appointed, though implementation responsibilities have not been finalized yet.
- **Pillar 2 – Disaster Risk Management:** Regarding the measure on fiscal climate risks (RM7), two TA missions on the development of a model for the quantification of climate risks were conducted by FAD in May 2025. The mission encountered obstacles in gathering the necessary data to develop an adequate probabilistic risk profile for the country, but a risk profile based on event studies and the profile other similar countries can be used when data is unavailable; work is ongoing and an updated roadmap on the implementation of the measure will be adopted with help of IMF technical experts to ensure its timely implementation before its deadline in the second review. In relation to the measure on disaster risk management policy (RM8), the authorities have adopted an implementation roadmap. There has been a delay in setting up an interministerial committee to start the work, which can be accommodated within the roadmap

timeline. They have also reached out to the WB and the UNDP to schedule TA missions during the course of 2025.

- **Pillar 3 – Climate Public Investment:** The authorities have benefited from an IMF TA mission in December 2024, in the context of integrating climate considerations in PPPs (RM9). The technical work regarding the climate aspect has been concluded and the RM implementation now depends on a more general revision of the PPP law in early 2026, after receiving relevant non-RSF related TA. Concerning the measure on the adoption of methodology for climate change impact screening (RM10), the authorities have clarified the responsibilities of the different entities and have agreed to adopt a roadmap upon conclusion of an IMF TA mission which took place in May. This same TA will also be relevant to implement the RM on climate appraisals of public investment projects (RM12). The authorities have identified a list of relevant NDC-related investment projects (RM11) and are committed to including mature projects along with their costs in the 2026 budget law.

PROGRAM MODALITIES AND FINANCING ASSURANCES REVIEW

36. The authorities request, and staff support, waivers of nonobservance of the end-December 2024 PCs on the domestic fiscal balance and the ceilings on the BCC's FX balance in domestic banks (LOI ¶10). The waiver for the BCC's FX balance in domestic banks is based on the temporary nature of the source of the deviation, which has since been remedied while the waiver for the fiscal balance is based on the following corrective actions: (i) the agreed revenue and spending policy measures (in ¶17) (ii) ensure that public investment stays within budget allocations, and only execute projects that are included in the public investment plan accompanying the budget law or the supplementary budget law; (iii) enhance the coordination between the Debt Management Office, the cabinets of the Ministries of Finance and Budget, and the BCC, on public debt service forecast; (iv) submit to Parliament a supplementary budget in line with the program and publish the associated spending plans (including a backloading of investment) and administrative tools to support agreed changes in policy (Prior Action, MEFP ¶4); and (iv) accelerate revenue mobilization by adopting a revenue mobilization plan (SB for end-September 2025).

37. The authorities and staff reached an understanding to propose updated program conditionality for end-June 2025 and new targets for end-December 2025 as follows (MEFP Tables 1-2):

- **Foreign currency assets of the BCC held with domestic correspondents.** It is proposed that the ceiling on foreign currency assets held by the BCC with domestic correspondents must remain below the threshold of US$200 million, with a tolerance of up to five working days in the event of a breach. This will keep the balances of these accounts low, while giving the BCC time to transfer any excess FX deposits to its BIS account in case of unexpected large FX deposits in government accounts by some taxpayers.

- **Domestic fiscal balance.** It is proposed that the end-December 2025 floor on the domestic fiscal balance be set at -1.2 percent of GDP (compared - 0.8 percent of GDP at the program approval). Staff supports this relaxation in light of revenue and expenditure measures (including the corrective actions above) and the authorities' commitment. Consequently, the end-June target was also revised, in line with the annual target.

- **Net credit to the government and net domestic assets.** The proposed new figures reflect the clearance in early 2025 of some operations pending regularization at end-December 2024.

38. To support the continued implementation of the authorities' reform program, the following SBs are proposed while some are postponed or modified for clarity (MEFP table 2):

- New SBs for the third review are identified, to improve revenue forecasting from natural resources and to enhance public investment management.
- The due dates for four SBs are slightly postponed, reflecting capacity constraints, competency requirements on hiring process, and the continuous work on the numerous prerequisites already under implementation. The delay is one month for some reforms (the deployment of agents of the Treasury and the stress-testing of the TSA), and two months for others (the generalization of the standardized VAT and deployment of accountants in the four pilot ministries).
- Two SBs were slightly modified for clarity: the SB on quarterly report on the use of emergency procedures was modified to clarify that the report should cover the regularization of spending undertaken under such procedures. The SB on creating a standard refinancing at the central bank was modified by dropping the reference to lowering the permanent facility rate, which is a monetary policy decision issue (not a structural one).

39. ECF budget support rephasing. The total amount of budget support under the ECF arrangement remains unchanged from program approval in January 2025—SDR 533.1 million, equivalent to 50 percent of the DRC's IMF quota and 40 percent of total disbursements under the ECF. The authorities have requested a more frontloaded distribution of this support across program reviews. At the time of program approval, ECF budget support was expected to begin only at the second review, with its share of disbursements gradually increasing until the final review. In total, budget support disbursements for 2025, 2026 and 2027 were expected to amount to 9 percent, 36 percent and 55 percent of total budget support, respectively. Under the revised phasing, budget support would still begin at the second review but would be less backloaded, and budget support disbursements for 2025, 2026 and 2027 would amount to 25 percent, 32 percent and 43 percent of total budget support, respectively. If the conditions for budget support are not met at the time of the second review, the associated disbursement will be deferred to subsequent reviews. Conditions (MEFP ¶8) related to PFM reforms are on track to be met. These conditions (outlined in CR. No 25/23) include the indicative target on spending by emergency procedure and structural benchmarks on deploying accountants, decentralizing the expenditure chain in four pilot ministries, and deploying DGTCP agents. If the conditions for budget support are ultimately not fulfilled, the associated amounts will be redirected to balance of payments support. The overall ECF disbursement schedule would remain unchanged, irrespective of when or whether the conditions for budget support are fulfilled. The rephasing of program-approved budget support would support the authorities' efforts to navigate short-term challenges while continuing to implement the necessary medium-term policy adjustments. This approach would help preserve macroeconomic stability and remains consistent with the overall program objectives. Given that Fund budget support is expected late in the year, should the support not materialize, the authorities will seek additional domestic financing (likely at a higher cost) and a reprioritization of spending.

40. Risks to the program. Maintaining all IMF disbursements through a BIS-monitored account and requiring external reviews of program monetary data at test dates (including spending under emergency procedure) remain necessary mitigation measures under the current program.

41. Financing assurances. The ECF arrangement is fully financed for the next 12 months (Table 2), with good prospects for the remainder of the program (Table 7). The program is expected to catalyze additional support from both multilateral and bilateral partners. Notably, the World Bank has approved a new Development Policy Operation (DPO), with projected disbursements of US$600 million in 2025—against US$500 million initially anticipated at program approval. In addition to the DPO, the World Bank is also expected to provide further support through various ongoing programs, including budget support grants and loans for education sector wages (PERSE) and for provincial governments (ENCORE PBC#4). France has also contributed additional budget support in 2025, provided in the form of grants for €15 million. Over the course of the program, exceptional financing from sources other than the ECF arrangement is projected to cover, on average, close to 50 percent of the external financing gap, with that share decreasing to 42 percent in 2027.

42. Arrears. The DRC owes pre-HIPC Initiative arrears to Angola (US$23.5 million), Taiwan Province of China (US$31.6 million), Namibia (US$3.5 million), and Rwanda (US$1.3 million), with whom negotiations or reconciliation processes remain ongoing. Letters have been exchanged with some of these creditors earlier in 2025, and meetings are in the process of being scheduled, with enhanced information sharing to help facilitate agreement. These continue to be deemed away under the policy on arrears to official bilateral creditors, as the underlying Paris Club Agreed Minute is adequately representative and the authorities have made best efforts to resolve the arrears. The DRC's central government also holds arrears to some external commercial creditors (US$97.4 million), with whom it is making good faith efforts to reach a collaborative agreement, notably through recent letter exchanges, provision of additional information, and communication to facilitate resolution.

43. Capacity to repay. The DRC's capacity to repay the Fund remains adequate, although subject to risks (Table 6). IMF credit is projected to peak at 4.9 percent of GDP and 40.2 percent of reserves in 2027, with annual repayments staying below 0.4 percent of GDP and 1.1 percent of exports. Risks stem from weaker exports and the high share of Fund credit in external debt, but reserve accumulation, reform implementation, and low public debt support its repayment capacity.

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44. Growth remains robust and inflation and exchange rate are stabilizing. Growth in the extractive sector, concentrated in the South, remains relatively shielded from the conflict in the East.

Prospects for the sector in 2025 remain positive, mainly due to the strong expansion of zinc production. The impact in the non-extractive sector has remained limited to specific sectors, such as non-subsistence agriculture and banking, and has been compensated by stronger growth in construction, transportation and telecommunications. Positive developments in inflation and exchange rate have proved resilient to the conflict and the uncertain international context and should benefit from the continuation of the BCC's tight monetary policy. In the medium term, a rebalancing of growth is expected, with slower growth in extractive sector being compensated by faster growth in the non-extractive sector, contributing to the diversification of the economy.

45. Program performance is mixed. At end-December 2024, the authorities met all but two quantitative performance criteria (QPCs) and most indicative targets (ITs). They request waivers for the missed QPCs on the domestic fiscal balance and the BCC FX assets in the domestic banks. The request is supported by corrective actions (MEFP ¶4). They also request a modification of three end-June 2025 QPC reflecting the updated macroeconomic projections discussed above—specifically, the QPCs on the domestic fiscal balance, net credit to the government from the BCC, and the BCC's net domestic assets.

46. The authorities need to implement strong offsetting measures to close the fiscal gap arising from the conflict-related and other recent policy measures. As outlined in their revised budget for 2025, this will require renewed effort on revenue mobilization and a significant reduction in the cost of operating the government. These actions will be particularly important to safeguard public investment from undue cuts—a key policy objective of the authorities. Proactive contingency planning will also be critical to ensure the continuity of public services should the conflict persist, or new shocks emerge. To create lasting fiscal space for additional public investment and social spending over the medium term, the authorities should prioritize revenue mobilization, particularly from the mining sector, and further rationalize recurrent spending. PFM reforms on the expenditure chain will be key to improve transparency and accountability and ultimately curtail unproductive spending. A resource-based fiscal framework will help insulate essential budget spending from commodity price volatility.

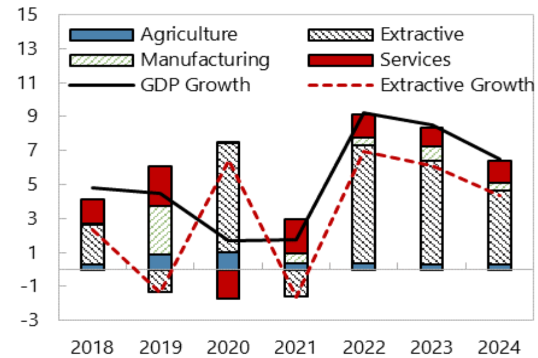
47. While inflationary pressures continue to moderate, the BCC should maintain its current monetary policy stance until inflation reaches its target. This window of relative stability is an opportunity for the BCC to strengthen its operational framework and advance the safeguards agenda. The BCC should closely monitor emerging financial vulnerabilities stemming from the ongoing conflict in the East, standing ready to alleviate liquidity risk and, if necessary, extend temporary measures for relaxed loan provisioning.

48. Staff supports the authorities' requests for waivers for the missed QPCs, the modification of three QPCs, the completion of the first review under the ECF-arrangement and the financing assurances review. A strong commitment to improve the composition of public spending and to tighten policies to contain the public deficit and curb inflation, together with structural reforms while building capacity, will support the authorities in meeting program objectives.

Figure 1. Real Sector Developments, 2018-25

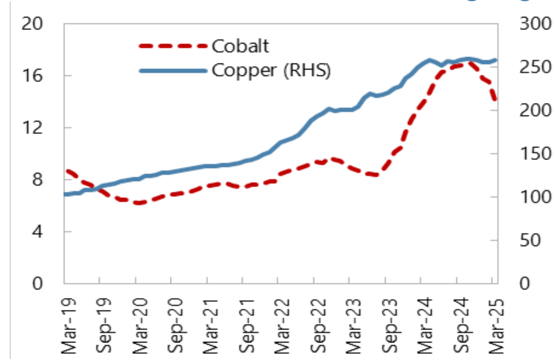
The extractive sector continues to drive GDP growth, despite slowdown……

Contribution to Real GDP Growth
(Percent)



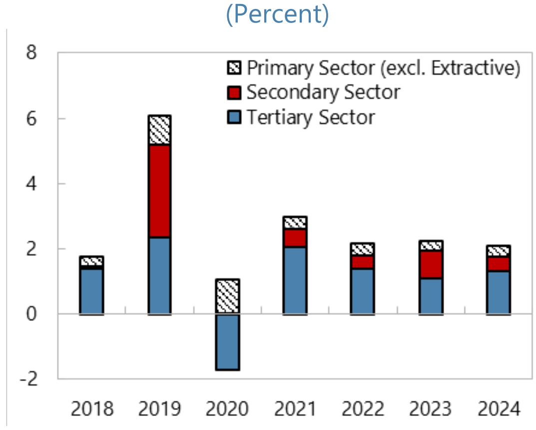
…with increasing copper and cobalt mining exports (until the ban on cobalt exports) despite weaker metal prices.

Cobalt and Copper Exports
(Thousand metric ton, 12-month rolling Avg.)



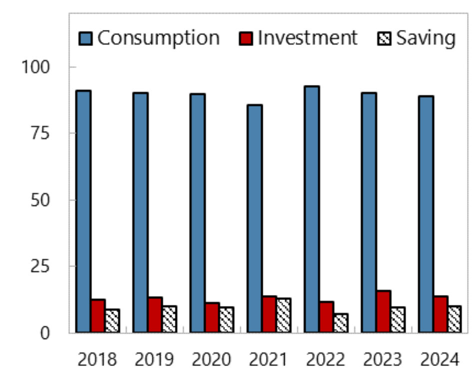
Non-extractive growth slowed down driven by a deceleration in construction…

Non-Extractive Real GDP Growth
(Percent)



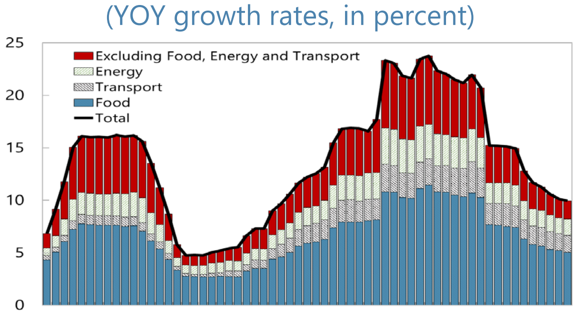
…as investment remained subdued.

Consumption vs Investment
(Percent of GDP)



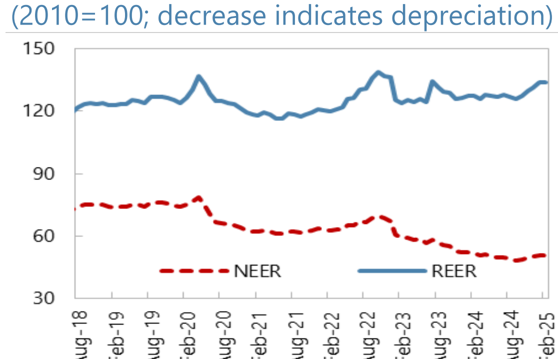
Headline and core inflation continue to moderate…

CPI with Contributions from Major Components
(YOY growth rates, in percent)



…as the exchange rate remains stable despite the volatility regarding the security situation.

Nominal and Real Effective Exchange Rates
(2010=100; decrease indicates depreciation)



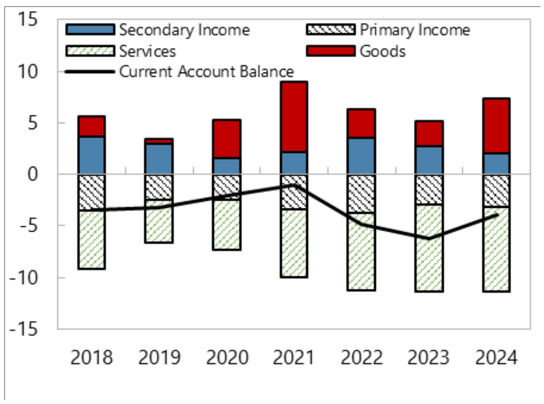
Sources: Congolese authorities; IMF STA INS database; and IMF staff estimates.

Figure 2. External Sector Developments, 2018-24

(Percent of GDP unless specified)

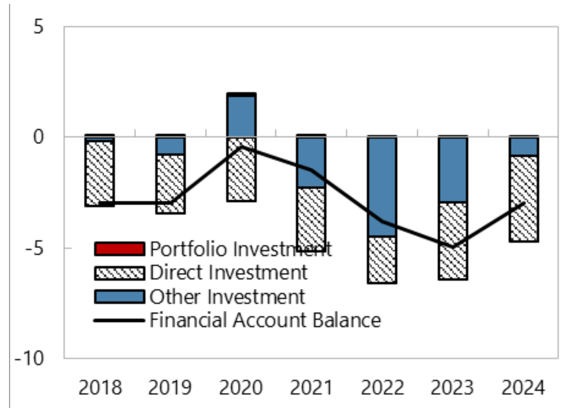
The current account deficit has narrowed due to higher level of exports…

Current Account Balance



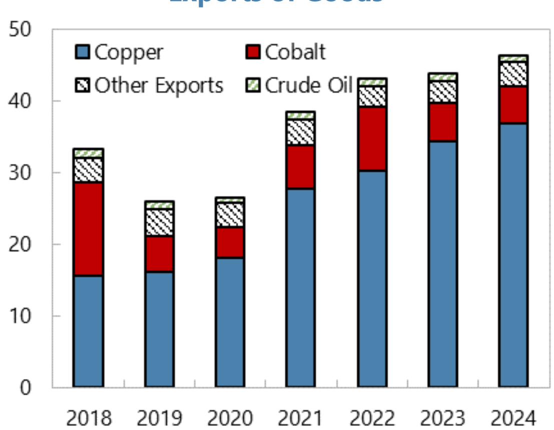
…and has been financed largely by FDI, followed by other investment flows,

Financial Account Balance



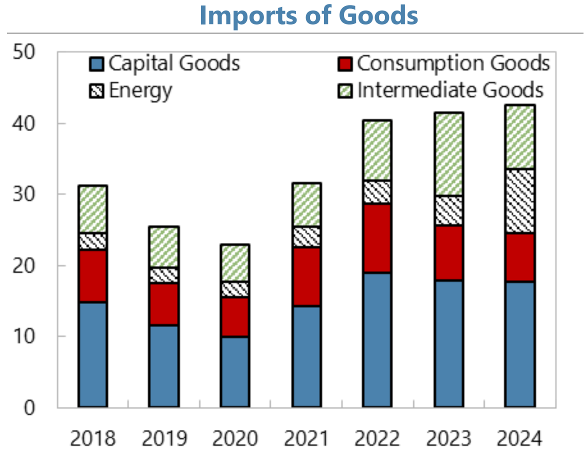
Exports have remained concentrated in mining products…

Exports of Goods



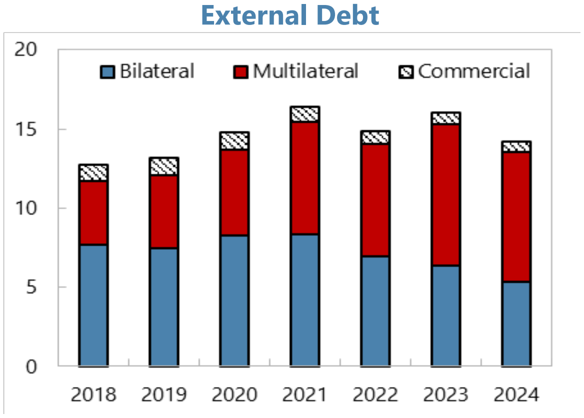
…while broad-based and capital goods constitute imports.

Imports of Goods



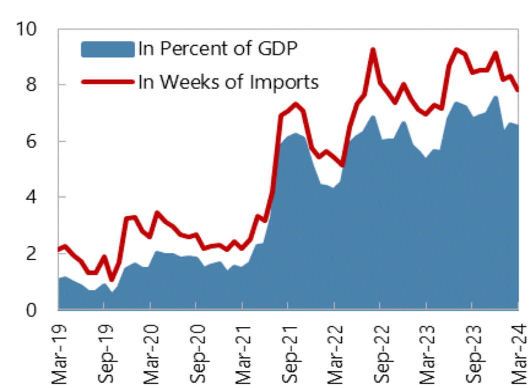
External debt remains relatively low…

External Debt



…and reserves have strongly recovered though remain below adequate import coverage levels.

International Reserves

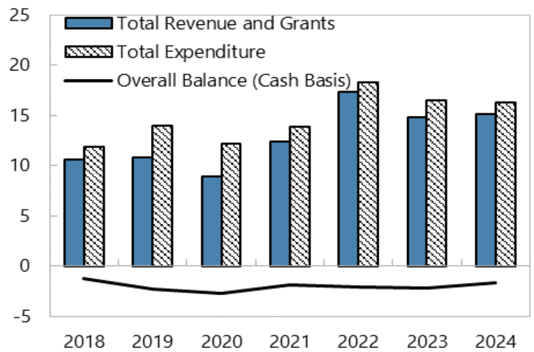


Sources: Congolese authorities; and IMF staff estimates.

Figure 3. Fiscal Sector Developments, 2018-24
(Percent of GDP)

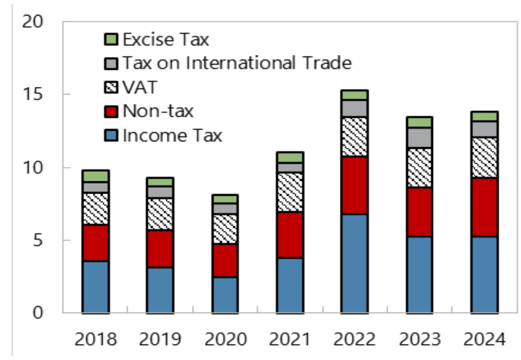
The fiscal deficit has remained broadly contained …

Fiscal Balance



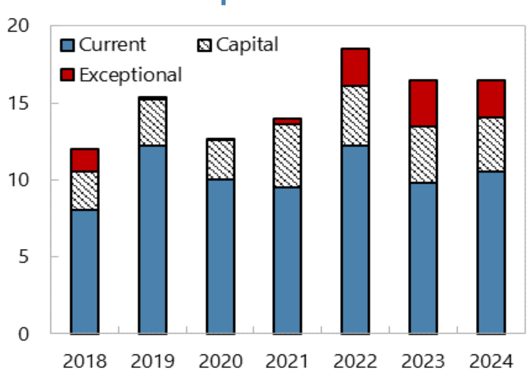
…though stronger revenues have not compensated…

Central Government Revenue



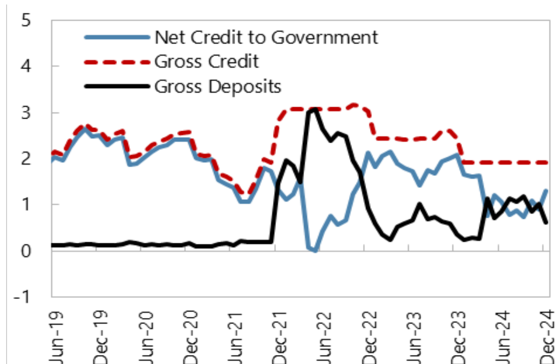
…for the increase in current and exceptional expenditures partly due to security spending with the Eastern conflict.

Expenditure 1/



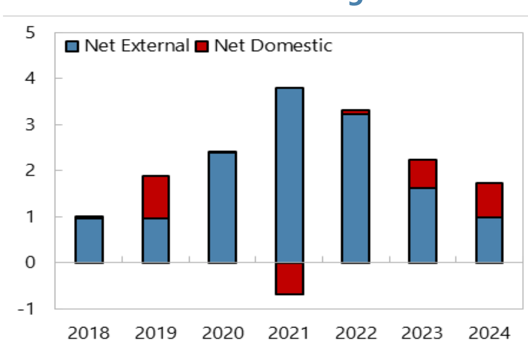
NCG continues to improve following the signature of the MoU regularizing outstanding credit of the BCC to the government in 2021.

BCC Net Credit to the Government



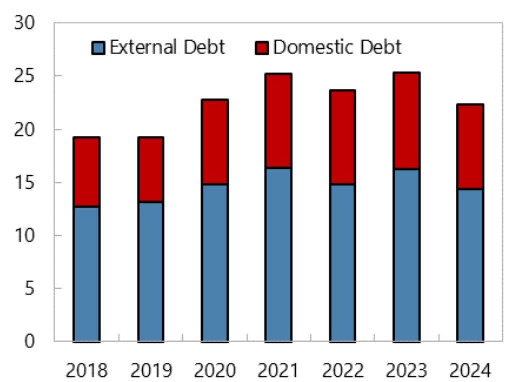
Domestic financing has picked up in recent years with the authorities' efforts to deepen the domestic market…

Net Financing



…and public debt has remained stable at moderate levels.

Public and Publicly Guaranteed Debt



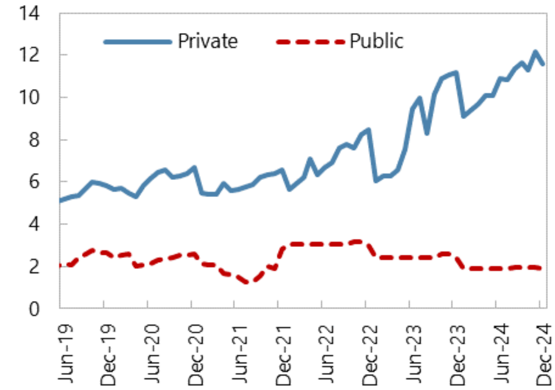
Sources: Congolese authorities; and IMF staff estimates.

1/ Exceptional expenditure includes security, elections, and other exceptional expenditures. 2/ The increase in NCG observed in the late part of 2021 onward is driven by the part of the SDR allocation retroceded to the government as budgetary support.

Figure 4. Monetary and Financial Sector Developments, 2019-24

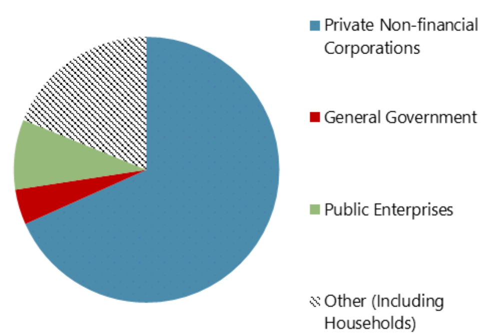
Credit to the economy is increasing, albeit from a low base….

Credit to Private and Public Sector
(Percent of GDP)



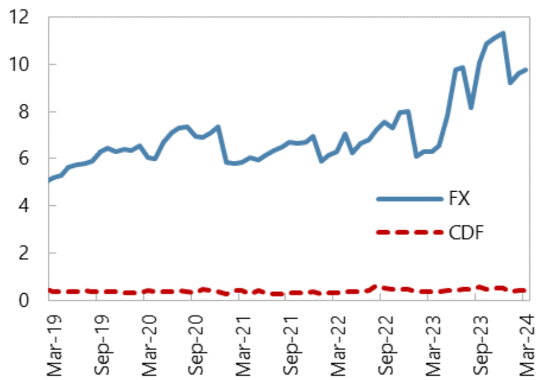
…with most credit allocated to private enterprises.

Bank Credit to the Non-Financial Sector
(By sector, in percent of total, as of March-24)



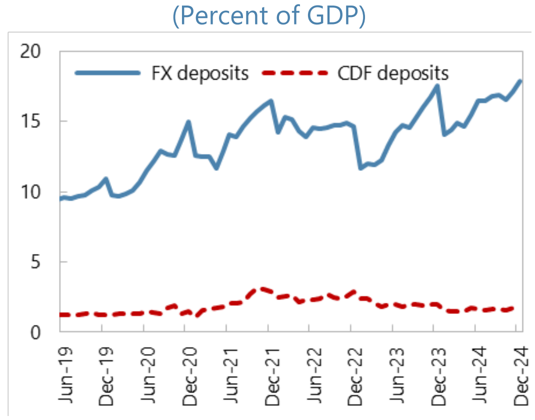
Credit is extended mostly in FX, while credit in Congolese francs remains limited.

Bank Credit to the Non-Financial Sector
(By currency, in percent of GDP)



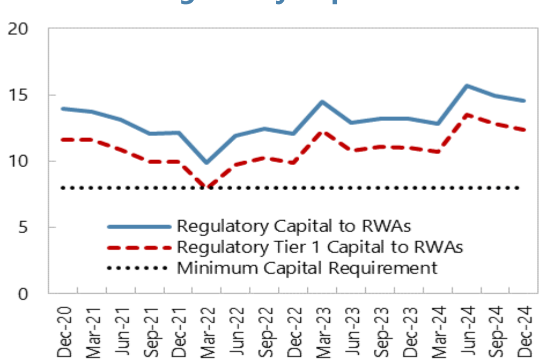
Bank deposits are almost entirely in foreign currency.

Evolution of Private Sector Deposits
(Percent of GDP)



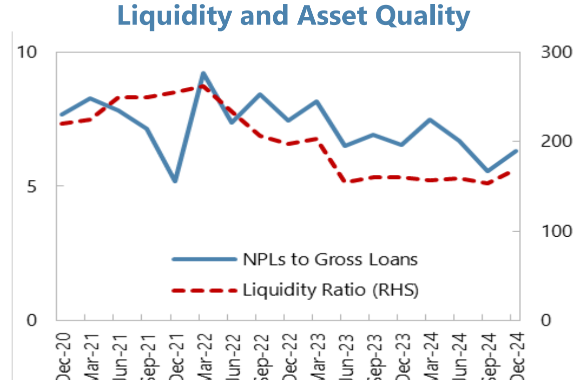
Capital ratios remain above requirements.

Regulatory Capital



After a peak following the reinstatement of credit quality rules, NPLs are declining.

Liquidity and Asset Quality



Sources: Congolese authorities; and IMF staff estimates.

Table 1. Democratic Republic of the Congo: Selected Economic and Financial Indicators, 2023-30

	2023	2024		2025		2026	2027	2028	2029	2030
	Act.	CR No. 25/023	Prel.	CR No. 25/023	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
	(Annual percentage change, unless otherwise indicated)									
GDP and prices										
Real GDP	8.5	6.0	6.5	5.4	5.3	5.3	5.4	5.4	5.4	5.4
Extractive GDP	19.7	11.6	12.2	7.7	8.2	5.8	4.7	3.8	3.6	3.5
Non-Extractive GDP	3.5	3.2	3.5	4.2	3.6	5.0	5.8	6.4	6.5	6.5
GDP deflator	14.4	17.4	19.9	8.8	8.2	6.7	6.5	6.4	6.8	6.4
Consumer prices, period average	19.9	17.7	17.7	8.9	8.8	7.1	7.0	7.0	7.0	7.0
Consumer prices, end of period	23.8	12.0	11.7	7.8	7.8	7.0	7.0	7.0	7.0	7.0
External sector										
Exports in U.S. dollars, f.o.b. value	3.6	16.2	18.3	8.2	5.7	8.0	6.1	5.3	5.5	4.2
Imports in U.S. dollars, f.o.b. value	4.9	13.5	10.7	3.5	2.3	5.7	6.8	7.2	6.5	7.1
Exports volume	19.0	10.1	11.4	7.8	5.6	7.4	5.4	4.5	4.0	3.7
Import volume	6.5	10.3	9.8	5.6	5.3	5.4	5.4	5.4	4.9	5.4
Terms of trade	-12.9	5.0	5.7	2.0	2.7	0.1	-0.6	-0.8	-0.1	-0.9
	(Annual change in percent of beginning-of-period broad money)									
Money and credit										
Net foreign assets	19.9	17.4	23.0	18.2	14.5	22.7	21.8	16.3	11.2	13.6
Net domestic assets	20.3	4.9	5.6	-3.5	-1.0	-10.5	-9.6	-4.1	1.4	-1.5
Domestic credit	34.3	15.4	15.2	9.9	10.5	4.2	4.9	10.5	11.5	12.1
Of which: net credit to government	3.8	-0.9	-1.6	1.2	2.6	-2.8	-2.1	3.5	4.3	5.1
credit to the private sector	27.9	14.9	16.0	7.9	7.2	6.4	6.3	6.3	6.5	6.3
Broad money	40.3	22.4	28.1	14.7	13.8	12.3	12.2	12.2	12.5	12.1
	(Percent of GDP, unless otherwise indicated)									
Central government finance										
Revenue and grants	14.8	15.6	15.2	15.0	14.8	14.9	15.4	15.6	15.6	15.3
Revenue	13.7	14.7	14.2	14.0	14.2	14.1	14.7	15.0	15.0	15.0
o/w extractive revenue	5.4	5.9	5.9	5.4	5.4	5.3	5.3	5.2	5.1	5.0
Grants	1.1	0.9	1.1	0.9	0.9	0.8	0.7	0.6	0.6	0.4
Expenditure	16.5	16.8	16.5	16.8	17.0	16.6	17.0	17.1	17.3	16.8
Overall fiscal balance	-2.2	-1.8	-1.7	-2.4	-2.7	-2.3	-2.2	-2.1	-2.3	-2.0
Overall non-extractive fiscal balance	-7.5	-7.7	-7.6	-7.8	-8.1	-7.6	-7.6	-7.3	-7.4	-7.0
Domestic fiscal balance (program target)	-1.2	-0.3	-0.8	-0.8	-1.2	-0.8	-0.8	-0.7	-0.6	-0.6
Public debt	23.2	20.4	22.5	20.9	23.2	23.5	23.7	23.4	22.8	22.2
Investment and saving										
Gross national saving	9.5	9.1	9.6	12.2	11.2	12.5	12.7	12.7	12.8	11.9
Government	-2.0	-1.5	-2.5	-1.4	-2.1	-0.8	-0.1	0.6	0.9	1.0
Non-government	11.5	10.6	12.1	13.5	13.2	13.3	12.8	12.1	11.9	10.9
Investment	15.7	14.2	13.5	15.0	14.4	14.8	15.5	15.9	16.4	16.1
Government	3.7	4.2	3.5	5.0	4.4	4.8	5.5	5.9	6.4	6.1
Non-government	12.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Balance of payments										
Exports of goods and services	44.0	45.1	47.4	45.4	46.1	46.6	46.2	45.5	44.7	43.6
Imports of goods and services	49.9	48.9	50.3	47.3	47.5	47.0	46.9	46.9	46.5	46.5
Current account balance, incl. transfers	-6.2	-5.1	-3.9	-2.8	-3.2	-2.4	-2.8	-3.2	-3.6	-4.2
Current account balance, excl. transfers	-7.5	-5.1	-5.0	-2.7	-3.4	-2.6	-2.9	-3.2	-3.5	-4.2
Overall balance	-1.5	-0.7	-0.6	-1.9	-2.0	-1.7	-1.5	-0.4	-0.3	-0.3
Gross official reserves (millions of U.S. dollars)	5,421	6,757	6,732	8,278	8,370	9,826	11,204	12,453	13,651	14,462
Gross official reserves (weeks of imports)	8.2	10.0	10.1	11.5	11.8	12.8	13.3	13.9	14.1	14.5
External debt										
Total stock, including IMF	17.8	16.0	14.5	17.6	16.2	17.4	18.1	17.6	17.3	16.7
PV of debt (percent of exports of goods and services)	28.6	26.2	24.5	27.5	26.4	27.3	27.9	27.3	27.0	26.5
Scheduled debt service (millions of U.S. dollars)	705	636	642	777	796	911	1135	1170	1294	1431
Percent of exports of goods and services	2.4	1.8	1.8	2.1	2.1	2.3	2.6	2.6	2.7	2.9
Percent of government revenue	7.6	5.7	6.1	6.7	7.1	7.4	8.3	7.9	8.1	8.4
Exchange rate (CDF per U.S. dollars)										
Period average	2,444	2,823	2,823	2,958	2957.9	…	…	…	…	…
End-of-period	2,687	2,856	2,856	3,030	3030.4	…	…	…	…	…
Memorandum items:										
DRC copper export price ((US$ per ton)	8,162.5	8,938.9	8,937.8	9,033.8	8,633.5	8,552.9	8,635.8	8,705.0	8,848.1	8,892.0
DRC cobalt export price (US$ per ton)	25,447.1	19,770.3	19,179.5	18,152.7	23,211.5	25,598.2	25,680.1	25,680.1	25,680.1	25,680.1
World crude oil price (US$ per barrel)	80.6	82.9	79.2	78.1	66.9	62.4	62.7	63.6	64.3	64.9
Nominal GDP (billions of CDF)	164,803	205,186	210,281	235,339	239,446	268,863	301,667	338,461	380,937	427,112

Sources: Congolese authorities and IMF staff estimates and projections.

Table 2. Democratic Republic of the Congo: Balance of Payments, 2023-30
(Millions of US$, unless otherwise indicated)

	2023	2024		2025		2026	2027	2028	2029	2030
	Act.	CR No. 25/023	Prel.	CR No. 25/023	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Current Account Balance	**-4,183**	**-3,871**	**-2,935**	**-2,272**	**-2,623**	**-2,057**	**-2,604**	**-3,181**	**-3,784**	**-4,780**
Current Account Balance (excl. budget grants) [A]	**-4,237**	**-4,040**	**-3,087**	**-2,351**	**-2,694**	**-2,080**	**-2,614**	**-3,181**	**-3,784**	**-4,780**
Goods balance	1,601	2,623	4,014	4,324	5,302	6,447	6,585	6,245	6,209	5,269
Exports of goods	29,601	34,401	35,014	37,214	37,020	39,970	42,397	44,639	47,104	49,073
o/w extractive sector	29,427	34,158	34,444	36,920	36,284	39,279	41,649	43,810	46,175	48,025
Imports of goods	28,000	31,778	31,000	32,890	31,717	33,523	35,813	38,394	40,895	43,804
o/w capital goods	12,089	13,147	12,104	14,147	13,043	14,011	15,054	16,193	17,230	18,526
Services balance	-5,627	-5,534	-6,123	-5,858	-6,371	-6,808	-7,246	-7,697	-8,159	-8,617
Primary income	-2,018	-2,492	-2,324	-2,260	-2,417	-2,607	-2,780	-2,574	-2,657	-2,252
o/w: Charges and interest on IMF credit	-41	-48	-47	-42	-39	-43	-54	-63	-63	-63
Secondary income (excl. budget support grants)	1,808	1,363	1,346	1,523	863	911	837	845	823	820
o/w: Budget grants	54	169	153	79	71	23	10	0	0	0
Capital Account Balance [B]	**760**	**706**	**729**	**795**	**763**	**791**	**771**	**789**	**822**	**678**
o/w: Project grants	714	540	641	696	659	682	658	639	590	437
Net Lending(+)/Borrowing(-) [A+B]	**-3,476**	**-3,333**	**-2,358**	**-1,557**	**-1,930**	**-1,290**	**-1,843**	**-2,391**	**-2,962**	**-4,102**
Financial Account Balance (excl. ECF/RCF and budget loans) [C]	**-2,388**	**-2,820**	**-1,915**	**-109**	**-437**	**-231**	**-970**	**-2,029**	**-2,599**	**-3,738**
Financial Account Balance	**-3,362**	**-3,165**	**-2,206**	**-1,477**	**-1,860**	**-1,266**	**-1,833**	**-2,391**	**-2,962**	**-4,102**
Portfolio investment	3	4	14	4	16	17	18	19	21	22
Direct investment	-2,375	-2,294	-2,915	-2,020	-2,597	-2,779	-2,972	-3,179	-3,411	-3,428
Other investment (excl. IMF and budget support loans)	-1,003	-1,865	-326	385	507	1,074	605	-119	-406	-1,144
Amortization on IMF credit	0	0	0	107	107	142	245	307	389	374
Public sector loan amortization (excl. IMF)	511	409	406	420	461	518	583	544	568	681
Project loans	-676	-1,316	-801	-1,341	-1,158	-1,144	-1,090	-1,232	-1,565	-1,335
Private flows	-838	-958	69	1,199	1,098	1,558	867	261	202	-864
Change in reserves (+: increase)	987	1,336	1,312	1,521	1,637	1,456	1,378	1,250	1,197	811
Net Errors and Omissions [D]	**61**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Overall Balance [A+B-C+D]	**-1,027**	**-514**	**-443**	**-1,448**	**-1,493**	**-1,059**	**-873**	**-363**	**-363**	**-364**
Overall Financing Needs	**1,027**	**514**	**443**	**1,448**	**1,493**	**1,059**	**873**	**363**	**363**	**364**
ECF/RCF disbursements	406	203	204	745	757	509	510	0	0	0
BoP support	406	203	204	683	579	280	204	0	0	0
Budget support	0	0	0	0	178	229	306	0	0	0
SDR allocation	0	0	0	0	0	0	0	0	0	1
Other exceptional financing	621	311	239	682	736	550	363	363	363	363
Budget support loans	568	142	87	603	665	527	353	363	363	363
World Bank	568	142	87	576	665	527	353	363	363	363
Others	0	0	0	26	0	0	0	0	0	0
Budget support grants	54	169	153	79	71	23	10	0	0	0
Unidentified exceptional financing	0	0	0	0	0	0	0	0	0	0
Residual financing gap	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Memorandum Items:										
RSF disbursements	0	0	0	89	89	445	535	0	0	0
Current account balance (in percent of GDP)	-6.2	-5.1	-3.9	-2.8	-3.2	-2.4	-2.8	-3.2	-3.6	-4.2
Terms of trade (percent change)	-12.9	5.0	5.7	2.0	2.7	0.1	-0.6	-0.8	-0.1	-0.9
Gross reserves	5,420.7	6,756.6	6,732.4	8,278.0	8,369.6	9,825.8	11,203.6	12,453.5	13,650.8	14,461.9
in months of non-aid related imports	1.9	2.3	2.3	2.6	2.7	2.9	3.1	3.2	3.3	3.4
in months of non-aid related imports, excluding RSF disbursements	1.9	2.3	2.3	2.6	2.7	2.8	2.8	2.9	3.0	3.1
Nominal GDP (Million US Dollars)	67,426.3	76,654.2	74,497.8	82,294.4	80,951.7	86,597.8	92,611.2	99,064.5	106,305.9	113,642.2

Sources: Congolese authorities and IMF staff estimates and projections.

Table 3a. Democratic Republic of the Congo: Central Government Operations, 2023-30 [1/]

(Billions of CDF)

	2023	2024		2025		2026	2027	2028	2029	2030
	Act.	CR No. 25/023	Prel.	CR No. 25/023	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Revenue and grants	**24,419**	**31,967**	**32,063**	**35,209**	**35,452**	**40,106**	**46,437**	**52,821**	**59,368**	**65,537**
Revenue	**22,571**	**30,069**	**29,820**	**32,992**	**33,295**	**37,916**	**44,261**	**50,639**	**57,255**	**63,896**
Central government revenue (excl. special accounts)	**20,458**	**26,449**	**26,200**	**28,522**	**28,825**	**33,738**	**39,573**	**45,377**	**51,331**	**57,252**
Central government revenue (excl. special accounts and SICOMINES)	**20,458**	**25,522**	**25,972**	**27,565**	**27,868**	**32,732**	**38,517**	**44,270**	**50,170**	**56,034**
Tax revenue	16,555	20,627	20,529	22,708	22,047	26,221	30,133	34,783	39,417	44,324
Income tax	8,600	11,082	10,975	11,661	11,589	13,279	15,435	17,773	20,313	22,882
Individuals	2,163	3,013	2,835	3,628	3,414	3,987	4,831	5,529	6,347	7,259
Businesses	5,888	6,978	7,190	6,774	6,866	7,788	8,924	10,385	11,899	13,347
Other taxes on income, profits, and capital gains	549	1,091	949	1,259	1,308	1,504	1,679	1,859	2,067	2,277
Taxes on goods and services	5,751	7,256	7,315	8,423	8,342	9,852	11,232	12,927	14,280	16,033
Value-added tax/Turnover tax	4,532	5,815	5,861	6,737	6,648	7,913	9,056	10,364	12,248	13,732
Excises	1,218	1,441	1,454	1,686	1,693	1,939	2,176	2,563	2,033	2,301
Taxes on international trade and transactions	2,204	2,288	2,240	2,625	2,117	3,090	3,466	4,084	4,823	5,408
Non-tax revenue	5,599	9,038	8,698	10,284	10,657	11,695	14,128	15,856	17,838	19,573
Revenue from natural resources and telecommunications	1,735	3,555	3,494	3,590	4,096	4,345	4,888	5,025	5,647	5,901
Mining royalties	1,161	2,579	2,307	2,416	3,010	3,259	3,569	3,533	3,953	4,035
o/w SICOMINES		927	229	957	957	1,006	1,055	1,107	1,161	1,218
Oil royalty and rent	232	299	306	323	273	380	485	519	554	592
Telecommunications	159	377	332	476	487	547	614	723	855	959
Environmental taxes	45		285		285	100	135	151	170	191
Dividends from state-owned enterprises	139	299	264	375	41	59	86	99	115	125
Fees from sectoral ministries	1,310	1,462	1,094	1,752	1,611	2,587	3,831	4,729	5,322	5,967
Other non-tax revenue	440	401	491	472	480	586	720	840	945	1,060
Special accounts and budgets	2,113	3,620	3,620	4,470	4,470	4,178	4,688	5,262	5,924	6,644
Special contributions from extrabudget funds	417	0	592	0	591	0	0	0	0	0
Grants	**1,848**	**1,898**	**2,244**	**2,217**	**2,158**	**2,190**	**2,176**	**2,182**	**2,113**	**1,641**
Project	1,717	1,446	1,809	1,990	1,949	2,118	2,144	2,182	2,113	1,641
Budget support	131	451	434	227	209	72	32	0	0	0
Expenditure	**27,145**	**34,434**	**35,171**	**39,626**	**40,816**	**44,410**	**51,007**	**57,884**	**65,678**	**71,530**
Current expenditure	**16,123**	**21,574**	**22,182**	**24,432**	**24,401**	**25,556**	**28,662**	**31,932**	**35,543**	**39,615**
Wages	7,132	9,169	9,167	10,260	11,479	12,245	13,395	14,592	15,931	17,439
Interest due	548	695	1,002	771	1,175	1,324	1,567	1,792	2,064	2,441
External	87	104	165	185	163	278	415	528	677	958
Domestic	461	591	837	586	1,012	1,046	1,152	1,263	1,387	1,483
Goods and services	4,197	5,201	5,182	5,963	5,122	5,197	5,797	6,674	7,367	8,205
Subsidies and other current transfers	4,246	6,509	6,831	7,439	6,625	6,790	7,904	8,874	10,181	11,530
Subsidies	1,879	2,473	2,880	2,492	2,106	2,638	3,060	3,448	3,878	4,317
Transfers to other levels of national government	254	416	332	477	50	53	156	164	379	569
Special accounts and budgets	2,113	3,620	3,620	4,470	4,470	4,099	4,688	5,262	5,924	6,644
Capital expenditure	**6,036**	**8,580**	**7,901**	**11,655**	**10,595**	**13,034**	**16,524**	**20,132**	**24,315**	**26,096**
Foreign-financed	3,370	4,969	4,569	5,824	5,375	5,670	5,694	6,390	7,722	6,657
Domestically-financed (excluding SICOMINES)	2,665	2,684	3,103	4,874	4,263	6,359	9,775	12,635	15,432	18,221
SICOMINES-financed	0	927	229	957	957	1,006	1,055	1,107	1,161	1,218
Exceptional expenditure [2/]	**4,986**	**4,280**	**5,088**	**3,539**	**5,820**	**5,820**	**5,820**	**5,820**	**5,820**	**5,820**
Security spending	3,568	4,109	4,886	3,530	5,406	5,406	5,406	5,406	5,406	5,406
Domestic fiscal balance (excluding arrears repayment)	**-1,116**	**708**	**-617**	**-625**	**-1,984**	**-546**	**-637**	**-326**	**-24**	**-20**
Overall fiscal balance (excluding arrears repayment)	**-2,725**	**-2,467**	**-3,108**	**-4,417**	**-5,364**	**-4,304**	**-4,569**	**-5,063**	**-6,310**	**-5,993**
Change in domestic arrears (repayment = -)	0	-1,230	-1,022	-1,305	-1,005	-1,600	-1,800	-2,000	-2,240	-2,509
Domestic fiscal balance (program target)	**-1,116**	**-522**	**-1,639**	**-1,930**	**-2,989**	**-2,146**	**-2,437**	**-2,326**	**-2,264**	**-2,529**
Domestic non-extractive fiscal balance	-9,952	-12,715	-13,964	-14,546	-15,871	-16,394	-18,522	-19,854	-21,827	**-23,716**
Overall fiscal balance	**-2,725**	**-3,697**	**-4,130**	**-5,722**	**-6,369**	**-5,904**	**-6,369**	**-7,063**	**-8,550**	**-8,502**
Overall non-extractive fiscal balance	-11,562	-15,891	-16,455	-18,338	-19,251	-20,152	-22,454	-24,591	-28,112	**-29,690**
Errors and omissions	-71	0	-2	0	0	0	0	0	0	**0**
Financing	**3,672**	**3,697**	**4,132**	**5,722**	**6,369**	**5,904**	**6,369**	**7,063**	**8,550**	**8,502**
Net domestic financing	992	223	1,574	646	808	-654	-169	2,525	2,637	3,350
Accumulation of deposits [3/]	0	0	-249	0	0	-837	-967	145	604	-1,055
Financing (banking system)	992	223	1,823	646	808	184	798	2,381	2,032	4,406
Net foreign financing	2,680	3,474	2,586	5,075	5,677	6,479	6,455	4,449	5,820	5,053
Budget loans (disbursements)	1,525	380	244	1,724	2,757	3,728	3,890	1,240	1,300	1,364
ECF			0	0	526	711	997	0	0	0
RSF			0	256	263	1,382	1,743	0	0	0
Other	1,525	380	244	1,468	1,968	1,635	1,150	1,240	1,300	1,364
Project loans (disbursements)	1,653	3,523	2,760	3,835	3,426	3,552	3,550	4,208	5,609	5,016
Amortization of external debt	-499	-429	-419	-483	-505	-800	-984	-998	-1,089	-1,327
Memorandum items:										
Gross domestic product (billions of CDF)	164,803	205,186	210,281	235,339	239,446	268,863	301,667	338,461	380,937	427,112
Extractive revenue	8,836	12,193	12,325	12,616	12,882	14,248	16,085	17,528	19,563	21,187

Sources: Congolese authorities; and IMF staff estimates and projections.

1/ Covers the budgetary central government.

2/ Mainly expenditure related to security, elections, and humanitarian.

3/ Includes 50 percent of SDR allocation transferred to the MdF by end 2022.

Table 3b. Democratic Republic of the Congo: Central Government Operations, 2023-30 1/

(Percent of GDP)

	2023	2024		2025		2026	2027	2028	2029	2030
	Act.	CR No. 25/023	Prel.	CR No. 25/023	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Revenue and grants	**14.8**	**15.6**	**15.2**	**15.0**	**14.8**	**14.9**	**15.4**	**15.6**	**15.6**	**15.3**
Revenue	**13.7**	**14.7**	**14.2**	**14.0**	**13.9**	**14.1**	**14.7**	**15.0**	**15.0**	**15.0**
Central government revenue (excl. special accounts)	**12.4**	**12.9**	**12.5**	**12.1**	**12.0**	**12.5**	**13.1**	**13.4**	**13.5**	**13.4**
Central government revenue (excl. special accounts and SICOMINES)	**12.4**	**12.4**	**12.4**	**11.7**	**11.6**	**12.2**	**12.8**	**13.1**	**13.2**	**13.1**
Tax revenue	10.0	10.1	9.8	9.6	9.2	9.8	10.0	10.3	10.3	10.4
Income tax	5.2	5.4	5.2	5.0	4.8	4.9	5.1	5.3	5.3	5.4
Individuals	1.3	1.5	1.3	1.5	1.4	1.5	1.6	1.6	1.7	1.7
Businesses	3.6	3.4	3.4	2.9	2.9	2.9	3.0	3.1	3.1	3.1
Other taxes on income, profits, and capital gains	0.3	0.5	0.5	0.5	0.5	0.6	0.6	0.5	0.5	0.5
Taxes on goods and services	3.5	3.5	3.5	3.6	3.5	3.7	3.7	3.8	3.7	3.8
Value-added tax/Turnover tax	2.8	2.8	2.8	2.9	2.8	2.9	3.0	3.1	3.2	3.2
Excises	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.5	0.5
Taxes on international trade and transactions	1.3	1.1	1.1	1.1	0.9	1.1	1.1	1.2	1.3	1.3
Non-tax revenue	3.4	4.4	4.1	4.4	4.5	4.3	4.7	4.7	4.7	4.6
Revenue from natural resources and telecommunications	1.1	1.7	1.7	1.5	1.7	1.6	1.6	1.5	1.5	1.4
Mining royalties	0.7	1.3	1.1	1.0	1.3	1.2	1.2	1.0	1.0	0.9
o/w SICOMINES	0.0	0.5	0.1	0.4	0.4	0.4	0.3	0.3	0.3	0.3
Oil royalty and rent	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.1
Telecommunications	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Dividends from state-owned enterprises	0.1	0.1	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Fees from sectoral ministries	0.8	0.7	0.5	0.7	0.7	1.0	1.3	1.4	1.4	1.4
Other non-tax revenue	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Special accounts and budgets	1.3	1.8	1.7	1.9	1.9	1.6	1.6	1.6	1.6	1.6
Special contributions from extrabudget funds	0.3	0.0	0.3	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Grants	**1.1**	**0.9**	**1.1**	**0.9**	**0.9**	**0.8**	**0.7**	**0.6**	**0.6**	**0.4**
Project	1.0	0.7	0.9	0.8	0.8	0.8	0.7	0.6	0.6	0.4
Budget support	0.1	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Expenditure	**16.5**	**16.8**	**16.7**	**16.8**	**17.0**	**16.5**	**16.9**	**17.1**	**17.2**	**16.7**
Current expenditure	**9.8**	**10.5**	**10.5**	**10.4**	**10.2**	**9.5**	**9.5**	**9.4**	**9.3**	**9.3**
Wages	4.3	4.5	4.4	4.4	4.8	4.6	4.4	4.3	4.2	4.1
Interest due	0.3	0.3	0.5	0.3	0.5	0.5	0.5	0.5	0.5	0.6
External	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Domestic	0.3	0.3	0.4	0.2	0.4	0.4	0.4	0.4	0.4	0.3
Goods and services	2.5	2.5	2.5	2.5	2.1	1.9	1.9	2.0	1.9	1.9
Subsidies and other current transfers	2.6	3.2	3.2	3.2	2.8	2.5	2.6	2.6	2.7	2.7
Subsidies	1.1	1.2	1.4	1.1	0.9	1.0	1.0	1.0	1.0	1.0
Transfers to other levels of national government	0.2	0.2	0.2	0.2	0.0	0.0	0.1	0.0	0.1	0.1
Special accounts and budgets	1.3	1.8	1.7	1.9	1.9	1.5	1.6	1.6	1.6	1.6
Capital expenditure	**3.7**	**4.2**	**3.8**	**5.0**	**4.4**	**4.8**	**5.5**	**5.9**	**6.4**	**6.1**
Foreign-financed	2.0	2.4	2.2	2.5	2.2	2.1	1.9	1.9	2.0	1.6
Domestically-financed (excluding SICOMINES)	1.6	1.3	1.5	2.1	1.8	2.4	3.2	3.7	4.1	4.3
SICOMINES-financed	0.0	0.5	0.1	0.4	0.4	0.4	0.3	0.3	0.3	0.3
Exceptional expenditure 2/	**3.0**	**2.1**	**2.4**	**1.5**	**2.4**	**2.2**	**1.9**	**1.7**	**1.5**	**1.4**
Security spending	2.2	2.0	2.3	1.5	2.3	2.0	1.8	1.6	1.4	1.3
Domestic fiscal balance (excluding arrears repayment)	**-0.7**	**0.3**	**-0.3**	**-0.3**	**-0.8**	**-0.2**	**-0.2**	**-0.1**	**0.0**	**0.0**
Overall fiscal balance (excluding arrears repayment)	**-1.7**	**-1.2**	**-1.5**	**-1.9**	**-2.2**	**-1.6**	**-1.5**	**-1.5**	**-1.7**	**-1.4**
Change in domestic arrears (repayment = -)	0.0	-0.6	-0.5	-0.6	-0.4	-0.6	-0.6	-0.6	-0.6	-0.6
Domestic fiscal balance (program target)	**-0.7**	**-0.3**	**-0.8**	**-0.8**	**-1.2**	**-0.8**	**-0.8**	**-0.7**	**-0.6**	**-0.6**
Domestic non-extractive fiscal balance	-6.0	-6.2	-6.6	-6.2	-6.6	-6.1	-6.1	-5.9	-5.7	**-5.6**
Overall fiscal balance	**-1.7**	**-1.8**	**-2.0**	**-2.4**	**-2.7**	**-2.2**	**-2.1**	**-2.1**	**-2.2**	**-2.0**
Overall non-extractive fiscal balance	-7.0	-7.7	-7.8	-7.8	-8.0	-7.5	-7.4	-7.3	-7.4	**-7.0**
Errors and omissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
Financing	**2.2**	**1.8**	**2.0**	**2.4**	**2.7**	**2.2**	**2.1**	**2.1**	**2.2**	**2.0**
Net domestic financing	0.6	0.1	0.7	0.3	0.3	-0.2	-0.1	0.7	0.7	0.8
Accumulation of deposits 3/	0.0	0.0	-0.1	0.0	0.0	-0.3	-0.3	0.0	0.2	-0.2
Financing (banking system)	0.6	0.1	0.9	0.3	0.3	0.1	0.3	0.7	0.5	1.0
Net foreign financing	1.6	1.7	1.2	2.2	2.4	2.4	2.1	1.3	1.5	1.2
Budget loans (disbursements)	0.9	0.2	0.1	0.7	1.2	1.4	1.3	0.4	0.3	0.3
ECF	0.0	0.0	0.0	0.0	0.2	0.3	0.3	0.0	0.0	0.0
RSF	0.0	0.0	0.0	0.1	0.1	0.5	0.6	0.0	0.0	0.0
Other	0.9	0.2	0.1	0.6	0.8	0.6	0.4	0.4	0.3	0.3
Project loans (disbursements)	1.0	1.7	1.3	1.6	1.4	1.3	1.2	1.2	1.5	1.2
Amortization of external debt	-0.3	-0.2	-0.2	-0.2	-505.0	-0.3	-0.3	-0.3	-0.3	-0.3
Memorandum items:										
Gross domestic product (billions of CDF)	164,803	205,186	210,281	235,339	239,446	268,863	301,667	338,461	380,937	427,112
Extractive revenue	8,836	12,193	12,325	12,616	12,882	14,248	16,085	17,528	19,563	21,187

Sources: Congolese authorities; and IMF staff estimates and projections.

1/ Covers the budgetary central government.

2/ Mainly expenditure related to security, elections, and humanitarian.

3/ Includes 50 percent of SDR allocation transferred to the MdF by end 2022.

Table 4. Democratic Republic of the Congo: Depository Corporations Survey, 2023-30

(Billions of CDF, unless otherwise indicated)

	2023	2024		2025		2026	2027	2028	2029	2030
	Act.	CR No. 25/023	Prel.	CR No. 25/023	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
				Depository corporations survey:						
Net foreign assets	**20,888**	**27,210**	**29,216**	**35,262**	**35,948**	**47,958**	**60,909**	**71,747**	**80,087**	**91,514**
Claims on non-residents	32,241	41,801	41,263	51,809	53,016	66,907	81,350	92,895	101,714	113,549
Liabilities to non-residents	11,353	14,590	12,046	16,547	17,068	18,950	20,440	21,148	21,627	22,035
Net domestic assets	**15,342**	**17,136**	**17,360**	**15,596**	**16,884**	**11,358**	**5,637**	**2,909**	**3,931**	**2,682**
Domestic credit	22,784	28,347	28,278	32,738	33,152	35,380	38,265	45,232	53,790	63,938
Net credit to the central government	2,440	2,110	1,844	2,628	3,037	1,552	292	2,606	5,787	10,085
Credit to other sectors	20,345	26,238	26,433	30,110	30,114	33,828	37,973	42,626	48,002	53,853
Credit to the private sector	18,469	23,867	24,263	27,356	27,613	30,989	34,753	38,974	43,846	49,142
Other items, net	-7,442	-11,212	-10,918	-17,142	-16,268	-24,023	-32,629	-42,323	-49,859	-61,256
Broad Money (M2)	**36,231**	**44,346**	**46,419**	**50,858**	**52,847**	**59,331**	**66,561**	**74,671**	**84,034**	**94,212**
Narrow Money (M1)	**7,396**	**8,404**	**7,853**	**9,638**	**9,530**	**10,700**	**12,005**	**13,469**	**15,159**	**16,995**
Currency in circulation	4,528	4,899	5,143	5,619	5,856	6,575	7,378	8,277	9,316	10,446
Demand deposits	2,868	3,505	2,710	4,020	3,674	4,125	4,628	5,191	5,842	6,550
Quasi money	**28,835**	**35,942**	**38,565**	**41,220**	**43,317**	**48,630**	**54,556**	**61,203**	**68,875**	**77,216**
Time deposits in domestic currency	360	440	756	504	1,025	1,151	1,291	1,448	1,629	1,827
Foreign currency deposits	28,475	35,502	37,809	40,715	42,292	47,480	53,265	59,755	67,246	75,389
				Banque centrale du Congo:						
Net foreign assets	**6,660**	**8,877**	**10,341**	**12,674**	**12,987**	**17,548**	**22,809**	**29,001**	**35,851**	**41,905**
Claims on non-residents	14,648	19,385	19,171	24,739	25,499	31,383	37,511	43,710	50,232	55,813
Gross official reserves	14,526	19,385	20,681	24,286	25,363	31,247	37,375	43,575	50,096	55,678
Liabilities to non-residents	-7,988	-10,507	-8,830	-12,064	-12,512	-13,834	-14,702	-14,709	-14,381	-13,908
Net domestic assets	**2,244**	**727**	**384**	**-1,685**	**-9**	**-2,844**	**-6,148**	**-10,094**	**-14,385**	**-7,042**
Domestic credit	4,430	4,401	4,264	4,411	4,786	3,964	2,980	2,860	3,485	4,564
Net credit to the central government	3,451	3,451	2,743	3,451	3,257	2,430	1,440	1,315	1,934	3,007
Governement deposit	260	576	509	576	509	1,336	2,326	2,451	1,832	759
Claims on other depository corporations	817	762	1,348	762	1,348	1,348	1,348	1,348	1,348	1,348
Other items, net	-2,185	-3,675	-3,880	-6,096	-4,795	-6,809	-9,127	-12,954	-17,870	-11,606
Monetary base (broad definition)	**8,904**	**9,604**	**10,552**	**10,989**	**12,978**	**14,704**	**16,661**	**18,907**	**21,466**	**34,863**
				Other depository corporations:						
Net foreign assets	**14,228**	**18,333**	**18,875**	**22,587**	**22,961**	**30,409**	**38,100**	**42,747**	**44,236**	**49,610**
Net domestic assets	**16,776**	**20,961**	**21,663**	**22,500**	**23,292**	**21,608**	**20,346**	**22,910**	**29,744**	**33,419**
Claims on the central bank	4,952	5,389	5,551	6,054	7,450	8,457	9,611	10,957	12,478	24,745
Net credit to the central government	-1,012	-1,342	-899	-823	-219	-877	-1,147	1,291	3,854	7,079
Credit to local administrations	254	313	276	364	319	362	410	465	529	600
Credit to public enterprises	1,621	2,057	1,894	2,390	2,183	2,478	2,810	3,187	3,627	4,111
Credit to private sector	18,308	23,679	24,091	27,159	27,433	30,803	34,561	38,776	43,643	48,933
Other items, net	-7,347	-9,135	-9,250	-12,644	-13,872	-19,613	-25,900	-31,767	-34,386	-52,048
				(Annual percent change)						
Net foreign assets	32.7	30.3	39.9	29.6	23.0	33.4	27.0	17.8	11.6	14.3
Net domestic assets	52.1	11.7	13.1	-9.0	-2.7	-32.7	-50.4	-48.4	35.2	-31.8
Domestic credit	56.0	24.8	22.6	13.0	14.4	8.6	8.7	11.5	13.6	13.9
Net credit to government	68.5	-13.5	-24.4	24.6	64.7	-48.9	-81.2	791.3	122.1	74.3
Credit to the private sector	63.8	29.2	31.4	14.6	13.8	12.2	12.1	12.1	12.5	12.1
Broad Money (M2)	40.3	22.4	28.1	14.7	13.8	12.3	12.2	12.2	12.5	12.1
Memorandum items:										
Nominal GDP (billions of CDF)										
Nominal GDP (billions of CDF)	164,803	205,186	210,281	235,339	239,446	268,863	301,667	338,461	380,937	427,112
Credit to the private sector (percent of GDP)	11.2%	11.6%	11.5%	11.6%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Velocity (GDP/broad money)	4.5	4.6	4.5	4.6	4.5	4.5	4.5	4.5	4.5	4.5
Foreign currency deposits (percent of M2)	78.6	80.1	81.5	80.1	80.0	80.0	80.0	80.0	80.0	80.0
Foreign currency deposits (percent of total deposits)	89.8	90.0	91.6	90.0	90.0	90.0	90.0	90.0	90.0	90.0

Sources: Congolese authorities and IMF staff estimates and projections.

Table 5. Democratic Republic of the Congo: Financial Soundness Indicators, 2021-24

(Percent)

	2021Q4	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Capital Adequacy													
Regulatory capital to risk-weighted assets	12.1	9.9	11.9	12.5	12.1	14.5	12.9	13.2	13.2	12.8	15.7	15.0	14.6
Tier 1 capital to risk-weighted assets	10.0	7.9	9.7	10.2	9.9	12.3	10.8	11.1	11.1	10.7	13.5	12.9	12.3
Common Equity Tier 1 capital to risk-weighted assets	9.5	7.5	9.3	9.8	9.5	11.9	10.5	10.7	10.7	10.4	13.2	12.6	12.0
Tier 1 capital to assets	4.9	4.4	5.1	5.5	5.5	7.0	6.4	6.1	5.9	5.9	7.3	7.0	6.6
Asset quality													
NPLs to total gross loans	5.2	9.2	7.4	8.4	7.4	8.2	6.5	6.9	6.6	7.5	6.7	5.6	6.3
NPLs net of provisions to capital	10.0	24.0	10.9	20.5	18.9	17.6	18.8	19.4	20.3	24.7	17.1	12.4	12.5
Provisions to nonperforming loans	67.7	58.3	74.2	57.9	58.0	55.1	54.0	55.3	52.9	48.8	51.5	60.3	64.8
Loan concentration by economic activity	46.9	49.7	50.6	53.8	49.3	44.3	52.2	56.2	57.3	55.6	61.1	63.8	63.5
Earnings and profitability													
Return on assets (net income/total assets)	1.1	1.4	1.7	1.9	2.2	3.8	3.5	3.5	3.5	3.6	3.4	3.4	3.2
Return on equity (net income/equity)	15.7	18.2	19.5	23.1	24.7	35.3	35.9	38.2	39.0	32.3	32.4	32.0	29.7
Interest margin to gross income	28.9	29.5	30.3	29.8	30.8	36.4	37.4	38.3	37.5	40.2	41.1	42.3	41.3
Noninterest expenses to gross income	66.8	62.0	62.8	59.6	58.1	47.2	49.4	48.7	49.1	46.3	48.7	50.6	52.1
Liquidity													
Liquid assets to total assets	16.7	15.0	18.4	17.5	21.1	22.5	19.1	21.0	19.9	19.3	19.0	19.1	19.1
Liquid assets to short-term liabilities	45.0	42.6	53.2	54.8	64.4	69.1	61.9	65.9	62.1	61.3	59.3	61.4	59.9
Customer deposits to total (noninterbank) loans	254.7	262.5	234.1	207.0	197.9	202.6	154.1	159.8	160.4	157.3	159.3	153.7	169.6
Sensitivity to market risk													
Net open position in foreign exchange to capital	5.4	53.9	-5.4	13.1	16.2	-0.4	2.4	4.4	7.3	5.0	-0.9	6.0	9.5
Foreign currency-denominated liabilities to total liabilities	85.0	84.1	85.8	85.1	82.8	83.1	86.5	86.5	88.1	89.1	89.9	89.6	90.4
Foreign currency-denominated loans to total loans	83.6	88.3	87.6	86.6	87.0	86.1	89.0	89.9	90.3	89.3	92.1	91.0	91.9

Source: Banque centrale du Congo.

Table 6. Democratic Republic of the Congo: Capacity to Repay the Fund, 2022-44

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Total obligations on existing and prospective credit																							
Total obligations (In millions of SDRs)	6.6	30.9	35.7	109.3	138.5	223.4	275.4	336.4	305.9	393.4	427.8	370.6	344.0	294.5	193.6	156.9	125.1	123.3	121.5	119.7	117.9	116.1	114.3
Principal	0.0	0.0	0.0	80.0	106.6	182.8	228.4	289.4	258.9	346.4	380.7	323.6	296.9	247.5	146.6	110.4	80.0	80.0	80.0	80.0	80.0	80.0	80.0
Charges and interest	6.6	30.9	35.7	29.3	31.9	40.7	46.9	47.0	47.0	47.0	47.1	47.0	47.0	47.0	47.0	46.5	45.1	43.3	41.6	39.7	38.0	36.2	34.4
Total obligations (In millions of U.S. dollars)	8.7	41.2	47.4	145.6	185.1	299.1	369.6	452.2	412.1	530.5	576.8	499.7	463.8	397.1	261.1	211.6	168.7	166.2	163.9	161.4	159.0	156.5	154.1
In percent of exports of goods and services	0.0	0.1	0.1	0.4	0.5	0.7	0.8	1.0	0.8	1.0	1.1	1.0	1.0	0.9	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.3
In percent of GDP	0.0	0.1	0.1	0.2	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
In percent of quota	0.6	2.9	3.3	10.3	13.0	21.0	25.8	31.6	28.7	36.9	40.1	34.8	32.3	27.6	18.2	14.7	11.7	11.6	11.4	11.2	11.1	10.9	10.7
In percent of total external debt service	1.3	5.8	7.4	18.3	20.3	27.1	32.3	35.5	29.5	32.8	31.9	28.1	24.7	20.5	13.5	11.1	8.8	8.6	8.2	7.7	7.2	6.8	6.4
In percent of gross international reserves	0.2	0.8	0.7	1.7	1.9	2.7	3.0	3.3	2.8	3.6	3.9	4.0	3.9	3.3	2.2	1.8	1.4	1.4	1.4	1.3	1.3	1.3	1.3
Fund credit outstanding (end-period)																							
In millions of SDRs	1,142.2	1,446.8	1,599.0	2,156.6	2,763.9	3,361.7	3,133.3	2,843.9	2,585.0	2,238.6	1,857.9	1,534.3	1,237.4	989.9	843.3	732.9	652.9	573.0	493.0	413.1	333.1	253.2	173.2
In millions of U.S. dollars	1,517.8	1,929.9	2,097.9	2,877.4	3,695.9	4,506.2	4,207.8	3,826.8	3,486.2	3,019.0	2,505.6	2,069.2	1,668.7	1,335.0	1,137.3	988.3	880.5	772.7	664.9	557.1	449.2	341.4	233.6
In percent of exports of goods and services	5.3	6.5	5.9	7.7	9.2	10.5	9.3	8.1	7.0	6.0	4.9	4.0	3.8	3.1	2.7	2.3	2.0	1.8	1.5	1.3	1.0	0.8	0.5
In percent of GDP	2.3	2.9	2.8	3.6	4.3	4.9	4.2	3.6	3.1	2.5	2.0	1.5	1.2	0.9	0.7	0.6	0.5	0.4	0.3	0.3	0.2	0.1	0.1
In percent of quota	107.1	135.7	150.0	202.3	259.3	315.4	293.9	266.8	242.5	210.0	174.3	143.9	116.1	92.9	79.1	68.8	61.3	53.8	46.3	38.8	31.3	23.8	16.3
In percent of total external debt	15.4	17.6	19.6	22.5	25.1	27.5	24.6	21.2	18.7	15.9	13.0	10.5	8.3	6.5	5.3	4.5	3.8	3.2	2.6	2.1	1.6	1.2	0.8
In percent of gross international reserves	33.2	35.6	31.2	34.4	37.6	40.2	33.8	28.0	24.1	20.6	16.9	16.6	14.0	11.2	9.5	8.3	7.3	6.4	5.5	4.6	3.7	2.8	1.9
Memorandum items																							
Exports of goods and services (in millions of U.S. dollars)	28,632	29,650	35,334	37,358	40,335	42,784	45,047	47,534	49,521	50,553	51,274	52,075	44,197	42,592	42,791	42,998	43,196	43,406	43,626	43,858	44,101	44,359	44,755
Quota (in millions of SDRs)	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066
GDP (in millions of U.S. dollars)	66,161	67,426	74,498	80,952	86,598	92,611	99,064	106,306	113,642	120,861	128,358	136,509	144,760	153,659	163,205	173,376	182,872	193,063	203,923	215,602	227,985	241,330	255,720
Public sector external debt service (in millions of U.S. dollars)	693	705	642	796	910	1,104	1,145	1,274	1,398	1,617	1,807	1,776	1,877	1,942	1,940	1,915	1,926	1,939	1,989	2,099	2,202	2,304	2,414
Public sector external debt (end-period, in millions of U.S. dollars)	9,827	10,944	10,692	12,781	14,732	16,361	17,075	18,017	18,656	18,960	19,247	19,646	20,099	20,621	21,284	22,131	23,116	24,240	25,477	26,781	28,168	29,653	31,042
Gross international reserves (in millions of U.S. dollars)	4,565	5,421	6,732	8,370	9,826	11,204	12,453	13,651	14,468	14,667	14,854	12,467	11,942	11,945	11,962	11,979	12,006	12,035	12,065	12,096	12,129	12,199	12,235

Source: IMF staff estimates and projections.

Table 7. Democratic Republic of the Congo: External Financing Requirements and Sources, 2022-30

(Millions of US$, unless otherwise indicated)

	2022	2023	2024	2025	2026	2027	2028	2029	2030
Gross Financing Requirements	**3,859**	**4,748**	**3,493**	**3,261**	**2,740**	**3,442**	**4,032**	**4,741**	**5,835**
Current account deficit excl. grants	3,333	4,237	3,087	2,694	2,080	2,614	3,181	3,784	4,780
Public sector loan amortization	526	511	406	568	660	828	851	957	1,055
of which: IMF	0	0	0	107	142	245	307	389	374
Identified Financing Sources	**3,402**	**3,720**	**3,050**	**1,768**	**1,682**	**2,569**	**3,669**	**4,379**	**5,472**
Capital account balance	538	760	729	763	791	771	789	822	678
Net foreign direct investment	1,409	2,375	2,915	2,597	2,779	2,972	3,179	3,411	3,428
Portfolio inflows	-34	-3	-14	-16	-17	-18	-19	-21	-22
Project loan disbursements	615	676	801	1,158	1,144	1,090	1,232	1,565	1,335
Other capital flows (net)	2,527	838	-69	-1,098	-1,558	-867	-261	-202	865
Change in reserves (- increase)	-1,824	-987	-1,312	-1,637	-1,456	-1,378	-1,250	-1,197	-811
Net Errors and Omission	170	61	0	0	0	0	0	0	0
Financing Gap	**457**	**1,027**	**443**	**1,493**	**1,059**	**873**	**363**	**363**	**363**
Prospective Financing	**457**	**1,027**	**443**	**1,493**	**1,059**	**873**	**363**	**363**	**363**
ECF disbursements	0	406	204	757	509	510	0	0	0
World Bank[1/]	457	621	156	720	550	363	363	363	363
Other multilateral and bilateral[1/]	0	0	83	0	0	0	0	0	0
Memorandum items:									
Gross reserves, months of non-aid related imports	1.8	1.9	2.3	2.7	2.9	3.1	3.2	3.3	3.4
RSF disbursements	0	0	0	89	445	535	0	0	0
Gross reserves, months of non-aid related imports, without RSF	1.8	1.9	2.3	2.7	2.8	2.8	2.9	3.0	3.1

Sources: Congolese authorities and IMF staff projections.

1/ It includes both budget support grants and loans.

Table 8. Democratic Republic of the Congo: External Borrowing Program, 2024-25

PPG external debt	Volume of new debt in 2024		PV of new debt in 2024 (program purposes)		Volume of new debt in 2025		PV of new debt in 2025 (program purposes)	
	US$ million	Percent	US$ million	Percent	US$ million	Percent	US$ million	Percent
By sources of debt financing	**1,279.4**	**100.0**	**716.5**	**100.0**	**3,761.4**	**100.0**	**2,806.9**	**100.0**
Concessional debt, of which	**717.0**	**56.0**	**194.7**	**27.2**	**1,025.0**	**27.3**	**478.8**	**17.1**
Multilateral debt	717.0	56.0	194.7	27.2	925.0	24.6	446.8	15.9
Bilateral debt	0.0	0.0	0.0	0.0	100.0	2.7	32.0	1.1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-concessional debt, of which	**562.4**	**44.0**	**521.8**	**72.8**	**2,736.4**	**72.7**	**2,328.1**	**82.9**
Semi-concessional	167.0	13.1	126.4	17.6	1,654.4	44.0	1,246.1	44.4
Commercial terms	395.4	30.9	395.4	55.2	1,082.0	28.8	1,082.0	38.5
By Creditor Type	**1,279.4**	**100.0**	**716.5**	**100.0**	**3,761.4**	**100.0**	**2,806.9**	**100.0**
Multilateral	884.0	69.1	321.1	44.8	2,338.7	62.2	1,573.6	56.1
Bilateral - Paris Club	265.2	20.7	265.2	37.0	332.8	8.8	264.8	9.4
Bilateral - Non-Paris Club	0.0	0.0	0.0	0.0	420.7	11.2	299.3	10.7
Other	130.2	10.2	130.2	18.2	669.2	17.8	669.2	23.8
Uses of debt financing	**1,279.4**	**100.0**	**716.5**	**100.0**	**3,761.4**	**100.0**	**2,806.9**	**100.0**
Infrastructure	909.8	71.1	555.9	77.6	2,985.0	79.4	2,434.1	86.7
Social Spending	369.7	28.9	160.6	22.4	176.4	4.7	135.3	4.8
Budget Financing	0.0	0.0	0.0	0.0	600.0	16.0	237.5	8.5
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Congolese authorities and IMF staff estimates.

Table 9. Democratic Republic of the Congo: Proposed Reviews and Disbursements Under the Extended Credit Facility Arrangement

Availability Date	Action	Associated Disbursement	Share of Quota (In percent)	Budget Support: Share of Disbursement (in percent) CR No. 25/023	Budget Support: Share of Disbursement (in percent) Prop.	Budget Support: Corresponding Amount (in SDR million) CR No. 25/023	Budget Support: Corresponding Amount (in SDR million) Prop.
On January 15, 2025	Approved three-year ECF arrangement	SDR 190.1 million	17.8	0.0	0.0	0.0	0.0
On or after May 15, 2025	Completed the first review based on end-December, 2024 performance criteria	SDR 190.4 million	17.9	0.0	0.0	0.0	0.0
On or after November 15, 2025	Completed the second review based on end-June, 2025 performance criteria	SDR 190.4 million	17.9	25.0	70.0	47.6	133.3
On or after May 15, 2026	Completed the third review based on end-December, 2025 performance criteria	SDR 190.4 million	17.9	45.0	40.0	85.7	76.2
On or after November 15, 2026	Completed the fourth review based on end-June, 2026 performance criteria	SDR 190.4 million	17.9	55.0	50.0	104.7	95.2
On or after May 15, 2027	Completed the fifth review based on end-December, 2026 performance criteria	SDR 190.4 million	17.9	75.0	60.0	142.8	114.2
On or after November 15, 2027	Completed the sixth and final review based on end-June, 2027 performance criteria	SDR 190.4 million	17.9	80.0	60.0	152.3	114.2
Total		SDR 1,332.5 million	125.0	40.0	40.0	533.1	533.1

Source: International Monetary Fund.

Table 10. Democratic Republic of the Congo: Reviews and Disbursements Under the Resilience and Sustainability Facility Arrangement

Availability Date	Amount of Disbursements: Millions SDRs	Amount of Disbursements: Percent of Quota	Conditions
On January 15, 2025	-	-	Board Approval of the RSF Arrangement
On or after November 15, 2025	66.625	6.25	Reform Measure 7 implementation review
On or after May 15, 2026	66.625	6.25	Reform Measure 1 implementation review
On or after May 15, 2026	66.625	6.25	Reform Measure 8 implementation review
On or after November 15, 2026	66.625	6.25	Reform Measure 2 implementation review
On or after November 15, 2026	66.625	6.25	Reform Measure 9 implementation review
On or after November 15, 2026	66.625	6.25	Reform Measure 10 implementation review
On or after May 15, 2027	66.625	6.25	Reform Measure 3 implementation review
On or after May 15, 2027	66.625	6.25	Reform Measure 4 implementation review
On or after May 15, 2027	66.625	6.25	Reform Measure 11 implementation review
On or after May 15, 2027	66.625	6.25	Reform Measure 12 implementation review
On or after November 15, 2027	66.625	6.25	Reform Measure 5 implementation review
On or after November 15, 2027	66.625	6.25	Reform Measure 6 implementation review
Total	799.5	75	

Source: International Monetary Fund.

Annex I. Risk Assessment Matrix[1]

Source of Risks	Likelihood	Expected Impact on Economy	Policy Response
Potential External Risks – Conjunctural shocks			
Abrupt growth slowdown in China. Greater-than-expected economic disruptions from rising geopolitical tensions, and/or a sharper-than-expected slowdown in the property sector disrupt economic activity.	Medium	High Lower exports and fiscal revenues would generate BOP and budget financing needs. Lower commodity prices could reduce investment in the extractive sector and dampen DRC's growth prospects. Lower fiscal revenues would put at risk priority spending and exacerbate poverty and inequality, derail government's investment plans and lower growth prospects.	• Maintain prudent macro policies to foster macro stability. • Allow the exchange rate to act as a shock absorber and use external buffers to prevent disorderly depreciation that could negatively impact financial stability. • Step up revenue mobilization efforts, limit nonpriority spending to create space for fiscal policy support. • Mobilize external financing support. • Promote economic diversification in exported goods as well as exports' markets destinations.
Trade policy and investment shocks. Higher trade barriers or sanctions reduce external trade, disrupt FDI and supply chains, and trigger further U.S. dollar appreciation, tighter financial conditions, and higher inflation.	High	Medium Given the high import content of consumption, increases in import prices due to trade barriers risks triggering a spike in inflation	• Diversify the structure of the economy and export sources. • Reduce level of dollarization of the economy
Regional conflicts. Intensification of conflicts (e.g., in the Middle East, Ukraine, Sahel, and East Africa) or terrorism disrupt trade in energy and food, tourism, supply chains, remittances, FDI and financial flows, payment systems, and increase refugee flows.	Medium	High Supply disruptions and sharper-than-anticipated increases in international energy prices raise the costs of energy imports and other imported goods	• Develop a contingency plan that would lower the impact of a delayed economic recovery.

[1]The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path—the scenario most likely to materialize in the view of the Staff. The relative likelihood of risks listed is the Staff's subjective assessment of the risks surrounding this baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects Staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly. The conjunctural shocks and scenarios highlight risks that may materialize over a shorter horizon (between 12 to 18 months) given the current baseline. Structural risks are those that are likely to remain salient over a longer horizon.

Source of Risks	Likelihood	Expected Impact on Economy	Policy Response
Commodity price volatility. Supply and demand volatility (due to conflicts, trade restrictions, OPEC+ decisions, AE energy policies, or green transition) increases commodity price volatility, external and fiscal pressures, social discontent, and economic instability.	**Medium**	**High** Higher volatility in commodity prices will challenge sustainable macro policies and put pressure on the domestic currency, reserves, and fiscal revenues.	• Accumulate international reserve buffers. • Diversify the structure of the economy and export sources. • Increase participation in regional trade area agreements (EAC and AFCFTA). • Use exchange rate flexibility as a shock absorber but intervene to prevent disorderly currency movements
DRC-Specific Risks			
Escalated armed conflicts in the East. Conflict may further intensify given the ongoing disengagement of MONUSCO in the region and given the eased weapons' embargo from the United Nations Security Council.	**High**	**High** Increase fiscal and external risks. Economic activity would be hurt though mostly in areas not well integrated with the rest of the country.	• Make room for a budgetary contingency for national security emergency. • Provide humanitarian assistance to people hit by the conflict. • Prioritize spending to face a surge in security spending.
Escalation of Mpox epidemic. A new, potentially more transmissible variant of the Mpox virus has emerged in the eastern region of the country, with a few cases also reported in Kinshasa.	**High**	**Medium** Economic activity could be disrupted, primarily in isolated regions with limited integration into the national economy. There may also be pressure on public expenditures if vaccine deliveries from the international community are delayed.	• Prepare contingency planning. • Obtain external technical and financial support and mobilize domestic resources to fight the epidemic
Extreme climate events. DRC is one of the most climate-vulnerable countries in the world (based on WB CCDR) and prone to extreme climate events. Such events may cause more severe than expected damage to infrastructure and loss of human lives and livelihoods, amplifying supply chain disruptions and causing water and food shortages and reducing growth. Additionally, climatic shocks could exacerbate regional tensions and intensify violence and conflict.	**High**	**Medium** Risks related to floods and landslides natural disasters could trigger further public expenditures and alter the planned reduction of public debt.	• Prioritize projects related to climate change. • Build infrastructure resilient to natural disaster.

Source of Risks	Likelihood	Expected Impact on Economy	Policy Response
Socio-political unrest amid envisaged constitutional reform plan. Recent announcement of a plan to set up a commission tasked with reflecting on options for revising the Constitution to "tailor it to local realities and address national security and territorial integrity loopholes" may undermine political stability and social cohesion.	Medium	High	• Ensure sufficient national dialog and consultation and build consensus.

Annex II. External Sector Assessment

Overall Assessment: The DRC's external position in 2024 remained weaker than warranted by underlying fundamentals and desirable policy settings. Although reserves increased during the year, they remained inadequate, reaching only 10.1 weeks of imports by end-2024. Robust mining exports—particularly of copper and cobalt—are expected to continue supporting the external position. Reserve accumulation is projected to proceed at a gradual pace, reaching three months of non-aid-related imports only by 2029. While the gradual accumulation of reserves is a welcome development, the still relatively low reserve levels—reflecting protracted balance of payments pressures—remain a key challenge to external sustainability.

Potential Policy Responses: Reserve accumulation is a key objective under the new ECF-supported program. Fiscal and structural reforms are expected to boost sustainable growth, improve the business climate and institutional capacity, and unlock greater investment—both domestically and externally financed. Advancing governance reforms will be critical to catalyzing additional concessional financing and grants, thereby easing pressure on foreign exchange reserves and supporting external sustainability. Complementary efforts to strengthen the monetary policy framework will help reduce excess liquidity and contain inflation, reinforcing macroeconomic stability.

Foreign Assets and Liabilities: Position and Trajectory

Background: Preliminary data for 2024 indicate an improvement in DRC's net international investment position (NIIP), with the net debtor position narrowing to -33 percent of GDP. Total external assets and liabilities amounted to 30 and 63 percent of GDP, respectively. International reserves made up 30 percent of external assets, while deposits held abroad by commercial banks, non-financial corporations, and households accounted for 46 percent. The high share of these deposits reflects the slow development of domestic investment opportunities. Foreign direct investment (FDI) represented 67 percent of external liabilities, while foreign loans—mainly long-term obligations of the general government and private sector—comprised 26 percent.

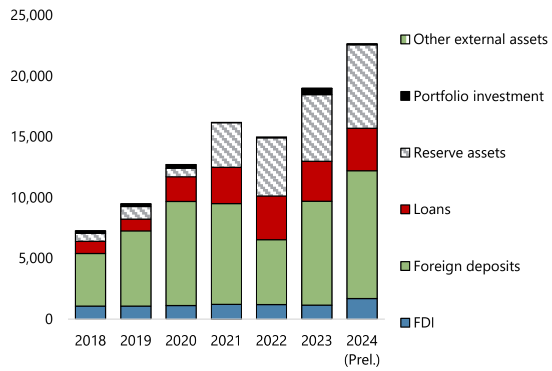
Assessment: The net debtor position of the NIIP does not point to significant external sustainability risks. Rather, it reflects the DRC's prolonged balance of payments needs and substantial development financing requirements. Importantly, the structure of the international investment position is relatively favorable: external assets are largely composed of official reserves and deposits held abroad by the domestic private sector, while external liabilities are predominantly in the form of foreign direct investment—an inherently more stable and less burdensome source of external financing compared to debt-creating flows.

Foreign Assets and Liabilities

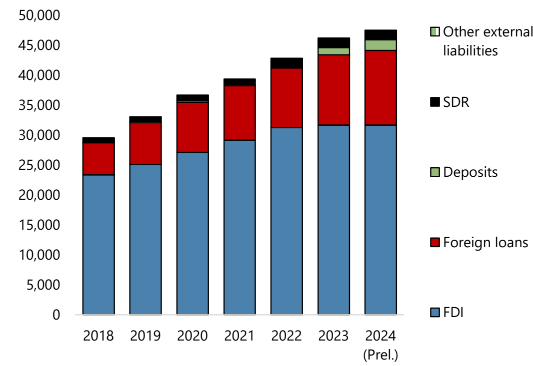
The bulk of external assets consists of deposits held abroad and official international reserves.

Foreign direct investment remains the dominant component of external liabilities, reflecting long-term investor engagement.

External Assets
(US$ million)

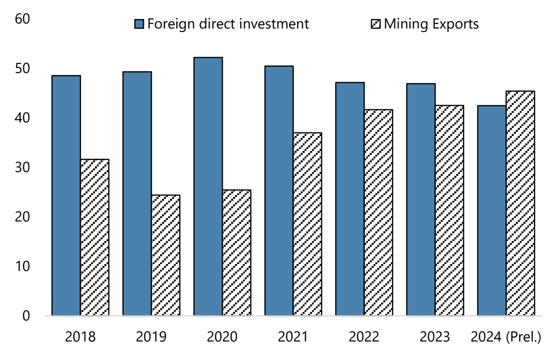


External Liabilities
(US$ million)



FDI liabilities remained high as mining exports grew.

FDI and Mining Exports
(Percent of GDP)



Note: FDI stocks after 2019 are computed using BOP flows.
Sources: Congolese authorities and IMF staff estimates and projections.

2024 (% GDP)	NIIP: -33	Gross Assets: 30	Debt Assets: 5	Gross Liab.: 66	Debt Liab.: 17

Current Account

Background: The current account deficit widened sharply in 2023, reaching 6.2 percent of GDP—well above its 2018–2022 average of 2.9 percent—driven by a surge in nominal imports and a deterioration in the terms of trade following the war in Ukraine. In 2024, the deficit narrowed significantly to 3.9 percent of GDP, largely due to strong performance in mining exports, particularly copper and cobalt, which continue to dominate the export base. Imports remain concentrated in capital goods (39 percent of total goods imports), primarily linked to mining-related investment, followed by energy products (23 percent), and consumption and intermediate goods (both 19 percent), with food products comprising a significant share of consumption imports. In 2025, the current account deficit is projected to narrow further to 3.2 percent of GDP, supported by continued mining export growth and a gradual improvement in the terms of trade, although at a slower pace than in 2024. The deficit is expected to decline to 2.6 percent of GDP in 2026 before widening moderately over the medium term, as import demand remains strong and mining export growth begins to ease, albeit from a high level and remaining robust.

Assessment: The current account position in 2024 appears weaker than the level implied by fundamentals and desirable policies (consistent with The Revised EBA-Lite Methodology). While the actual current account deficit is estimated at 3.9 percent of GDP, strong growth performance and the impact of the conflict in the East result in a cyclically adjusted current account balance of -5.4 percent of GDP. The current account norm—reflecting fundamentals and a policy scenario with a more prudent fiscal stance, higher private sector credit, and a modestly positive real interest rate—is estimated at -4.0 percent of GDP. According to the CA model, this implies a current account gap of -1.4 percent of GDP, suggesting an overvaluation of the real effective exchange rate (REER) by approximately 5.3 percent.

Democratic Republic of the Congo: EBA-lite Model Results, 2024

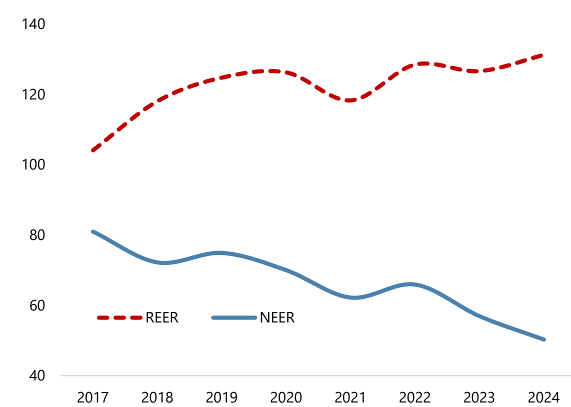
	CA model 1/	REER model 1/
	(in percent of GDP)	
CA-Actual	**-3.9**	
Cyclical contributions (from model) (-)	0.8	
Natural disasters and conflicts (-)	0.6	
Adjusted CA	**-5.4**	
CA Norm (from model) 2/	**-4.0**	
Adjustments to the norm (+)	0.0	
Adjusted CA Norm	**-4.0**	
CA Gap	**-1.4**	**0.5**
o/w Relative policy gap	1.7	
Elasticity	-0.3	
REER Gap (in percent)	**5.3**	**-2.0**

1/ Based on the EBA-lite 3.0 methodology
2/ Cyclically adjusted, including multilateral consistency adjustments.

Real Exchange Rate

Background: In 2024, the real effective exchange rate (REER) appreciated mildly by 3.6 percent, even as the nominal effective exchange rate (NEER) depreciated by 11.7 percent. The depreciation of the NEER continues a trend of sustained nominal weakening that was briefly interrupted in 2022. In contrast, the REER has broadly stabilized following a historical trend of persistent appreciation, largely driven by domestic inflation outpacing that of trading partners. In bilateral terms, the Congolese franc depreciated by 21 percent against the U.S. dollar in 2024 (period-average), following a 14.9 percent depreciation in 2023.

REER and NEER
(Index 2010=100)



Source: IMF INS Database.

Assessment: The EBA-lite REER model suggests a more benign external position, indicating a modest undervaluation of the real effective exchange rate by 2 percent. However, the discrepancy with the CA model likely reflects differences in model sensitivities and data constraints—particularly relevant in the context of a commodity-dependent, low-income economy like the DRC. Given the relatively short data history for the DRC (with coverage starting only in 2005, compared to the full EBA-lite cross-country sample beginning in 1995), greater weight is placed on the CA model for assessing the REER gap. This ensures a more robust interpretation of external imbalances and exchange rate misalignment.

Capital and Financial Accounts: Flows and Policy Measures

Background: With limited access to international financial markets, the DRC's capital and financial accounts are primarily shaped by public sector transactions (reflected in the capital and other investment accounts), mining-related FDI, and commercial bank activity—particularly deposits held abroad, which are largely backed by domestic foreign exchange deposits.

Assessment: The requirement to repatriate 60 percent of mining export proceeds, in place since 2018, constitutes a capital flow management measure (CFM) under the IMF's Institutional View on capital flows. As external adjustment advances and balance of payments pressures ease, this measure should be gradually unwound. Looking ahead, improved terms of trade could help catalyze additional external financing, including through increased FDI and project-related loans.

FX Intervention and Reserves Level

Background: Gross international reserves increased to US$6.7 billion (equivalent to 10.1 weeks of imports) at end-2024, up from US$0.7 billion (2.0 weeks of imports) at end-2020. This improvement reflects the halt of central bank advances to the government—previously a major drain on reserves—following the April 2020 RCF disbursement and the launch of the ECF-supported program in 2021. In 2024, reserve accumulation was supported by strong export receipts, particularly from the mining sector. Despite high passthrough from exchange rate movements to inflation due to dollarization, the BCC conducted net foreign exchange purchases of US$760 million in 2024, reinforcing reserve accumulation compared to 2023. Continued strength in mining exports has sustained this trend, with additional net purchases of about US$350 million recorded by April 2025.

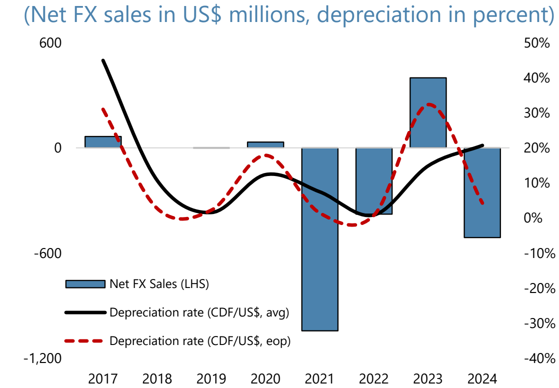
Assessment: Despite a significant buildup since 2021, the coverage of reserves remains below the standard three-month import benchmark, underscoring external vulnerability. The still low reserve buffer reflects persistent balance of payments pressures, and strengthening reserve adequacy remains a key objective of the new ECF-supported program, which aims to enhance resilience to external shocks. However, based on the alternative adequacy metric of 20 percent of broad money, reserve coverage has remained satisfactory since 2021.

Central Bank's Foreign Exchange Interventions

In 2024 net FX resumed after a year of FX net sales…

Net FX Sales vs. One-Period Lagged Depreciation Rates

(Net FX sales in US$ millions, depreciation in percent)

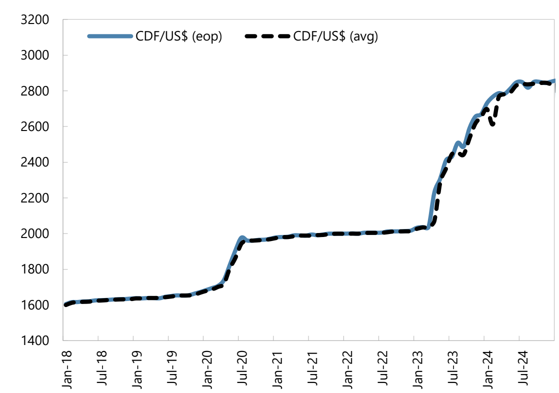


Note: Depreciation rates appear on the right-hand scale.

… while the CDF continued to depreciate against the US dollar following a period of relative stability.

Congolese Franc

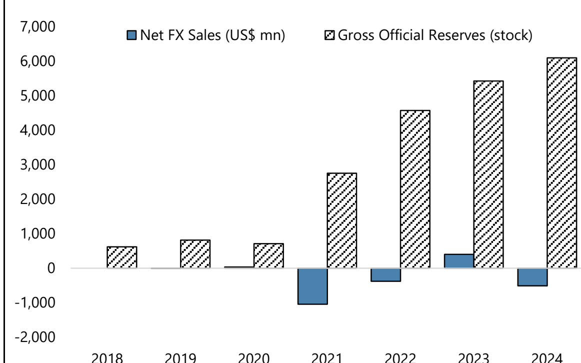
(Specified units)



Net FX purchases in 2024 contributed to a significant build-up of reserves…

Net FX Sales vs. Gross Official Reserves

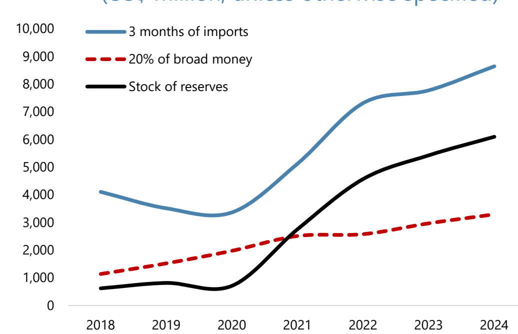
(US$ million)



… albeit not enough to bring reserve coverage in line with adequacy benchmarks.

Reserve Coverage

(US$ million, unless otherwise specified)



Sources: Congolese authorities and IMF staff estimates.

Appendix I. Letter of Intent

Kinshasa, June 18, 2025

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431
U.S.A.

Dear Madam Managing Director:

1. The Government reiterates its gratitude to the International Monetary Fund (IMF) for the ongoing support provided to the Democratic Republic of the Congo (DRC). The approval of the new arrangement under the Extended Credit Facility (ECF) in January 2025 is a valuable contribution to the consolidation of our macroeconomic stabilization endeavors and the deepening of structural reforms. Approval of the new arrangement under the Resilience and Sustainability Facility (RSF) in January 2025 also supports our efforts to strengthen the economy's resilience to climate shocks, while helping to more effectively consolidate our role as a "solution country" in the global transition to a low-carbon economy. We also reiterate our appreciation for the Fund's continued support for capacity building in our government bodies and public entities.

2. In late 2024, the armed conflict in the eastern part of our country intensified. Intensification of the conflict has resulted in the illegal occupation, since late January 2025, of large swathes of our territory—including Goma and Bukavu, the capitals of North Kivu and South Kivu, respectively, by the Rwandan-backed M23 rebel movement. This escalation of hostilities has exacerbated the dramatic humanitarian consequences of what is now a three-decades-long conflict, costing the lives of millions of our fellow citizens, displacing hundreds of thousands of families, depriving millions of people of basic social services, and exposing hundreds of thousands of women to sexual violence. The establishment of parallel administrations by the rebels has also forced the closure of our public administrations, including customs, and tax services, and local branches of our central bank, as well as financial institutions. This has accentuated the repercussions of the conflict on living conditions and economic activity in this part of the country, and also on our public finances. These human, social, and economic costs of the conflict have been compounded by our pre-existing structural challenges, putting further pressure on our public finances and health and humanitarian systems, especially given the freezing of American aid, on which nearly two-thirds of humanitarian assistance depended in 2024.

3. Despite this existential crisis, our economy has remained resilient. Economic growth remained strong in 2024, at 6.5 percent, albeit down from the previous year's 8.5 percent, linked to the stabilization of copper production. Inflation continues to ease, dropping to 11.7 percent in December 2024 from 23.8 percent a year earlier, thanks, in part, to the maintenance of tight monetary policy coordinated with fiscal policy. Inflation has retreated further in 2025, dropping to 9.1 percent in May, thus helping to gradually restore the population's purchasing power. The depreciation of the exchange rate has slowed considerably, and the Congolese franc has been virtually stable against the dollar since mid-2024. The external position also strengthened in 2024, reflecting the robust performance of mining exports, particularly copper and cobalt, thereby contributing to steady accumulation of international reserves.

4. **Our ongoing fiscal adjustment efforts have helped contain the impact of the escalating conflict on our public finances**. The robust performance of budget revenues as of end-2024 has helped mitigate the budget overruns caused by the intensification of the conflict, following the failure of the Luanda peace talks in mid-December 2024. We have had to devote considerable resources to exceptional security expenditures, speed up a number of infrastructure projects financed from domestic resources in the eastern part of the country and in Kinshasa, and transfer more resources to public companies than initially planned, to counteract destabilizing tendencies fueled by the opportunistic exploitation of social unrest. This, combined with an under projection of debt interest, has led to the domestic fiscal deficit overshooting by 0.5 percentage points of GDP at end-2024 relative to the level initially envisaged. However, this budget overrun, which was mainly financed by issuing government bonds on the domestic market, did not affect the sustainability of our public debt, which remained contained at around 22.5 percent of GDP. The sudden nature of the surge of spending in December and the limited time left in the year did not allow us to initiate a consultation with the IMF. In addition, we had expected our revenue effort to offset the additional spending. Communication with the Fund has been strengthened since then and will remain strong, to help us navigate challenges.

5. **The ECF-supported program is performing well overall, in a context of the challenging security context and a difficult sociopolitical environment**.

- All but two of the quantitative performance criteria were achieved at end-December 2024. The performance criterion relating to the ceiling on the domestic budget deficit, on a cash basis, was not met, owing to expenditure overruns related to the escalation of hostilities (see ¶4 above). The performance criterion relating to the ceiling on BCC assets held in foreign-currency accounts with domestic correspondent banks was also not met, owing to the unforeseen receipt of Treasury resources in late December.

- The indicative targets were also met, except for the floor on social spending and the ceiling on expenditures executed through emergency procedures. This was due mainly to cuts in certain social expenditures made to accommodate the surge in exceptional security spending, in response to the sharply deteriorating security situation.

- Progress on structural reforms is much clearer, since all the structural benchmarks set for the first review have been met.

6. **Despite the more challenging environment, we remain committed to the objectives of macroeconomic stabilization and deepening reforms underpinning the ECF.** To this end, we have submitted to Parliament an amendatory finance bill (PLFR) for 2025, in line with the program objectives. Despite the surge in security spending, the PLFR renews our commitment to maintain the stability of the macroeconomic framework. This will be achieved through a combination of measures

aimed at mobilizing additional budget revenues, while reducing State spending, and targeting the resources toward productive and infrastructure projects capable of boosting the diversification of our economy. This package of measures should partially make up for the projected revenue loss arising from: (i) the repercussions of the illegal occupation of the eastern provinces; and (ii) the exemption since December 2024 from customs duties and VAT on basic foodstuffs to combat the high cost of living. The additional revenue will also help absorb the increase in public spending induced by the escalation of hostilities, including the doubling of military and national police salaries since April 2025. We also intend to rationalize spending on certain institutions whose relevance is no longer proven, but which continue to absorb substantial public resources. Similarly, our goal of reducing the country's significant infrastructure gap, in a context of tighter budgetary constraints, requires us to speed up the implementation of projects planned to be financed from Sino-Congolese (SICOMINE) resources. Overall, these efforts are expected to generate a domestic fiscal deficit of 1.2 percent of GDP for 2025 (compared to the 0.8 percent projected when the ECF-supported arrangement was approved), part-financed by an increase in budgetary support from the World Bank (from US$500 million to US$600 million). In line with our renewed commitment to refrain from direct monetary financing, the projected additional financing requirement will be met by issuing bonds on the domestic market, which we are endeavoring to deepen, with IMF technical assistance.

7. In terms of fiscal structural reforms for 2025, we will build on the positive momentum generated since the approval of the ECF arrangement. Following the adoption in December 2024 of the Interministerial Decree *(Arrêté)* concerning the Manual of Public Expenditure Procedures, in January 2025, the Prime Minister issued a circular to members of the government, instructing them to fully adhere to the set procedures.

- While 15.6 percent of total expenditure was executed through emergency procedures in the first quarter of 2025, this reflected the continued increase in exceptional security spending following the escalation of the conflict. Nonetheless, we remain fully committed to bring this below the 8 percent ceiling set for end-2025, as the security situation de-escalates through ongoing diplomatic initiatives consolidates.

- Similarly, execution of the 2025 budget will be accompanied by an acceleration of the reforms envisaged to modernize public financial management (PFM). These include the operationalization of the Directorate General of the Treasury and Public Accounts (DGTCP), the decentralization of expenditure authorization among the pilot ministries, establishment of the treasury single account (TSA), and implementation of the roadmap adopted by the government in March 2025 for the gradual transition to a fiscal framework excluding extractive sector resources.

- We will also take steps to enhance fiscal credibility by aligning public procurement, budgetary commitment, and cash flow plans more closely. We will also improve the forecasting of interest charges on the public debt, partly through better coordination between the Directorate General of Public Debt (DGDP), the Office of the Ministry of Finance, and the Central Bank on debt-related data.

- The management of public investment will also be strengthened, including through stricter compliance with the legal framework governing their selection, evaluation, budgeting, and execution.

- In terms of mobilizing tax revenue, in addition to the measures envisaged to offset part of the revenue shortfall for 2025, we will also work with IMF technical assistance to adopt a short- to medium-term revenue mobilization plan.

- Through Decree No. 25/20 of 29 April 2025, we have strengthened the organizational framework of the DGDP, the entity tasked with managing the public debt, with a view to increasing its analytical, operational, and advisory capacities, and consolidating its role as a centralizing agency for borrowing operations.

8. **The ECF arrangement will continue to focus on its initial strategic objectives, with some recalibration to the new realities brought about by the intensification of the conflict**. These are: (i) strengthening the resilience of the economy by enhancing external, financial, and price stability; (ii) freeing up more fiscal space to finance spending on security, infrastructure (which can boost the long-awaited diversification of our economy), education, health, and agriculture, through increased mobilization of budgetary revenues and more efficient use of public resources; and (iii) promoting more inclusive growth by accelerating reforms aimed at strengthening governance, transparency (including in the mining sector and in public procurement), anti-corruption and anti-money laundering frameworks, and cleaning up the business environment. The updated Memorandum of Economic and Financial Policies (MEFP), contained in the annex, describes our commitments in this area in greater detail, and presents the policies that the government intends to implement more generally in 2025 and beyond. The attached updated Technical Memorandum of Understanding (TMU) also gives details of our specific objectives and specifies the follow-up arrangements for future reviews.

9. **We are also paving the way for timely implementation of the reform measures (RMs) underpinning the RSF arrangement.** Although no RMs were due for implementation during this review, we have taken the initial steps to achieving them as from the next review. The attached updated MEFP gives details of the progress made and what remains to be done to achieve the objectives of the RSF-supported program on time. The MEFP makes a point of clarifying certain institutional responsibilities and identifies the needs and potential sources of technical assistance for the satisfactory implementation of the associated measures.

10. **Given the broadly satisfactory performance in a challenging security environment, we request completion of the first review of the ECF arrangement (with the associated disbursement of the first tranche in the amount of SDR 190.4 million) as well as the completion of the financing assurances review.** We request waivers for non-observance of the performance criteria for the domestic fiscal deficit ceiling and the ceiling on the BCC's foreign currency assets held with domestic correspondent banks, respectively, on the basis of the corrective measures taken and the temporary nature of the source of the non-observance. In view of the shortfall in fiscal revenues resulting from the illegal occupation of the eastern provinces of our

country, we also request a modification of the domestic fiscal deficit ceiling, on a cash basis, for 2025 (i.e. 1.2 percent of GDP compared to the 0.8 percent of GDP initially programmed). We commit to publishing the revised quarterly expenditure execution plans for 2025, in line with the revised fiscal framework. Finally, we also request the modification of the end-June 2025 performance criteria on the domestic fiscal balance based on the updated outlook, as well as the PC on net credit to the government, and net domestic assets of the BCC, to account for pending operations at end-December 2024 on the BCC Treasury account.

11. We are also strengthening safeguard provisions, with a view to channeling some of the IMF's disbursements into budget support, as from the second review. We commit to meeting the required conditions, including timely implementation of the related PFM modernization reforms, acceleration of expeditious implementation of infrastructure projects financed with SICOMINE resources. We have signed the MoU binding the Ministry of Finance and the BCC in terms of their respective debt service responsibilities with the IMF. In addition, following the conclusions of the IMF's updated safeguard assessment of the BCC, we will adopt an action plan for the expeditious implementation of the recommendations that have been made, particularly those relating to strengthening governance and transparency, and BCC recapitalization.

12. We remain confident that implementation of the measures specified in the MEFP will strengthen the resilience of our economy in this challenging security context. To this end, we reaffirm our determination to respect all of the performance criteria and structural benchmarks under the ECF-supported program and the reform measures under the RSF-supported program. We will develop a contingency plan to enable programs to adapt to potential future shocks. We stand ready to adopt any additional measures that may be necessary to preserve the objectives of the programs. The government will consult with the IMF before adopting any such measures, and prior to any revision of the policies set out in the MEFP, in accordance with Fund policies on the subject. We will also intensify our collaboration with development partners to increase our access to grants and concessional financing, which are so badly needed given the freeze on American aid affecting a major share of humanitarian assistance. In line with the government's objective of promoting transparency, we consent to the publication of this Letter of Intent, the MEFP, and the TMU, as well as the IMF Staff Report on the First Review of the Arrangement under the ECF arrangement and any other related documents (including the Debt Sustainability Analysis), following approval by the IMF's Executive Board.

Very truly yours,

/s/
Judith **SUMINWA TULUKA**
Prime Minister

/s/	/s/	/s/
MALANGU KABEDI MBUYI	Doudou **FWAMBA LIKUNDE LI-BOTAYI**	Aimé **BOJI SANGARA BAMANYIRWE**
Governor of the BCC	*Minister of Finance*	*Minister of State, Minister of the Budget*

Annexes:

- ***Memorandum of Economic and Financial Policies***
- ***Technical Memorandum of Understanding***

Attachment I. Memorandum of Economic and Financial Policies

This memorandum updates the MEFP associated with the programs approved in January 2025 by the IMF's Executive Board under the Extended Credit Facility (ECF) and the Resilience and Sustainability Facility (RSF). It describes the recent economic developments and outlook, and details our updated reform objectives and priorities for 2025 and beyond as part of these IMF-supported programs under the ECF and the RSF.

1. The ECF arrangement will continue to focus on its initial strategic objectives, with some recalibration to the new realities brought about by the intensification of the conflict. These are: (i) strengthening the resilience of the economy through greater external, financial, and price stability; (ii) freeing up more fiscal space to finance spending on security, infrastructure (which can boost the diversification of our economy), education, health, and agriculture, through increased mobilization of fiscal revenues and more efficient use of public resources; (iii) promoting more inclusive growth through the acceleration of reforms aimed at strengthening public financial management, domestic resource mobilization, governance, transparency, cleaning up the business environment, and fighting more resolutely against corruption and money laundering; and (iv) building resilience to climate shocks while consolidating our role as a source for solutions in the global transition to a low-carbon economy.

A. Recent Economic Developments

2. Despite the shock induced by the intensification of the conflict, economic activity has remained resilient. Real GDP growth in 2024 was robust, at 6.5 percent compared to the 6 percent that was initially anticipated, although slowing compared to 2023 (8.5 percent), mainly reflecting the evolution in the extractive sector, which grew by 12.8 percent, compared to 19.8 percent in 2023. Copper production, which accounts for the lion's share of the extractive sector, increased slightly, while cobalt production (12 percent of the extractive sector) grew by almost 40 percent. Zinc production, although still negligible in 2023, has quadrupled, with the resumption of operations at the country's largest zinc mine in 2024. Non-extractive GDP grew more slowly in 2024, at 3.2 percent, compared to 3.5 percent in 2023, with a slowdown across all sectors. Growth in the construction sector, in particular, has returned to historic levels after a strong performance in 2023.

3. Inflation continues to ease, driven by the continued restrictive monetary policy stance. The slowdown in inflation became more widespread in the last months of 2024. Year-on-year, inflation stood at 11.7 percent in December 2024 and fell further to 9.1 percent in May 2025. Pressures on the Congo franc have eased, with the latter remaining broadly stable against the dollar since mid-2024. The depreciation rate fell to 6.3 percent and 6.2 percent, respectively, in the parallel and official markets.

4. The intensification of the conflict led to budget overruns at end-2024, despite solid budget revenue collection. The cash-based domestic fiscal deficit reached 0.8 percent of GDP, compared to the 0.3 percent of GDP originally planned.

- The mobilization of budget revenues was in line with forecasts in 2024 in nominal terms, driven by the solid performance of the mining sector.

- The intensification of the conflict, however, caused overruns on several budget lines in the last quarter of 2024. We have had to devote significant resources to exceptional security expenditures, to accelerate a number of infrastructure projects financed from our own resources in the eastern part of the country and in Kinshasa, and to transfer more resources than initially planned to public companies, in order to counteract destabilizing tendencies against a backdrop of opportunistic exploitation of social discontent. This has in turn led to overruns which, combined with an underestimation of the interest on debt projections by 0.2 percentage points of GDP, have resulted in an overshoot of the domestic budget deficit by 0.5 percentage points of GDP at end-2024 compared to the planned level. This budget overrun, which was financed mainly by the issuance of government securities on the domestic market, did not affect the sustainability of our public debt, which remained contained at around 22.5 percent of GDP.

- We are committed to taking the following corrective actions: (i) ensuring that the investment is made in accordance with the normal procedures for execution of the budget and carrying out only the projects included in the budget law or those related to the new priorities approved by the government and specified in an amended budget law; (ii) ensuring better coordination between the Directorate General of Public Debt (DGDP), the Cabinets of the Ministries of Finance and Budget, as well as the Central Bank of Congo (BCC) on data and forecasts relating to the servicing and management of public debt, including finalization of the amendment to the Memorandum of Understanding between the BCC and the Ministry of Finance on the settlement of BCC claims on the Treasury; (iii) submitting to Parliament an amended budget law in line with the program and publishing the associated budget commitment plans (including a backloading of investment) and administrative tools to support agreed changes in policy (Prior Action); and (iv) accelerating revenue mobilization by adopting a revenue mobilization plan, including VAT-related tax expenditures, in a coordinated manner among the various financial authorities (structural benchmark, September 2025).

- In January 2025, we adopted a transparent operational and financial mechanism through an account at the Bank for International Settlements (BIS) to oversee projects to be financed by the resources expected from amendment No. 5 to the SICOMINES contract. We commit to using this mechanism for disbursements related to these projects going forward. To date, only the projects covered by the annual budget of US$324 million for 2024 have been started, while those covered by the remaining US$300 million under the original agreement could not be started due to late transmission of the list of said projects by the Congolese side. That said, we are working to ensure their full implementation in 2025. In December 2024, we sent SICOMINES the list of projects for the period 2024-2026. In accordance with the provisions of amendment No. 5 to the contract, we will review the implementation of the projects in June 2025 and will ensure that the contract is reorganized in the event of insufficiency, in order to ensure that the resources planned annually are fully used or disbursed. In addition, in accordance with the Government's objective of promoting greater transparency and citizen accountability, and to serve as a basis for safeguarding the future channeling of part of the IMF's disbursements towards support for the state budget, we renew our commitment to:

(i) Publish feasibility and cost-benefit studies, as well as any other ex-ante studies associated with the selected projects.

(ii) Produce and publish an annual report on the use of SICOMINES resources, including a report on the physical and financial execution of the projects, starting with the report as at end-March 2025, by end-June 2025 at the latest.

(iii) Have ex-post evaluations of projects carried out by an independent oversight entity.

5. **The accumulation of foreign exchange reserves strengthened in 2024, against the backdrop of a contraction in the current account deficit.** After peaking at 6.2 percent of GDP in 2023, the current account deficit narrowed to 3.9 percent of GDP in 2024, driven by robust mining exports, including copper and cobalt. Foreign direct investment (FDI) has also remained robust, helping to finance gross fixed capital formation and imports. This results in a continued accumulation of foreign exchange reserves, which reached US$6.732 billion at end-2024, above the planned level and representing an increase of US$1.312 billion compared to 2023 and 2.3 months of prospective non-aid import coverage.

6. **The financial soundness of banks continued to improve in 2024**. Lending to the private sector in U.S. dollars continues to grow, albeit at a slower pace of 12 percent in 2024, compared to 30 percent last year. U.S. dollar deposits increased sharply, by 19 percent compared to 4 percent in 2023, while local currency deposits increased by 4.6 percent in 2024, compared to 14 percent in 2023. The dollarization of the financial system has thus intensified further, rising to 91 percent for deposits and 97 percent for loans, compared to 88 percent and 96 percent, respectively, last year. Asset quality has improved. The ratio of non-performing loans fell from 8 percent at end-2022 to 6 percent at end-2024, with all but one bank meeting the 10 percent capital adequacy ratio.

B. Economic Outlook and Risks

7. **The outlook remains broadly favorable, as the de-escalation initiated by the ongoing peace talks gathers momentum**. We expect growth of 5.3 percent in 2025, just 0.1 percentage points below the initial projection, driven mainly by a slowdown in extractive sector growth from a high baseline in 2024 (8.2 percent vs. 12.2 percent in 2024). This decline in growth projected for 2025 also reflects a downward adjustment of growth in the non-extractive sector (3.6 percent from 4.2 percent), in line with the impact of the escalation of hostilities on economic activity in the eastern part of the country and beyond. Over the medium term, growth is expected to stabilize at around 5.0 to 5.5 percent, as growth in the mining sector stabilizes and the non-extractive sector

regains momentum, driven by the expected consolidation of peace and the impact of structural reforms and investments planned by the government. Inflation is expected to continue slowing down, returning to the BCC's target of 7.0 percent by end2026 and to stabilize thereafter.

8. The public finance situation for 2025 will be significantly affected by the repercussions of the intensification of the conflict. The projected loss of about 3.7 percent of budget revenues (0.4 percent of GDP) related to the illegal occupation of the eastern provinces, combined with the loss of revenue associated with the exemption since December 2024 from customs duties and VAT on basic foodstuffs to combat the high cost of living, will cost the public treasury about 0.7 percent of GDP in 2025. At the same time, measures taken to address the escalation of hostilities, including a significant increase in exceptional security spending and the doubling of army and police salaries to boost morale, are expected to increase public spending by 0.8 and 0.5 percentage points of GDP, respectively. In addition, the forecasts for interest charges on public debt have been revised by 0.2 percentage points of GDP, reflecting a correction of their previous underestimation. In sum, this results in an additional financing requirement of 2.2 percent of GDP compared to the budget planned for 2025. We have identified a set of measures to partially meet this projected additional financing requirement, so that combined with more substantial budget support from the World Bank (US$600 million compared to the US$500 million originally planned), there remains only a residual need of 0.4 percent of GDP, which represents the shortfall in revenues related to the repercussions of the illegal occupation of the eastern part of the country (an external shock beyond our control), for which we are calling for an equivalent relaxation of the domestic budget deficit from 0.8 percent of GDP to 1.2 percent of GDP. These measures are reflected in the draft amended budget law for 2025 that we submitted to Parliament for adoption in May.

- On the revenue side, we aim to generate around 0.6 percent of GDP through a combination of several measures. In terms of income tax, we will strengthen the collection of outstanding taxes, including by setting up a commission responsible for collecting disputed taxes, and improve control of the taxpayer register by making better use of digitalization to cross-check information on taxpayers from various sources, including trade flows, bank data, and assets. In terms of VAT, we will accelerate the rollout of the standardized invoicing system and the simplification of VAT exemptions, while in customs matters, we will set up a commission responsible for expediting the processing of disputes. We will strengthen the excise duty traceability system through the deployment of control kits in all provinces, in order to fight fraud more effectively at this level. We will also strengthen the collection of non-tax revenues, including through increased controls to collect certain environmental taxes and unpaid royalties from mining companies.

- As a contribution to the war effort, resources of about 0.2 percent of GDP will be transferred from extra budgetary accounts to the state budget.

- On the expenditure side, since April we have implemented current expenditure measures aimed at reducing government spending in order to generate savings of around 1 percent of GDP, including: (i) 30 percent cuts in the operating budgets of ministries and public institutions; (ii) a reduction in the remuneration of public officials and heads of institutions; (iii) a suspension of certain specific expenditures (foreign missions, training, etc.) and (iv) economic interventions (transfers and subsidies). In addition, a better re-prioritization of budget-financed investment expenditure is expected to generate additional savings of around 0.3 percent of GDP. By way of compensation, we will ensure the full deployment of infrastructure projects financed from SICOMINES resources.

- The IMF's budget support should help us to further address our country's significant infrastructure deficit. We understand that this support is conditional on: (i) the satisfactory achievement of the structural benchmarks for the modernization of public financial management due prior to the second review of the ECF-supported program; (ii) the definition of the allocation of resources and a mechanism for safeguarding and using resources by decision of the Council of Ministers; (iii) the signed a memorandum between the BCC and the government regarding the accounting and management of budget support resources; (iv) a commitment to publish a semi-annual report on the use of budget support resources; (v) demonstration of the ability to use resources in a transparent and efficient manner, by meeting the indicative target on spending by emergency procedure, avoiding the use of the emergency procedure for investments, speeding up the implementation of key projects, including those of SICOMINES. To this end, we are committed to carrying out projects financed from SICOMINES resources in accordance with the dedicated financial and operational mechanism, as jointly agreed by the government and SICOMINES in the minutes of their meeting held in March 2025. The terms of these minutes have been transcribed into a memorandum of understanding that is expected to be jointly adopted by the government and SICOMINES in the coming weeks. As with the mechanism used for projects financed by SICOMINES, the resources for budget support for the financing of investment projects will be disbursed to a BCC subaccount with the BIS, and the details of its protection status must be finalized by end-September 2025, with technical support from the IMF. We will also prioritize investments so as to define those to be postponed if necessary (to be defined in the amended budget law). We also note that if the conditions for the disbursement of budget support are not met at the second review, the planned disbursements will be deferred to subsequent reviews, but will go to balance of payments support if the conditions for budget support are ultimately not met.

9. The external position is expected to improve, although it remains vulnerable. The terms of trade are expected to continue to improve in 2025, albeit at a slower pace than in 2024, while the current account deficit is expected to narrow further to 3.2 percent of GDP, supported by sustained growth in mining exports. Private capital inflows financed significant private investment and imports in 2022-2024, while projections assume that mining profits will be repatriated as dividends or used to replenish deposits abroad. Our external vulnerabilities have been exacerbated by uncertainties about the sustainable support of development partners (including in relation to the dismantling of USAID), especially as geopolitical changes or budget constraints could lead to a reduction in funding. Foreign exchange reserve coverage is expected to reach three months of prospective non-aid imports by end-2027. Maintaining adequate safety margins will remain essential to absorb any external shocks.

10. This outlook is subject to heightened downside risks. The increase in downside risks is mainly due to the humanitarian, socio-political, economic, and fiscal repercussions of the escalation of hostilities in the eastern part of the country and the sharp reduction in development aid flows. In addition, the persistence of the health shock linked to the M-pox epidemic, in the context of a freeze on U.S. financial aid, nearly 25 percent of which was used to support various health programs, is an additional factor of concern for the outlook. Potential inflationary pressures related to commodity price volatility remain a concern, as the current high copper prices may not be sustained for long. Upside risks to the outlook could also arise, in the event of a rapid consolidation of the de--escalation of hostilities initiated by the ongoing peace talks, combined with the prospect of significant American investments under the minerals-for-security deal being considered between our country and the United States.

C. Macroeconomic Policies and Structural Reforms Underpinning the ECF Arrangement

Fiscal Policy

11. The formulation and execution of our fiscal policy remains anchored around the following fundamental principles: (i) the absence of any direct monetary financing of deficits, i.e., a strict commitment of expenditure according to available resources, in accordance with the Public Finance Law and the Organic Law on the BCC; (ii) the preservation of a moderate risk of debt distress; (iii) consistency with monetary and exchange rate policy; (iv) the development of contingency plans to allow budget execution under programs supported by the ECF and RSF to remain adaptable to possible future shocks; and (v) the need to build up fiscal savings conducive to the implementation of the roadmap for the eventual transition to a fiscal framework that does not rely on extractive sector resources. Therefore, we commit to publishing regularly revised quarterly budget commitment plans (by end-June 2025 at the latest for the third quarter of 2025, and by end-September 2025 at the latest for the last quarter of 2025), in line with the objectives of the program in terms of the budget deficit, preservation of the moderate risk of over-indebtedness of the government, and preventing the accumulation of payment arrears. In view of the risks to the forecasts, we intend to take contingency measures to ensure that the execution of the budget is in line with the program and the amended budget law. To this end, we are going to include a contingency plan for fiscal risks in the annex to the amended budget law. In the event of an increase in budget revenues, our priority will be to direct it towards savings with a view to investing and/or reducing the cost of debt. In the event of increased pressure on sovereign spending, such as exceptional security spending, we will adjust other spending, with priority given to goods and services and non-priority investments. To this end, the list of investment projects included in the amended budget law will be reorganized in terms of priority, so as to postpone those that are less urgent.

Improving the Efficiency of the Tax and Customs Administrations

12. The intensification of our domestic revenue mobilization efforts will be based on a revenue mobilization action plan that we are working to develop. Beyond the need to mobilize more revenue in 2025 to mitigate the fiscal impact of the escalation of hostilities in the eastern part of our country (see ¶8), our objective is to increase the central government's fiscal revenues (excluding special accounts) from 12.4 percent of GDP in 2024 to 13 percent of GDP in 2027, and gradually converge to the average of our peers in sub-Saharan Africa (17 percent of GDP) in the longer term. To this end, we will adopt an action plan for revenue mobilization that will coordinate efforts among the various financial authorities, tax policy and tax administration reforms, and their synergies, with a particular focus on the simplification of VAT exemptions by September 2025 (**structural benchmark).** This action plan will be based on the IMF's technical assistance recommendations.

13. We will also accelerate reforms aimed at modernizing and strengthening the performance of the three revenue collection agencies, namely the Directorate General of Taxes (DGI), the Directorate General of Customs and Excise Duties (DGDA), and the Directorate General of Administrative, Judicial, State, and Shareholding Revenue (DGRAD). The associated reform priorities, which are based, among other things, on the findings of the latest assessment of tax administration performance using the Tax Administration Diagnostic Assessment Tool (TADAT) methodology (2023) and recent IMF technical assistance missions to follow up on these findings, include:

Tax Policy:

- *Acceleration of the rollout of the standardized VAT invoicing system*, the pilot phase of which we launched in September 2024, continues. In April 2025, we launched an awareness campaign and training program for DGI agents and managers, as well as representatives of companies involved in the pilot phase, on the approval of electronic tax device (DEF) suppliers, with a view to ensuring the harmonization of software used by companies with the DGI's Electronic Tax Device Management System (SYGDEF). The same applies to the establishment and launching of operational committees for the implementation of the standardized invoicing reform and publication of the notice of expression of interest for the approval of DEF suppliers. We have, however, recorded a shift in the timetable for the certification of electronic tax devices, due to the work relating to the deployment of the Data Center and the finalization of the tax groups, which are nevertheless prerequisites, which we have not been able to complete by end-April 2025. To speed up the implementation of this reform and launch the phase of widespread adoption of the measures, steps have been taken, including acquisition by the government of a batch of physical DEF devices to be distributed to economic operators, the finalization of various service notes relating to approval and certification procedures, and the finalization of contracts with telecom operators responsible for setting up a dedicated connection between the central software and the DEF devices, scheduled for completion by end-June 2025. Furthermore, additional training sessions have been organized to develop the capacities of companies and DGI agents, with a view to the widespread use of the standardized VAT invoicing system by companies subject to VAT (structural benchmark, September 2025). We expect that this reform will result in additional provisional gains in tax revenues of around CDF 60 billion for 2025 and CDF 240 billion for 2026.

- *Acceleration of the optimization of tax expenditures with a view to broadening the tax base*. The updated assessment of tax expenditures, which is presented in the annex to the 2025 Budget Law, shows that tax expenditures represented nearly 31 percent of the central government's domestic revenues in 2023, of which nearly 22 percent were from the subsidy granted to the oil sector (about 7 percent of revenues mobilized in 2023, or 1.3 percent of GDP). The exclusion of mining companies from fuel price subsidies should therefore make it possible to recover the shortfall in related revenues. Pending adoption by the Council of Ministers of the decree repealing the regime relating to the strategic partnership on value chains by August 2025, the 2025 Budget Law repealed paragraphs 4 and 7 of the preliminary provisions on import duties and taxes, thereby abolishing preferential tax regimes (such as the Completely Knocked Down – Medium Knocked Down (CKD-MKD) regime). In line with the Tax Expenditure Optimization Plan adopted in October 2022, we will put in place a strategy to optimize VAT exemptions following the analytical work recommended by the technical assistance team regarding the exemptions most likely to deliver results by September 2025 for potential additional revenue gains for 2026, building on the IMF's recent technical assistance mission. We will also complete by September 2025 preparation of the report on tax expenditures for the 2024 financial year for annexation to the draft 2026 Budget Law, ensuring that an analytical component on the shortfall in revenue related to VAT and the Investment Code is included, with a view to setting up a tax expenditure management plan.

- *Better exploitation of excise duty revenues*. The government will adopt by December 2025 the draft revision of the Excise Code, with the technical assistance of AFRITAC Centre. In the meantime, we have increased excise duties on various products in the 2025 Budget Law, for additional revenue gains estimated at 0.1 percent of GDP: the excise duty on manufactured tobacco has increased from 80 percent to 120 percent; the excise duty on light beers went from 24 percent to 30 percent; while the excise duty on strong beers has increased from 28 percent to 35 percent. Our aim is to gradually increase the excise revenue ratio from the current 0.6 percent of GDP to the African average of 1.6 percent of GDP by 2027. In addition, we will prioritize efforts to support traditional excise duties (which are performing quite well elsewhere in Africa), including further increases in excise duties on cigarettes and alcohol, while exploring the possibility of simplifying others. The exclusion of mining companies from fuel price subsidies should also make it possible to re-establish excise duties on these products, subject to the amendment of the Mining Code (Article 235).

- *The finalization and submission to Parliament by January 2027 of the new General Tax Code,* in collaboration with the World Bank, while ensuring that it is accompanied by a new code of tax procedures, a section on non-tax revenues collected by some line ministries, and a revised section on excise duties. To this end, the government will approve the draft structure of the General Tax Code as well as that of the roadmap for the codification of tax legislation in the DRC by end-2025.

- *The continuation of our work on the harmonization of provincial taxation*, with the technical assistance of the IMF, which has led to the preparation of a revised draft of Ordinance-Law No. 69-006 of February 10, 1969, on real taxation, specifically its provisions concerning property tax. Once the joint working group (experts from the central government and the provinces) has completed its review of the provincial revenue nomenclature, the government will convene, by November 2025, a meeting of the permanent consultative body of provincial finance ministers with a view, in particular, to approving the preliminary draft law establishing the nomenclature of provincial taxes, duties, and fees.

- *The signing of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, abbreviated as "MAC," drawn up by the Council of Europe and the Organization for Economic Co-operation and Development (OECD) in 1988*, with the aim of strengthening efforts to combat tax base erosion and profit shifting to jurisdictions with preferential tax regimes. We commit to making every effort to achieve the signing of the above-mentioned Convention by December 2026.

- *Strengthening transfer pricing legislation and engaging in discussions with the countries of origin of goods with a view to introducing secure electronic invoicing.* We will clarify the thin capitalization rule and the methods for determining and monitoring arm's length prices, including technical assistance from development partners.

- *The development of a legal framework and the establishment of the Regulatory Authority for Gambling and Similar Practices.* In April 2025, the government adopted, and submitted to Parliament, a draft law on the fundamental principles applicable to the gambling sector, in order to clean up this sector, better protect national savings, increase the revenues mobilized in this sector through the introduction of a common tax regime, with specific taxes on winnings and gross gaming revenues, and combat money laundering.

Tax and Customs Administration:

- *The intensification of efforts to better secure the taxpayer registry and outstanding balances* through biometric registration of taxpayers and better integration of different sources of information, which remain highly fragmented to date. We will therefore ensure that the mechanism for sharing information among financial authorities is further modernized, by relying more on automation and digitalization to set up a platform for sharing information within and among financial authorities. Such an integrated system of different databases, based on essential taxpayer data (including commercial flows, bank data, and assets), and accompanied by a systematic link between tax registration and tax returns, will ensure better cross-checking of information, leading to more effective tax audits (including computerized document checks), which currently yield less than 15 percent of their potential. We will also make it standard practice to restrict access to public procurement contracts to only those entities identified by the DGI, and we will ensure that the tax administration's data repository is linked to the information system of the Directorate General of the Treasury and Public Accounting (DGTCP).

- *Finalization of the strategy to promote tax compliance by July 2025,* taking into account the initiatives carried out in this area by certain civil society actors. To this end, we will ensure that taxpayers are better informed and further modernize the management of dispute follow-up through the upcoming establishment of a dedicated commission.

- *Acceleration of the strengthening of the operational capacities of the mineral analysis laboratory set up by the DGI and the controls by the DGDA of material flows for ore exports*, with a view to allowing for a more appropriate assessment of the volumes and mineral and moisture content of exports. This should also allow for better compliance with tax rules, including by improving the DGI's calculation of the tax bases and tax obligations of mining companies. Although we do not yet have quantitative estimates of the potential gains in terms of tax revenues, we are convinced that the DGI's audit capacities will be significantly strengthened. In addition, based on the results of the first report on the laboratory's operations produced at end-2023, we will also adopt by December 2025 a draft Interministerial Order of the Ministry of Finance and the Ministry of Mines amending the Order on the Manual of Procedures for the Traceability of Marketable Mining Products from Extraction to Export, which will include DGI agents among the personnel involved. More broadly, we will continue to explore measures to increase the collection of mining revenues, based on the principle of minimizing human contact, through the establishment of truck scales and computerized quality control mechanisms, by December 2025. Studies show that our country loses nearly half of its potential mining revenues due to weak controls on volumes and mineral content.

- *Acceleration of computerization and digitalization*. We will continue our digitalization efforts, in collaboration with our development partners (European Union, French Development Agency, etc.). In particular, we have deployed the Integrated Tax Management System (ERP) at the DGI from June 2025. And we have deployed the LOGIRAD software at the DGRAD, within some government departments (Mines, Hydrocarbons, Telecommunications, General Directorate of Migration, Land Affairs, Environment, Employment and Labor, Foreign Affairs, and Transport, Roads, and Accessibility), in the provinces of Kinshasa, former Katanga, Kongo Central, North Kivu and South Kivu, and the former Orientale Province. We will accelerate our efforts to fully switch our work over to the digitized system.

Improving the Efficiency of Public Spending

14. We will strengthen the control of security-related spending, which increased sharply in 2023-2024 and the first quarter of 2025. Regarding exceptional security spending, we will carry out a systematic annual review by a committee (Finance – Budget – Defense) and will send a report to the country's senior leadership, starting with September 2025 for expenditures relating to 2023 and 2024. We are committed to continuing to limit as much as possible the use of emergency procedures in their execution, given their continuing importance, and to systematically regulating exceptional security expenditures on a quarterly basis. We will consolidate security spending centers and subject the execution of such spending to prior review for compliance by both the budget officer and the deputy appropriations manager. In view of the recent doubling of the salaries of the military and police officers, the National Armed Forces Inspectorate will carry out a rigorous audit of the army's personnel, especially in areas outside the theatres of operations. The government will adopt a decree on special procurement in the defense industry by June 2025, in order to provide a framework for the process of acquiring equipment for this sector.

15. We are continuing the diligent implementation of the strategy to clear domestic payment arrears in accordance with the new timetable agreed by the government in December 2024, based on an independent audit of the stock of certified domestic arrears in December 2022.

- *In* accordance with the updated roadmap of November 13, 2023, we: (i) paid a first installment of approximately US$5 million in December 2024 for small claims (those under US$150,000); and (ii) identified the beneficiaries of the largest claims in March 2025, after the opening of a securities account to hold the bonds to be issued. The updated status at end-March 2025 of the stock of certified and validated domestic arrears is US$52.7 million in small claims and $940.5 million in large claims.
- A first early buyback operation of these securities will take place in December 2025, in accordance with the order of October 2023 laying down the terms and conditions for the securitization of certified domestic arrears and organization of the purchase of securitized domestic public debt.
- We will continue to refrain from any payments outside the framework of this clearance strategy.

16. We will strengthen the coverage, level, and effectiveness of social spending. The indicative target for social spending at end December- 2024 was not achieved, despite the efforts made with disbursements of CDF 106.4 billion against the target of CDF 115 billion. In addition, widespread vaccine shortages, the freezing of Global Fund financing, and the withdrawal of USAID funding following the suspension of American aid have heightened the urgency of securing domestic financing. In this context, we are committed to strengthening the level of implementation of social spending, the scope of which has been expanded to cover: (i) the three health[1] programs covered under the previous ECF arrangement; (ii) social protection; and (iii) humanitarian spending. To this end, we will step up efforts to optimize non-priority spending, with a view to redirecting the savings generated towards priority social sectors.

17. We will continue our efforts to optimize the fuel price subsidy. We will continue to diligently implement the November 2023 roadmap to limit oil company shortfalls, in line with the findings of the May 2023 audit of the price structure and the July 2023 IMF technical assistance mission. This, combined with our increased transparency efforts, through the monthly publication of price structures and improved estimates of associated shortfalls, has made it possible to reduce

[1] The three health programs selected for monitoring of the indicative target for social spending under the previous ECF are: (i) the Reproductive, Maternal, Newborn, Child, and Adolescent Health (SRMNEA) program; (ii) the immunization program supported by the Vaccine Alliance (GAVI); and (iii) the mother/child healthcare program.

them substantially since 2024. Given the encouraging results, we will work to continue the deployment of the roadmap, which is based on the following priority areas:

- *Streamlining the price structure by optimizing certain items, particularly the average commercial border price, and updating the methods used to calculate transport differentials.* In particular, we will improve the methods for calculating shortfalls by strictly complying with the Interministerial Order of February 2024 on the eligibility criteria and method for calculating losses and shortfalls. We will also ensure that the maximum deadline of two months for the certification of shortfalls for a given quarter is respected and that the price structure and the estimate of the subsidy are published monthly on the website of the Ministry of National Economy.

- *Continuing the rigorous application (since October 2023) of the exclusion of mining companies from the diesel subsidy for the southern supply zone,* based on consideration of the volumes of petroleum products sold by oil companies to mining companies, in accordance with Article 12 of the 2025 Budget Law. In this regard, in September 2024 we launched the molecular marking program in the eastern supply zone. We will continue our efforts to streamline import exemptions, with a view to optimizing oil taxation and parafiscal taxation and controlling the volumes released for consumption. Pending the establishment of a rigorous evaluation mechanism, we will maintain the suspension of these exemptions.

- *Limiting the rate at which new shortfalls are formed.* The close monitoring of changes in key parameters of the price structure of petroleum products, combined with regular adjustments to prices at the pump and molecular marking in the southern and eastern zones, have made it possible to achieve gains since the first half of 2024.

- *Continuing the reform to end cumulative remuneration for oil logistics companies in the price structure by putting an end to the pooling of their operating costs.*

- *Ensuring the scrupulous repayment of liabilities vis-à-vis oil companies.* We repaid US$288.3 million in 2024 in respect of partial arrears in 2023, and US$268 million in 2025 in respect of the balance of the 2023 debt, as well as those for Q1 and Q2 2024, the two largest repayments for the period, through two syndicated bank loans of USD$145 million (disbursed in February 2024) and USD$214 million (disbursed in November 2024). The repayment of these syndicated loans is guaranteed by a portion of the parafiscal charge included in the fuel price structure. The residual resources of this parafiscal charge will be used exclusively to repay the shortfalls in the first half of 2024, estimated at US$16 million (compared to US$211 million in 2023). We have already advanced US$1.29 million by clearing almost all of this stock of arrears, in line with our commitment to gradually repay this stock of arrears after deducting the monthly debt service payment to the banking pool. We will also focus on reducing the tax expenditure related to the subsidy in order to generate much-needed revenue for the central government, starting with mining companies.

- *Further strengthening transparency in the calculation and certification of losses and revenue shortfalls attributable to oil companies*, by enhancing the operational capacity of the Strategic

Product Price Regulation Committee, established in February 2023, and involving all relevant ministries.

18. We will accelerate civil service reforms with a view to achieving sustainable control of the wage bill. In line with its commitment to modernize public administration management, against a backdrop of increased pressure to raise salaries, the government launched the development of a new salary policy in April 2025 to promote greater efficiency, equity, and fairness (by reducing as much as possible non-objective disparities in treatment within the civil service), while ensuring the budgetary sustainability of the wage bill. Also, the objective is to contain the wage bill, which stands at 4.8 percent in 2025 (i.e., 4.4 percent of GDP excluding the doubling of military and police salaries), to below 5 percent over the medium-term. More generally, the civil service reform will be focused on the following strategic priorities:

Priority 1: Sustainable Control of the Wage Bill and Fair Wage Policy

- *Adoption of a new wage policy*: A new wage policy will be adopted by December 2025, in close consultation with the social partners. It will serve as a guiding principle for all government actions relating to the remuneration of public employees.

- *Rigorous management of recruitment and mechanization*: Pending the adoption of this new policy, new recruitment and "mechanization" of civil servants will be limited to what is strictly necessary.

- *Fiscal sustainability of salary increases*: Any increase in the wage bill resulting from agreements with the social partners must be accompanied by proposals for concrete and credible measures. These will aim to achieve equivalent savings or increase budget revenues, in order to preserve the balance of the current budget law.

- *Planned staggering of increases*: Any salary increase will be spread out according to a precise timetable, defined in common agreement with the social partners. Close coordination between the Ministries of Budget, Finance, and the Civil Service will be ensured, in accordance with the July 2023 order, to control the inflationary impact.

- *Revaluation of key professions and pay equity*: Joint committees will be set up in the course of 2025 in key sectors such as education and health. Their mission will be to enhance the status of these essential professions and improve pay equity, in particular by reviewing base salaries and preventing ad hoc wage demands.

Priority 2: Improvement of the State's Human Resources Management

- *Purging civil service records*: The biometric identification (FRAP) of all public officials will be pursued in order to exclude anyone who may be improperly registered. This database will be interconnected with payroll information, in order to identify ineligible employees.

- *Workforce transparency*: Publication of the directory of civil servants will be extended to the entire country by end-2025.

- *Modernization of the legal framework for recruitment*: Legal reforms will be undertaken to modernize and supervise the recruitment processes and professional ethics of public officials.

- *Job flexibility*: The use of contractual employment will be promoted, in collaboration with the World Bank, in order to introduce greater flexibility and agility into skills management.

- *Reform of the social security system and pension management*: Efforts to reform the social security system for all public employees will be continued. The retirement program will be resumed in 2025, in line with the budget allocations provided for in the 2025 Amended Budget Law, following a quarterly approach, in strict compliance with the Budgetary Commitment Plan (PEB) for the period.

Priority 3: Improving Efficiency and Optimizing Public Services

- *Computerization of public services*: A comprehensive program for the computerization of public services will be implemented. This will involve the digitalization of administrative procedures, the establishment of online platforms accessible to citizens and businesses, and the training of public officials in digital tools. The aim is to simplify procedures, reduce processing times, improve transparency, and facilitate access to public services throughout the country.

- *Optimization of organizational frameworks*: A review of the organizational frameworks of the various public services will be undertaken. This process will aim to streamline structures, clarify missions and responsibilities, eliminate redundancies, and promote a culture of performance and efficiency. Regular organizational audits will identify bottlenecks and avenues for continuous improvement.

- *Capacity development and results-based culture*: Continuing education and skills development programs will be deployed to strengthen the expertise of public officials. The focus will be on project management, public policy evaluation, and results-oriented approaches to improve the quality and impact of services delivered to citizens.

19. We will strengthen the quality of public investment management, including steps to avoid significant overruns as recorded in the implementation of the 2024 budget. We will redouble our efforts to ensure rigorous implementation of investment spending, particularly that financed from internal resources, in order to guarantee not only its quality but also its consistency with the budgetary framework and the allocated ceilings. To this end, the Ministry of Planning issued a circular in March 2025 setting out the guidelines for the preparation of capital expenditure forecasts for the 2026 financial year, in accordance with the Decree on the Management of Public Investments. This circular stipulates that all public investment projects must first be entered into the Ministry of Planning database, which feeds into the multi-year public investment program (PIP), and that, in order to be eligible, the line ministry must submit standard technical, economic, and financial assessments before the budget is approved. In addition, we will diligently implement the following measures, most of which are taken from the roadmap adopted by the government in early November 2023 based on the recommendations of the report (January 2023) on the public investment management assessment (PIMA):

- *Rigorous* application of the decree of May 2023 governing the public investment management process through all phases of the project cycle, accompanied by a computerized monitoring and evaluation mechanism at the level of the Ministry of Planning.

- Adoption by August 2025 of a ministerial order to make the application of the new investment project coding system mandatory and updating IT applications by September 2026 to incorporate the new coding system.

- Ensuring that national guidelines for project appraisal are in place, which set minimum standards for feasibility analysis, cost estimation, and risk assessment for all public investment projects above a defined threshold.

- Publication, on a quarterly basis, of the payments made per investment project, distinguishing between those included in the budget law and those that are not, with the first report due for investments made in 2025 (**structural benchmark,** March 2026). In addition, starting with the 2026 Budget Law, we will indicate in the annex on investments whether each project included in the budget law has been the subject of a feasibility study and prior registration in the PIP prepared by the Ministry of Planning.

- Updating, by June 2026, of the procedural manual adopted in November 2023 for the management of public investments, to include the climate impact assessment framework that is expected to be finalized in the second quarter of 2026.

- Revision, by February 2026, of the legal and regulatory framework for public-private partnerships (PPPs), mainly Law No. 18/016 of July 9, 2018, on public-private partnerships, with a view in particular to: (i) including a reference to climate risk analyses during the preparation of PPPs; (ii) making the Ministry of the Budget responsible for managing the budgetary risks of PPPs throughout the life cycle of projects, on the one hand, and the Ministry of Finance for ensuring the effective management of risks related to indebtedness (mainly external debt) connected to PPPs, on the other hand; and (iii) ensuring harmonization with all sectoral legal texts governing this type of contract to facilitate their implementation. In addition, improvement of the Operational Guide for PPP Projects to ensure appropriate assessment standards, particularly with regard to climate impacts and the comprehensive analysis of fiscal risks arising from PPPs.

- Improvement of the quality of the public investment program by signing an integration protocol for capturing externally funded projects among the Aid and Investment Management Platform (PGAI), the Department of Planning and Budgeting (DPB), and the Project and Program Oversight Unit (CSPP).

- More rapid action to strengthen the monitoring of externally funded projects through: (i) the restructuring and strengthening of the CSPP; (ii) expansion of the CSPP's responsibilities, which now include, in addition to World Bank and African Development Bank projects, those of the International Fund for Agricultural Development, the French Development Agency, the Arab Bank for Economic Development, the German Agency for International Cooperation (GIZ), and the Japan International Cooperation Agency; (iii) the real-time production of the dashboard for monitoring projects and programs and better oversight of the processing of files, in order to reduce administrative delays; and (iv) the evaluation of the performance contracts signed between the government and the coordinators of Project Management Units.

- Conducting a study by December 2025 on the advisability of creating a single office with a view to strengthening the framework for the monitoring and coordination of externally funded projects, possibly based on the integration of the CSPP, the Central Coordination Office (BCeCo), the Fragile States Financial Unit (CFEF), and the Support Unit for the National Authorizing Officer of the European Development Fund (COFED).

20. We continue to be vigilant in monitoring and preventing risks related to public debt. We remain committed to avoiding the accumulation of: (i) arrears on public external debt servicing; (ii) salary arrears in the civil service; and (iii) the use of advances from the BCC to the central government. We also remain committed to not using BCC deposits as collateral/security for central government loans, and to repaying advances already granted in accordance with the agreed schedule. The present value of new loans to be contracted by the public sector in 2025 is estimated at US$3,000 million.

Modernization of Public Financial Management (PFM)

21. We are continuing to implement our multi-year strategic plan to modernize public financial management that was adopted in August 2022. These reforms, coordinated by the Public Finance Reform Steering and Guidance Committee (COREF), continue to be guided by a regularly updated action plan, with technical and financial support from development partners, including use of the results of the public financial management assessment (Public Expenditure and Financial Accountability, or PEFA), which is now expected to be completed by end-July 2025.

22. Our PFM modernization priorities focus on:

- *Strengthening adherence to the expenditure chain as strictly as possible, in order to limit as much as possible the expenditures carried out through emergency procedures*. To do this, at end-December 2024, we adopted an interministerial order on the expenditure procedures manual which clarifies the procedures for emergency expenditure (prior action). In addition, in January 2025 the Prime Minister issued a circular to the members of the government instructing them to comply strictly with the new order. Even though the proportion of expenditures executed through emergency procedures is set at 15 percent for the last quarter of 2024 and 15.6 percent for the first quarter of 2025, in connection with the continued increase in exceptional security expenditures following the intensification of the conflict starting in

December 2024, we remain firmly committed to bringing it below the 8 percent ceiling set for end-2025, as the security situation continues to improve thanks to ongoing diplomatic initiatives. We will also make it standard practice to publish quarterly reports on the website detailing the nature and amount of these expenditures, among other expenditures that do not comply with the expenditure chain, as well as by volume, nature, and institution, distinguishing among expenditures made according to standard procedures, exceptional procedures, and those executed outside the expenditure chain (continuous structural benchmark). In order to regulate eligible expenditures to be carried out under the simplified procedure for reasons of national security (as specified in the interministerial order of December 2024 on the expenditure procedures manual), such expenditures must continue to be confirmed in advance by the deputy appropriations manager assigned to the Ministry of Finance. Based on the confirmation of the budget allocation, these expenditures must then be reconciled on a quarterly basis, in accordance with the procedural manual, with expenditures incurred under the emergency procedure in Q1 2025, which are to be fully reconciled by June 2025. Stricter adherence to the expenditure chain, combined with more effective implementation of standard procedures, honest budgeting (based on realistic macrofiscal assumptions and greater coordination among the departments involved), and increased transparency through the systematic quarterly publication of the implementation of the cash flow plan, remains essential to strengthening the credibility of the budget. To improve cash management, we are committed to establishing a standardized classification of expenditures and to ensuring consistency between the cash flow plan and the commitment plan, which will be updated regularly.

- *At the same time, carrying out the decentralization of the expenditure authorization process*, in close collaboration with the World Bank as part of the implementation of the project to improve revenue collection and public expenditure management in the DRC (ENCORE). In line with our objective to launch pilot phase 1 of the decentralization of the expenditure authorization process with four (4) line ministries (National Education, Rural Development, Health, and Public Works) and pilot phase 2 for the other five ministries (National Defense, Agriculture, Higher and University Education, Fisheries and Livestock, Finance) we: (i) are in the process of launching the tests for the recruitment of public accountants in order to deploy them by August 2025, in accordance with the May 2025 orders on the creation of six accounting positions by the Minister of Finance (structural benchmark, June 2025); (ii) have implemented the expenditure chain software in the first four pilot line ministries (structural benchmark, June 2025), and will activate it by linking it with the central bank system by October 2025; (iii) will deploy the expenditure chain in five (5) additional ministries (National Defense, Agriculture, Higher and University Education, Fisheries, Livestock, and Finance) by October 2025; (iv) will finalize the accounting software for bookkeeping by public accountants and link it with the expenditure chain software by October 2025, taking into account the provisions of the September 2023 procedural manual and the expenditure cycle integrating the decentralization of the expenditure authorization process and the decree of April 2025 setting out the procedures for payment and accounting of public expenditure.

- *Accelerating the operationalization of the General Directorate of the Treasury and Public Accounting* (DGTCP) in the management of its accounting and cash management functions. To do this, with regard to the accounting aspect, we: (i) will open in August 2025 the operating accounts for the first four ministries benefiting from the decentralization of the expenditure authorization process; (ii) have taken the necessary measures since March 2025 to establish the ACCT's accounting policy for these items, and will continue this operation until December 2025 for the accounting items of the five other ministries benefiting from the decentralization of the expenditure authorization process (National Defense, Agriculture, Higher and University Education, Fisheries and Livestock, Finance); (iii) are working to put into service by August 2025 accounting positions for the first four ministries benefiting from the decentralization of the expenditure authorization process (National Education, Rural Development, Health, and Public Works).

- *Putting into service the ACCT accounting position in order to restore the accounting function in the expenditure chain* and to allow the six accounting positions created to pay the expenses of the decentralized ministries. To this end, in April 2025 we adopted *three of the remaining texts necessary for the exercise of the accounting function* (structural benchmark, April 2025), *namely:* (i) the decree amending and supplementing the decree establishing the framework and organic structures of the DGTCP; (ii) the decree amending and supplementing the decree on administrative regulations applicable to public accountants; (iii) the decree amending and supplementing the decree on public expenditure payment and accounting procedures.

- *Adoption of the following decrees and orders, also necessary for the exercise of the accounting function* :

  (a) Decree amending and supplementing the decree on the State Accounting Plan;

  (b) Decree on the compilation of state accounting standards;

  (c) Order establishing the procedures for producing the public accountant's management account;

  (d) Order laying down accounting procedures for cash operations;

  (e) Order establishing accounting procedures for centralization and consolidation;

  (f) Order amending and supplementing the order on the organization and operation of the national network of public accountants;

  (g) Order establishing the state's account nomenclature;

  (h) Order establishing the procedures for the installation and handover of public accounts;

  (i) Order establishing the conditions for the constitution and release of the public accountant's bond.

- *Deploying agents and executives to their positions with a view to establishing the administrative structures of the DGTCP*, in accordance with the decree amending and supplementing the 2022 decree establishing the framework and organizational structures of the DGTCP. This will specifically begin with categories C and D (collaborative and enforcement agents) and category B (Division Heads and Office Heads), at the central level, no later than August 2025 (structural benchmark, August 2025). We will ensure the continued gradual deployment of other agents at the provincial level by June 2027. In order to carry out the actions mentioned above, we commit to providing substantial financial and material resources in support of the DGTCP.

- *Ultimately, all these efforts will enable us to maintain accounting records to produce financial statements, including ledgers, trial balances, and the accounting balance*, in line with the decree establishing the state's accounting standards.

- *With regard to cash-flow management, continuing the implementation of the Treasury Single Account (TSA) after the signing in October 2024 of Decree No. 24/11 of October 14, 2024, amending and supplementing Decree No. 23/17 of May 31, 2023, setting the scope, structure, and operation of the TSA,* in collaboration with the Central Bank of Congo. To this end, the agreement on the maintenance of the Central Government's Single Account was signed in December 2024 and the order calling for the creation of the Steering Committee responsible for ensuring the proper implementation of the agreement was signed in January 2025. In line with the roadmap for implementation of the TSA, in June 2025 the Ministry of Finance and the BCC will launch an inventory of bank accounts of central and provincial government entities opened in commercial banks and at the BCC. They will conduct a stress test by August 2025 on the impact of account closures on the financial system, on the basis of which we will develop the bank account closure strategy, with the technical support of AFRITAC centre (structural benchmark, October 2025). A diagnostic assessment of the software used by the Central Bank of Congo will be carried out, and necessary improvements will be made to accommodate the TSA, with technical assistance from AFRITAC Centre.

- *Strengthening coordination by institutionalizing weekly meetings of the Treasury Plan Commission*, bringing together experts from the Ministry of Finance, the Ministry of the Budget, and the BCC in order to improve the reliability of cash flow plans. In addition, by December 2025, we will issue an interministerial order on budgetary regulation, in order to ensure greater consistency between the commitment of expenditure and the availability of budget appropriations.

- *At the same time, continuing to implement the measures necessary for the transition to program-based budgeting in the medium term,* while ensuring that this reform does not delay other sufficiently advanced reforms, such as the decentralization of the expenditure authorization process, the operationalization of the DGTCP, and the establishment of the TSA. To this end, in the coming months we will approve the draft manual for the preparation and execution of program-based budgeting developed with the technical support of AFRITAC Centre, along with the management dialogue guide currently being prepared. We will soon also approve the draft guide on the preparation of the Budget Policy Debate for the use of the government and Parliament.

- *Diligent implementation of the roadmap adopted by the government in March 2025 for the transition to a fiscal framework excluding extractive sector resources* (structural benchmark, March 2025*),* in line with the recommendations of the IMF technical assistance mission. We will modify the interministerial order (Ministries of Planning, Finance, Budget, National Economy, Mines, and Hydrocarbons) creating the Standing Committee for the Macroeconomic Framework (CPCM) in order to include the modelling function of the fiscal analysis of resource industries (FARI), and to strengthen the collection and centralization of data from the extractive sector, in collaboration with all other stakeholders (Technical Mining Coordination and Planning Unit, or CTCPM, Ministry of Hydrocarbons, financial authorities) (structural benchmark, September 2025). Following the publication of the non-mining and oil budget balance in the 2025 budget documents and in the medium-term budget framework (MTBF), we are working to deepen the analysis of fiscal risks related to mineral price volatility, which will be the subject of an annex to the budget law (*see next item*), as well as to strengthen the capacity to analyze and forecast mining revenues using the FARI model, with technical support from AFRITAC Central and GIZ, and the participation of the Extractive Industries Transparency Initiative (EITI). Our goal is to incorporate mining projects representing 80 percent of mining exports into the FARI model (structural benchmark, August 2026). To fully achieve this objective, we will include the projections from the FARI model into the 2027 budget and publish an annex to the 2027 Finance Act setting out the methodology used. To this end, we are committed to securing the necessary prerequisites, data sharing requirements, technical assistance, and validation of cost and production assumptions and others, in order to guarantee the reliability and comprehensiveness of the projections.

- *Further strengthening our capacities for identifying, assessing, monitoring, and managing fiscal risks*. Over the years, we will systematize and refine the statement on fiscal risks (with a quantification of their associated budgetary costs), in the form of an annex to the budget law. In keeping with the IMF's technical assistance recommendations, we classify these risks into the following categories: (i) macroeconomic risks; (ii) public debt risks; (iii) risks related to public entities other than the central government; (iv) financial sector risks; (v) institutional risks; and (vi) long-term risks, particularly those related to climate change.

- *Strengthening the transparency and efficiency of public procurement*, in line with the March 2023 decree on public procurement procedures, which outlines the legal provisions necessary to enhance the identification and disclosure of beneficial ownership information, in accordance with the recommendations of the IMF technical assistance mission. In order to increase transparency in the awarding of public contracts, we are working to fully deploy the Integrated Public Procurement Management System (SIGMAP), in accordance with Decree No. 24/13 of October 14, 2024, on the electronic management of public procurement in the Democratic Republic of Congo and Order No. 001/ME/MIN.BUDGET/2025 of March 13, 2025, on the establishment of the digital platform for the management of public procurement in the DRC. We will therefore accelerate the implementation of the 2024-2027 roadmap adopted by the Council of Ministers on October 18, 2024, which is organized around seven (7) priority areas: (i) strengthening the regulatory framework for electronic public procurement management; (ii) carrying out tests and updating SIGMAP; (iii) production of SIGMAP and its implementation by user entities; (iv) acquisition of infrastructure and the establishment of shared service centers; (v) strengthening the security of SIGMAP; (vi) user training; (vii) and migration to the full digitalization of public procurement.

- *Developing our public debt management capacities.* To this end, we will ensure the implementation of the decree adopted by the government in April 2025 supplementing and amending Decree No. 09/61 of December 3, 2009, on the creation and organization of a government agency called the General Directorate of Public Debt (DGDP). This decree aims to strengthen the organizational framework of the DGDP in order to increase its analytical, operational, and advisory capacities, while improving its governance by consolidating its role as the centralized public debt management agency, thereby enabling it to better control the scope of public debt. We will also strengthen the enforcement of: (i) the interministerial order of December 2020 stipulating that the Directorate General of Public Debt is responsible for evaluating and monitoring all new debt contracts; and (ii) the ordinance law of September 2023, which harmonizes the legal framework for public debt management.

- *Continuing to strengthen the monitoring of the performance of state-owned enterprises (SOEs).* Our objective is to improve the governance of state-owned enterprises in order to decisively reverse the worrying trend with most of these enterprises recording losses over the last three (3) years, placing a heavy burden on the state budget. We will focus in particular on the main state-owned enterprises (the General Mining and Quarrying Company (Gécamines), the Bakwanga Mining Company (MIBA), the Water Distribution Authority (REGIDESO), the National Electricity Company (SNEL), the Aviation Authority (RVA), the National Railway Company of Congo (SNCC), and the Commercial Transport and Port Company (SCTP)), whose financial statements we will systematically publish on the website of the High Council of the Portfolio. We will also make it standard practice to publish a report on the consolidated financial position of state-owned enterprises as an annex to the budget law, starting in 2024. In addition, by December 2025 we will adopt a roadmap for improving governance and restoring the financial situation of state-owned enterprises, based on the recommendations of the state portfolio review conducted in December 2024.

23. The government, in collaboration with the BCC, is committed to continuing the implementation of reforms aimed at developing the public securities market. Government securities issuance operations increased sharply, with an outstanding amount rising from 0.14 percent of GDP in 2019 to 1.65 percent of GDP in December 2024. The securities market in the DRC remains shallow, however, with a predominance of fractional redemption Treasury bonds with a maturity of around 18 months (90 percent of the outstanding amount of government securities at end-2024). To deepen the market and extend maturities to further reduce refinancing risk, we will adopt by December 2025 a roadmap to improve the functioning of the government securities market, including building on the recommendations of AFRITAC centre's recent technical assistance, focused on the following key areas: (i) strengthening the alignment between auction schedules and the annual borrowing plan consistent with the overall debt management strategy, in order to improve the planning, predictability, and transparency of the issuance process; (ii) the adoption in April 2025 of a draft law amending Law No. 15/005 of March 17, 2025, on the Insurance Code, which institutes, among other things, the minimum subscription of insurance companies to public securities, in order to promote diversification of the investor base outside the banking sector (99 percent to date); (iii) promotion of the development of a secondary market, with a focus on the provision of coupons differentiated according to maturity in order to promote pricing and liquidity of securities; (iv) the submission to Parliament of legislation on the common investment fund by end-December 2025; and (v) the organization of regular training workshops on public securities accounting for the benefit of non-bank investors. Development of the government securities market would also facilitate the transition to a fiscal framework excluding extractive sector resources.

24. We are accelerating the computerization and digitalization of procedures, on which our efforts to modernize PFM will continue to be based. In line with our vision to elevate the digitalization of procedures to a strategic priority, we are staying the course in our efforts to deploy an integrated public financial management system (SIGeFiP) by September 2027. This system will include a core comprising modules for program-based budget preparation and execution, accounting, and cash management. Existing IT systems for managing taxes, public debt, public procurement, and other areas to be developed will be linked to SIGeFiP in accordance with the overall plan for digitalizing the public finance management system adopted in October 2023.

Monetary, Financial, and Exchange Policies

Monetary Policy

25. The BCC will maintain its restrictive monetary policy stance and remains committed to mobilizing its arsenal of available instruments to support the slowdown in inflation. In the short term, the BCC will continue to maintain strongly positive real interest rates and will remain vigilant, determined to mobilize its available instruments in order to sustainably support the slowdown in inflation that began in 2024, and to deal with any possible lagged effects of the repercussions of the intensification of the conflict in the eastern part of the country. It will make its liquidity management more active and strengthen coordination with the Ministry of Finance in order to maintain the exchange rate stability observed since the second half of 2024. The BCC will also continue to ensure that money supply growth remains broadly aligned with nominal GDP growth, including through adjustments to the reserve requirement ratio.

- Since the increase in the key rate from 11 percent to 25 percent on August 8, 2023, the Monetary Policy Committee (MPC) has kept this rate unchanged, while inflation continues to slow, resulting in strongly positive real interest rates. The BCC has kept the reserve requirement (RR) ratio unchanged since its increase in July 2024 —from 10 percent to 12 percent on demand deposits in domestic currency. This adjustment aimed to absorb excess liquidity following the release of an additional 2.5 percent of the frozen stock of RR in domestic currency on deposits held in foreign currency.

- The central bank is continuing its efforts to expand its arsenal of instruments to enhance the effectiveness of its liquidity recovery operations, including by widening the ranges of BCC bills, and by raising the reserve requirement ratio on demand deposits in domestic and foreign currencies, where appropriate. Furthermore, in line with the recommendations of the IMF technical assistance mission of March 2024, the BCC will step up its efforts to:

(i) Make on-demand financing available through the permanent facility window that is open daily but with a higher rate and set up a standard refinancing instrument in the form of an auction operation, in order to reduce banks' precautionary liquidity and encourage them to exchange liquidity in the interbank market (structural benchmark, June 2025). At the same time, the BCC will abolish the short-term loan facility window (with a maturity of 7 days). To achieve this objective, several steps have been taken.

a. *Adaptation of the regulatory framework:* Draft Instructions No. 4 and No. 6, on the refinancing of banks by the BCC and on eligible instruments and guarantees, respectively, are being finalized and are expected to be signed in June 2025.

b. *Implementation of IT tools:* Developments are underway to automate the processing of refinancing transactions.

c. *Technical support:* Two assistance missions, one focusing on monetary policy instruments and the other on the framework of guarantees, are expected in late May and early June. They will confirm the BCC's choices and will allow the reform to be completed by end-June 2025.

(ii) Pay interest on mandatory reserves for deposits in domestic currency to help increase access to banking services and reduce financial dollarization. To this end, the BCC has already integrated this principle into its Instruction No. 10 and has begun consultations with banks, with a view to encouraging them to use this interest payment as a lever to offer higher interest on deposits as well. The implementation of this measure, however, will be counterbalanced by the consideration of the financial constraints weighing on the BCC. The option will be exercised after the studies have been analyzed (January 2026). In order to encourage the use of domestic currency, the BCC is also considering introducing a much higher reserve requirement ratio for foreign currency deposits than for those denominated in domestic currency.

(iii) Improve banks' databases to allow for rigorous analysis of their vulnerability to shocks, including CDF liquidity, U.S. dollar liquidity, and exchange rate depreciation. The results of the study are expected in January 2026.

(iv) Improve the measurement of interest rates in the economy on new credit flows in order to be able to measure the effect of monetary policy decisions (second half of 2025).

- With a view to improving the liquidity management framework, including through the strengthening of close coordination between monetary and fiscal policies, the Ministry of Finance will have to provide the BCC on a weekly basis with the elements of the cash flow plan necessary for a refinement of the analysis of liquidity forecasting gaps and the implementation of a liquidity forecasting system, with the technical support of the IMF.

Foreign Exchange Policy

26. We are committed to continuing to strengthen the external sustainability of our economy, in order to strengthen its resilience to potential shocks. Foreign exchange reserves reached US$6.732 billion at end-2024, representing an increase of US$1.312 billion compared to 2023 and prospective non-aid import coverage of 2.3 months, below the recommended adequacy level. Our target continues to be at least three months of import coverage by 2027, which would mean an annual pace of accumulation of around US$1.5 billion, supported by increased coordination of monetary and fiscal policies, as well as expected disbursements, including from the IMF under the ECF and the RSF, as well as the World Bank's Development Policy Operation.

27. We remain firmly committed to providing exchange rate flexibility. The exchange rate remains the primary buffer against external shocks, and our exchange rate policy remains guided by the objectives of accumulating foreign exchange reserves on the one hand, and mitigating episodes of extreme exchange rate volatility that could undermine macroeconomic stability on the other. While exchange rate pressures have eased in recent months, vulnerabilities persist. In order to mitigate disruptive volatilities in the foreign exchange market, the BCC adopted a foreign exchange market intervention strategy in January 2025 (structural benchmark, January 2025), in line with the IMF's technical assistance recommendations. The BCC now tracks a set of indicators to signal episodes of extreme volatility that the market may not be able to absorb. Also, the BCC has strengthened its system of oversight and monitoring of foreign exchange transactions through on-site or document-based audits, which improves compliance with the limits on net foreign exchange positions, thus making it possible to boost the interbank foreign exchange market. Our objective continues to be ensuring that the indicative rate of the Congo franc reflects market forces, with a narrow spread around the parallel rate.

28. We will continue to deliver on our commitments not to: (i) impose or intensify restrictions on payments and transfers for current international transactions; (ii) introduce or modify multiple exchange rate practices; (iii) enter into bilateral payment arrangements inconsistent with Article VIII of the IMF Articles of Agreement; and (iv) impose or intensify import restrictions for balance of payments reasons.

Structural Reforms

29. We will step up our efforts to modernize the monetary policy framework.

- The prudent conduct of monetary policy will continue to be based on the absence of any moves by the BCC to finance the public budget deficit, pursuant to the Organic Law on the BCC and the Law on Public Finance. In this regard, we are committed to continuing to respect the ceilings on changes in net lending to the government and on the net domestic assets of the BCC set out in the IMF's ECF arrangement. The BCC will also refrain from issuing new guarantees for central government loans, in accordance with its Organic Law. In addition, collateral deposits for existing maturing loans will be transferred gradually to international reserves: for example, the last guarantee account maturing at end-March has been closed and its balance transferred to the BCC's account at the BIS.

- Since January 2022, the reserve requirement on foreign exchange deposits has been established in foreign exchange for deposits in excess of their end-2021 level. The position of this reserve denominated in domestic currency, with a frozen stock of CDF 2,375.6 billion, derived from the former system, was reduced by an additional CDF 161.7 billion (5 percent) in 2024 and converted into mandatory foreign currency reserves for banks in the dedicated account with the BIS. We will continue the unfreezing process, and we intend to accelerate it as part of the reform to update the exchange rate on the frozen stock of mandatory reserves constituted in CDFs before end-2025, in order to minimize the overall impact on liquidity in Congolese francs. The aim is to make this exchange rate update a regular action.

- As part of the IMF's multi-year technical assistance program, we will complete the implementation of the Forecasting and Policy Analysis System (FPAS) by June 2026. Its organizational framework was created through Service Order No. 081/25 of April 8, 2025, which specifies its functions, its organization, and its operating procedures. Its effective implementation will take place with the technical assistance of the IMF. We will continue to take the necessary measures to improve the BCC's economic forecasting and analysis capacities, as well as its communications.

- We remain committed to continuing to hold regular meetings of the MPC according to a pre-established schedule, and to communicating information about its decisions in a timely manner, including through a press release by the BCC and a press conference at the end of these meetings. Measures to enhance communication will also focus on the policies and reforms implemented by the BCC in an effort to increase their visibility. Similarly, we intend to start publishing methodologies for the data produced by the BCC, in particular monetary statistics and the balance of payments. In this context, the BCC website will be reviewed and improved (December 2026).

30. The government and the BCC remain firmly committed to continuing to limit cash transactions at BCC's counters. The instruction issued in July 2023 by the President of the Republic resulted in a substantial decrease in cash payments in domestic currency. We are also committed to reducing cash foreign currency payments at BCC teller windows. These efforts also meet the requirements of the Anti-Money Laundering and Financing of Terrorism Law of December 2022. To this end, we will continue to diligently implement the decree of June 20, 2024, which stipulates that no cash or bearer payments may be made on behalf of the central government and its agencies at the BCC or commercial banks, in CDF or foreign currency, in excess of the amounts specified by law.

Safeguards

31. We will vigorously strengthen the BCC's governance, accountability, and transparency mechanisms, implementing the recommendations of the updated safeguards assessment carried out in March 2025.

- In order to strengthen the BCC's equity capital to ensure that it reaches 10 percent of income-generating assets, the government and the BCC requested technical assistance from the IMF in January 2025. One of the objectives is to propose a profile for the strengthening of said equity capital by the government, taking into account the sustainability of public finances, the December 2021 Memorandum of Understanding on the settlement of the BCC's claims on the Treasury, the April 2022 amendment to this memorandum, and the agreement on the recapitalization of the BCC. The mechanisms and timing for the release of equity capital arising from the financial statements presented in International Financial Reporting Standards (IFRS) format will be the subject of an agreement between the two parties.

- The BCC's accounting framework under IFRS has been approved by the Ministry of Finance, and has been adopted by the BCC Board in accordance with its Organic Law. We are continuing work to produce the BCC's financial statements in accordance with IFRS standards, with technical assistance from the IMF. The BCC is committed to publishing financial statements certified in accordance with IFRS starting with the 2023 accounts, by June 2025, as rescheduled. It will also ensure that the annual audit of the BCC's accounts is conducted in a timely manner in the future, including certification within the prescribed time limits of the monetary data necessary for the assessment of the performance criteria under the ECF arrangement, starting with the 2024 financial statements. In the meantime, the accounts for the 2023 fiscal year according to the New Chart of Accounts standard were adopted by the BCC Board in August 2024 and published on the BCC website.

- The BCC will accelerate the pending safeguards reforms, which have not seen any major progress, including: (i) the adoption of a plan to close foreign currency accounts at resident commercial banks; (ii) the strengthening of governance and control frameworks and arrangements in the areas of foreign reserve management, government payments, loans, currency management, and the transmission of monetary data to the IMF via the Integrated Collection System (ICS) portal; and (iii) the launching of the BCC's compliance policy.

- In response to our request for half of the resources to be disbursed by the IMF under the ECF arrangement, the BCC and the Ministry of Finance signed a new Memorandum of Understanding in June 2025 on their respective debt service responsibilities to the IMF.

Financial Sector

32. We will accelerate the implementation of recommendations to mitigate vulnerabilities identified during the Financial Sector Stability Review (FSSR), with IMF technical assistance over the period 2023-2026, especially since the repercussions of the intensification of the conflict in the eastern part of the country may have introduced additional vulnerabilities. In particular, the BCC undertakes to:

- Closely monitor the quality of the loan portfolio of financial institutions operating in the eastern part of the country under illegal rebel occupation. Even though the banking system's direct exposure to the affected eastern provinces remains quite limited (5 percent of total assets), the liquidity shortage in the area is slowing down economic activity, leading to an increase in widespread defaults in the affected areas. The BCC will ensure that financial institutions adequately provision loans affected by the repercussions of the conflict, in accordance with Instruction No. 44. In addition, the risks of violations of anti-money laundering and combating the financing of terrorism (AML/CFT) regulations could increase in the area, due to U.S. and U.N. sanctions against rebels who are occupying it illegally.

- Strengthen its supervisory capacity, by improving the risk-based supervisory framework, mainly aimed at aligning the BCC's regulation with the Basel standards. Following the conclusion of a pilot mission with IMF technical assistance, on-site inspections involving credit risk assessments resumed during the second half of 2023 and were continued in 2024. We have established a crisis simulation (stress testing) unit within the Financial Stability Directorate to identify major risks and exposures in the financial system and make recommendations on these risks. The operational implementation of risk-based supervision is under way with the finalization of the third edition of bank ratings and the launch of the fourth edition. We will set up a Consultative Committee for Combating Cyber Crime under the leadership of the BCC to address IT risks.

- Update Instruction No. 14, including the solvency and liquidity standards, with technical assistance from the IMF. This update to the regulatory framework aims to strengthen the requirements for the evaluation of weighted credit risk and the assessment of market risk, as well as operational risk. The same applies to the transposition of the liquidity coverage ratio (LCR – Quick Liquidity Ratio) under Basel III. In addition, we will move further toward aligning the "credit risk mitigation" (CRM) framework under the standard approach set out in Instruction No. 14 with that of Basel III. Instruction No. 14 will be completed in December 2026. To promote the development of the securities market, however, the BCC published a decision in March 2025 adjusting downwards the weighting of sovereign risks in domestic currency. To make it more effective, the human resources of the Financial Stability Directorate (DSF) have been strengthened, and continuing education programs have been put in place.

- With the creation of the Financial Stability Directorate, make decisive progress in the establishment of the financial stability function, with the support of the IMF Resident Advisor, in accordance with the financial stability mandate, with a view to strengthening the BCC's macroprudential policies. The BCC will also continue to: (i) strengthen the supervision of financial institutions covered by the banking law; and (ii) develop monitoring and early warning tools that can improve the analysis of interdependence and sectoral interconnections.

- Establish by December 2025 an emergency liquidity support framework for solvent financial institutions facing temporary illiquidity, in line with the recommendations of the recent IMF technical assistance mission. To this end, the BCC will align the framework for providing emergency liquidity to solvent financial institutions facing temporary illiquidity with international best practices.

- By end-December 2025, the BCC will adopt an instruction specifying the information to be included in banks' prevention and recovery plans, including liquidity crisis scenarios and scenarios involving the loss of one or more correspondent bank relationships. Building on these plans submitted by commercial banks in May 2025, the BCC will conduct a review of cross-border cooperation agreements with all the countries of origin of the parent companies of banks established in the DRC, with a view to integrating recovery and resolution planning.

- The government undertakes to set up a deposit protection scheme, in accordance with Article 69 of the Law on the Activity and Supervision of Lending Institutions. A draft decree on this subject, in line with the IMF's technical assistance recommendations, will be submitted to the Council of Ministers for adoption by end-2025.

33. We are stepping up our efforts to improve financial inclusion and develop the financial sector.

- Thanks to the deployment of mobile phone payment solutions, our goal of achieving a financial inclusion rate of more than 50 percent by 2025, in accordance with the 2023-2028 national financial inclusion strategy adopted by the government in July 2023, has almost been achieved already. We will also continue our efforts to meet the target of 65 percent financial inclusion by 2028, under the coordination of the committee for implementation of this strategy that we have established and which is composed of experts from the Ministry of Finance, the Ministry of Primary and Secondary Education, the Central Bank of Congo, the Insurance Regulatory and Control Authority, and the National Institute of Statistics, and representatives of the Congolese Association of Banks and professional associations in the microfinance sector.

- We will also continue our efforts to improve the interoperability of electronic payment systems and financial inclusion. Significant progress was made in this area in 2024, including an increase in the number of financial institutions connected to the Switch national electronic payment system, the publication of Instruction No. 58 on the interoperability of electronic payment systems, the low-cost issuance by the BCC of bank cards in domestic currency (known as Mosolo) for the benefit of the financial system, and the configuration of payment terminals exclusively in domestic currency. The additional actions to be implemented in this area are linked to the establishment of the Interbank Electronic Payment Group, which is scheduled to be launched by end-June 2025, with the support of the International Finance Corporation (IFC) in order to ensure structured deployment in line with technical and institutional requirements.

- We are laying the groundwork for a stock market in Kinshasa, in order to better mobilize the resources needed to finance investment and private sector development, which are key to accelerating the country's economic growth. To this end, in April 2025 the government adopted a draft law on the organization and functioning of the stock markets in the DRC. The draft law is intended to provide the country with a legal and institutional framework that is adapted to the requirements of an efficient and transparent stock exchange and commodity exchange.

Improving Governance, Transparency, and the Business Environment for More Inclusive, Diversified, and Sustainable Growth

34. We are continuing our efforts to improve governance and combat corruption. To this end:

- In April 2025 we adopted the draft law on the creation, organization, functioning, and jurisdiction of the Economic and Financial Criminal Court (TPEF) and the National Economic and Financial Prosecutor's Office (PNEF) attached to it, in order to fight more effectively against corruption, illicit enrichment, and all forms of economic and financial crimes. We recognize the importance of including provisions in the final version of the law to strengthen the independence of the TPEF. We will work to establish it, in collaboration with development partners and in accordance with international best practices, while ensuring that it is provided with adequate human and financial resources and enjoys appropriate independence of action. In line with its prerogatives, we will ensure that synergies are developed among the actions of the TPEF and oversight and investigation institutions such as the General Inspectorate of Finance (IGF), the National Financial Intelligence Unit (CENAREF), the Court of Auditors, and other public or independent bodies.

- *By November 2025, we will submit to Parliament a draft anti-corruption law,* taking into account the conclusions of the workshop organized in October 2024 by the Agency for the Prevention and Fight against Corruption (APLC) with different actors in the fight against corruption and in accordance with the United Nations Convention against Corruption (UNCAC) and international best practices, in collaboration with development partners (the United Nations Development Programme (UNDP) and the United Nations Office on Drugs and Crime (UNODC)). This law will serve as the legal framework guiding all our anti-corruption efforts in the future.

- *Within the APLC, under the aegis of the Inter-agency Unit for Cooperation in Investigations and Prosecutions Related to Money Laundering, Terrorist Financing, and the Proliferation of Weapons of Mass Destruction (UNICEP) and in direct collaboration with CENAREF and other anti-corruption institutions, we will develop software for diagnosing and prosecuting acts of corruption and money laundering and terrorist financing (ML/TF).* This software provides a platform for joint law enforcement and asset recovery. This software will promote interinstitutional collaboration by meeting international requirements for the Financial Action Task Force (FATF) national risk assessment. It optimizes data collection and analysis for better responsiveness in the face of corruption and ML/TF cases.

- *We will provide anti-corruption institutions with adequate human and financial resources* (*including* the *Court of Auditors, EITI, Observatory for the Monitoring of Corruption and Professional Ethics (OSCEP), APLC, and the Technical Unit for Combating Corruption under the Ministry of Justice*), in line with our commitment to promoting transparency and good governance, as well as the United Nations Convention against Corruption and international best practices. Since the senior staff of the Court of Auditors and its new magistrates took the oath of office on August 31, 2022, we have continued to strengthen the resources of the Court of Auditors. The General Inspectorate of Finance, which has been provided with new premises and equipment, should see its operational capacities strengthened in order to continue its oversight functions, including the ex-ante monitoring of expenditures by public institutions and special funds.

- With regard to the OSCEP, we are committed to strengthening its operational capacity by deploying branches in the 13 remaining provinces and providing substantial financial and logistical support for the implementation of Decree No. 25/15 of April 9, 2025, on the declaration of assets and interests of public officials, which is intended to prevent illicit enrichment and conflicts of interest, promote public integrity, and punish related violations.

- *We will ensure regular monitoring of the implementation of the priority action plan of the National Anti-Corruption Strategy* adopted in October 2022 following the approval of the National Judicial Reform Policy (PNRJ). This monitoring is carried out by the Ministry of Justice, the APLC, the OSCEP, and other institutions, in collaboration with development partners.

- *We* will activate all the implementing measures provided for by Law No. 16/012 of July 15, 2016, on the creation, organization, and functioning of the notary profession by end-2025.

- *We will continue the work, with the relevant offices and jurisdictions, to finalize in 2025 the extension of data compilation on corruption cases to the 15 other provinces*, with technical support from the National Institute of Statistics, and building on the experience of August 2023 in 10 pilot provinces.

35. We will continue our efforts to improve transparency in the mining sector and in public procurement:

- The government will continue to support the work of the EITI, including by providing the budget allocations required for its operation. While the DRC's validation, finalized on October 13, 2022, showed a high overall score with respect to the EITI requirements, it also underlined the need for progress in strengthening transparency and publishing the beneficial owners of mining contracts.

- In line with our commitment to publish new contracts (continuous structural benchmark), in accordance with the Mining Code and the requirements of the EITI Standard, including renegotiated contracts, in March 2025 we published amendments (4 and 5) to the Kipushi zinc mine contract.[2] In addition, Gécamines' 2023 financial statements, including auditors' comments, were published in April 2025. We are committed to doing the same in 2026 for the 2024 financial statements.

- *We will step up efforts to promote transparency in public procurement*, including through the computerization and digitalization of procedures, in collaboration with the World Bank (see §22).

36. We will vigorously pursue the implementation of the action plan agreed upon with the Financial Action Task Force, in order to exit the list of jurisdictions under enhanced monitoring, in collaboration with the technical and financial assistance of numerous development partners, including the European Union's Global Facility on AML/CFT, the World Bank, the Financial Services Volunteer Corps (FSVC) (U.S. Embassy project), GIZ, and UNODC.

- *Our AML/CFT strategy continues to be guided by the new AML/CFT law (No. 22/068),* enacted in December 2022, which focuses on the following areas: (i) extension of the application of AML/CFT measures to the financial sector (beyond banks); (ii) prohibition of anonymous bank accounts; (iii) strengthening wire transfer verification measures for politically exposed persons (PEPs); (iv) establishment of basic requirements for correspondent banking customer due diligence; and (v) strengthening the procedures for declaring the assets of PEPs.

- During the seventh progress report discussed in Tanzania in April 2025, the measures taken within the deadlines set by the DRC to implement its action plan, with an achievement rate of 75 percent, were welcomed. The main areas of progress noted in the seventh progress report include, among other things: (i) the development of surveillance plans for document-based and on-site inspections, sectoral guidelines, and training and awareness-raising plans for the three supervisory and regulatory authorities, namely CENAREF for Designated Non-Financial Businesses and Professions (DNFBP), the BCC for lending institutions, and the Insurance Regulatory and Supervisory Authority (ARCA) for insurance companies; (ii) the full and effective deployment of the TRANSACTUS application for the receipt, processing, and dissemination as well as the exchange of information among stakeholders; (iii) the effective implementation of the National Committee for the Implementation of Targeted Financial Sanctions (CONASAFIC) platform (www.conasafic.cd) to allow taxable persons to have access to information on the lists of designated persons and entities; and (iv) the transmission by the government of the draft law amending Law No. 22/068 of December 27, 2022, on anti-money laundering and combating the financing of terrorism and proliferation (AML/FTP) to the National Assembly for correction of the shortcomings identified in recommendations 5, 6, 10, 11, and 20 of the FATF. Our ultimate objective is to exit the grey list by the time the eighth progress report is submitted in October 2025, in particular by ensuring the adoption by Parliament of said law amending Law No. 22/068 of December 27, 2022, on anti-money laundering and combating the financing of terrorism and proliferation.

[2] In accordance with Law No. 18/001 amending and supplementing Law No. 007/2002 on the Mining Code, all mining agreements must be published within 60 days after the agreement enters into force.

- *Membership in the Egmont Group was delayed at the June 2024 Plenary in Paris for reasons of technical compliance,* notwithstanding the final report by the experts following their visit to the premises of CENAREF from April 22 to April 26, 2024. The draft law amending Law No. 22/068 of December 27, 2022, on AML/FTP, recently transmitted to the National Assembly, takes into account the shortcomings identified. Our goal is to join the Egmont Group in January 2026.

37. We will accelerate reforms aimed at improving the business environment, with a view to strengthening the private sector's role as a driver in promoting stronger, inclusive, diversified, and sustainable economic growth. In keeping with the strategic priority assigned to this reform agenda by the new government in place since mid-June 2024, in March 2025 we launched the process of developing a Strategic Business Climate Plan for Structural Economic Transformation. In this regard, we:

- *Will adopt by September 2025 an updated roadmap for the streamlining of tax regulations, with a credible implementation action plan,* to better protect taxpayers from possible tax harassment and to streamline corporate tax compliance procedures as much as possible. In particular, this will focus on: (i) streamlining non-tax revenue-generating acts, including revision of the nomenclature of central and provincial duties, taxes, and fees, which is planned for mid-2025; and (ii) systematically publishing the schedule for audit missions to be conducted by the financial authorities. As far as non-tax revenues are concerned, we have completed the work on codifying the revenues of the Ministry of Mines and Hydrocarbons. The technical commission will finalize the codification of the revenues of the ministries responsible for land affairs, urban planning, and environment.

- *We will adopt by September 2025 a roadmap to streamline parafiscal charges* (collected by entities other than tax authorities), building on the inventory of parafiscal charges and subsidiary entities (specific budgets, public establishments, and expenditure departments) completed in June 2023, as well as the IMF technical assistance recommendations. To this end, in April 2025 the government adopted the draft order creating within the Ministries of Budget and Finance a framework called the Permanent Interministerial Commission for Optimization of Parafiscal Taxation (COPIRAP), responsible for monitoring, evaluating, reforming, and optimizing Congolese parafiscality. By end-2025 at the latest, we will adopt a reclassification decree that formalizes the reorganization of entities according to the categories in the public finance law. This is crucial for the continuation of reforms because without it, units of the Ministry of the Budget (the General Directorate of Fiscal Policies and Programming, or DGPPB) will be unable to complete the inventory of revenue-generating acts and apply the budget rules in the public finance law to them. We will limit the creation of special accounts as much as possible, insofar as the introduction of parafiscal measures to finance them would thwart our strategic objective of improving the business environment and further formalizing our economy.

- *By October 2025, we will adopt an action plan to improve the functioning of the VAT credit refund mechanism* based on the IMF technical assistance recommendations. Specifically, we will ensure that we: (i) continue the differentiated monthly processing of reimbursement requests based on risk; (ii) avoid as much as possible systematic due diligence for low-risk enterprises; and (iii) limit the application of deferred payment of import VAT (or reverse charge VAT) to enterprises with low risk and frequent VAT credits due to the nature of their business. In addition, we will develop and implement a comprehensive strategy for refunding the stock of VAT credits, with technical assistance from the IMF, taking into account the streamlining of exemptions, the simplification of refund procedures, the improved use of economic data, and fiscal space.

- *By September 2025 we will adopt a roadmap for the introduction of online procedures* (e-filing, e-payment of taxes), starting with large companies (subject to VAT), followed by medium-sized companies; and we will gradually roll out the use of mobile payment for fees and taxes for small taxpayers, starting in January 2027).

- *By October 2025, we will issue a decree clarifying the concept of "subcontractor" and defining its scope*, to mitigate difficulties in enforcing the law on subcontracting related to potential confusion
(between the project owner and the main contractor, between subcontractor and supplier, etc.).

- *We will systematically publish all judicial decisions in commercial matters on the official website of the Ministry of Justice, create commercial chambers within the courts of appeal, and continue to revitalize the one-stop shop for business creation*. We will also work to clear payment arrears (audited and validated) according to mutually agreed timetables, while accelerating efforts to prevent the accumulation of new payment arrears, which are major factors in the financial suffocation of the private sector and, by extension, a threat to the stability of the financial sector.

- *We will accelerate reforms to strengthen controls and the management of disputes*, including through improved risk assessment (for instance, with respect to declared import values or exemptions), better coordination within and among financial authorities, enhanced control frameworks to
ensure uniform application of the law, and the deployment of a mechanism to monitor the quality and effectiveness of controls. More specifically, we will ensure stricter enforcement of the law on the status of career civil servants and the decree-law establishing the code of conduct for government officials, as well as the introduction of specific codes of ethics and professional conduct for revenue agency employees, accompanied by sanctions in case of violations.

- We will also strengthen the operational capacities of internal and external inspections and ensure that the rules governing the management of disputes (including the incentive schemes of the financial authorities) do not encourage behavior contrary to the objective of maximizing fiscal revenues. We formally commit to strengthening the performance of the Observatory for the Monitoring of Corruption and Professional Ethics, whose missions as well as the ongoing anti-corruption reforms specify the sanctions in the event of violations, and contribute to the effort to prevent and fight corruption and the promotion of public integrity. The same applies to the government's technical and financial support for the implementation of Decree No. 25/15 of April 9, 2025, on the regime for declaring the assets and interests of public officials and members of their immediate family, which aims to strengthen transparency and prevent illicit enrichment and conflict of interest, while strengthening the duty of accountability and integrity of public officials, by putting in place tools to sanction breaches and all forms of misconduct related to them.

- We will set up the National Tax Mediation Commission, an advisory, joint, and independent body intended to provide advice to the Ministry of Finance, with a view to resolving persistent disputes between taxpayers and the tax administration, following the examination of a claim during the administrative phase. We are committed to launching the National Tax Mediation Commission by end-September 2025.

D. Structural Reforms Underpinning the RSF Arrangement

38. Actions are being undertaken to ensure the diligent implementation of the reform measures (RMs) under the RSF, including clarifying responsibilities for each reform measure and developing roadmaps for their timely completion. As no RMs are due at the time of this first review, the priority at this stage is to ensure the timely delivery of technical assistance missions and the adoption of strategies for the effective implementation of each measure, with well-calibrated roadmaps, to ensure close monitoring of progress and clarification of responsibilities. Some technical assistance from development partners, including the IMF, has already been provided.

Reform Area 1. Supporting Mitigation and Adaptation Efforts by Promoting Forest Conservation

39. The government will strengthen the governance of forest preservation policies. Strengthening forest management is essential to curb deforestation rates and to achieve the government's ambitious climate change mitigation and adaptation goals. The government is planning a comprehensive package of reforms to address these challenges. It will: (i) promote the systematic (biennial) collection and publication of geospatial data on forest cover, deforestation, greenhouse gas (GHG) emissions, and forest concessions (RM3); (ii) strengthen the legal framework by addressing the weaknesses of the Forest Code with regard to: (a) safeguards and compensation measures; and (b) mechanisms to ensure transparency in the process of awarding forest concessions, and forest concessions from local communities (RM1); (iii) improve accountability in the sector through the publication of a performance audit by the Audit Office of the National Forest Fund (FFN), responsible for channeling revenues from forest concessions to reforestation efforts (RM2), followed by an action plan with a timetable prepared by the FFN in response to the challenges identified, which will in turn be audited (RM6). Committees have been set up for the implementation of all these measures. The first publication of forest geospatial data, relating to RM3, has been completed. The roadmaps for measures 1 and 2 have been adopted, and the roadmap for RM3 will be shared by end-June- 2025.

40. The government will strengthen environmental and social guarantees in the mining sector to actively manage its impact on forests and the most vulnerable populations. The mining sector's contribution to deforestation and greenhouse gas emissions is significant and it is expected to rise due to the projected increase in the supply of critical and strategic minerals, and the expansion of mining supply chains, which could amplify future deforestation pressures. The government will work to mitigate these pressures by: (i) strengthening the legal framework to set forest protection standards; and (ii) requiring the timely publication of environmental and social impact studies (ESISs) and ex-post environmental audits of mining projects (RM4/5). A committee composed of experts from the Ministry of Environment and the Ministry of Mines has been established to implement the measures. We commit to adopting roadmaps with detailed milestones and the assignment of responsibilities by end-August 2025, at the latest.

41. The government will encourage clean cooking by promoting the large scale adoption of liquefied petroleum gas (LPG) as an alternative to biomass and wood. More than 90 percent of households in our country use biomass and wood as cooking fuels, making them a major driver of deforestation in peri-urban areas. LPG is the alternative chosen by the government (2022 Energy Policy). It has health and gender equality benefits and has a lower carbon footprint overall. Affordability is an issue, however – the cooking equipment needed to use LPG involves an upfront cost that is out of reach for most households. Market research recommends lowering barriers to entry, i.e., subsidizing starter kits, rather than subsidizing LPG. In the medium term, the Ministry of Hydrocarbons will formulate a program to make clean cooking equipment more affordable for the most vulnerable households, to ensure widespread adoption of LPG.

Reform Area 2. Building Resilience to Climate-Induced Natural Disasters

42. The DRC is one of the few countries without a legal framework organizing the management of natural disaster risks. We are working to lay the groundwork for an improved response in the form of a disaster risk management (DRM) policy that will clarify institutional responsibilities (RM8). A roadmap has been adopted, and the support of the World Bank, UNDP, and the United Nations Office for Disaster Risk Reduction (UNDRR) has been assured for the implementation of this measure. Our capital, Kinshasa, is the largest urban agglomeration in the Francophone world, and its urban poor are particularly vulnerable to climate change. The government plans to make urban planning climate-sensitive, through the adoption of: (i) an Urban Planning and Building Code, which sets out provisions for risk-sensitive urban planning with its implementing decree; and (ii) a climate sensitive urban development plan for Kinshasa, which regulates construction in high risk areas and the preservation of green areas. In addition, the Ministry of the Budget will strengthen the management of climate-related fiscal risks by including a quantified analysis of natural disasters in the fiscal risk statement (RM7). We have received technical support for the collection of relevant data and for the quantification of these risks. A detailed roadmap will be adopted at a date to be mutually agreed upon with the AFRITAC/IMF technical assistance mission.

43. Slash-and-burn agriculture is one of the main drivers of deforestation in our country. The underdeveloped agricultural sector is also one of the main factors in the high vulnerability of populations to climate hazards. The government will adopt a national land use plan, which will serve as a basis for stimulating agriculture in anthropogenic savannahs and degraded forests, while ensuring the protection of forests.

Reform Area 3. Mainstreaming the Climate Agenda into Public Investment Management

44. The government plans to incorporate climate considerations into its public investment management. To this end, it will formally adopt a methodology that integrates climate aspects into the appraisal of public investment projects (RM10), to ensure that all public investment projects (including those financed by extrabudgetary funds) take into account these impacts and that assessments are made public before receiving a budget allocation (RM12). We have received a technical support mission in May, and a detailed roadmap for the implementation of the measures will be developed before September 2025. The government will also update the legal and regulatory framework for public-private partnerships, mainly the PPP Law, with a view to including a reference to climate analyses, covering resilience or projects, as well as their impact on greenhouse gas emissions (RM9). A roadmap for the implementation of this measure was adopted after receiving an IMF technical assistance mission in December 2024. In addition, an interinstitutional expert commission to prepare the draft amending law will be set up by end-May 2025 and technical assistance from the African Legal Support Facility (ALSF) is expected by September 2025 at the latest as part of this process. The government is committed to implementing its 2021 Nationally Determined Contribution (NDC), and will publish a list of priority projects selected and integrated into the PIP. The costs of this list of projects will be quantified. The government will allocate the necessary budgetary appropriations (RM11).

E. Capacity Development and Improvement of Statistical Data

45. We are continuing to develop the capacities of the government and public entities with the support of development partners. We remain committed to continuing the diligent implementation of the recommendations of the various technical assistance missions from which we have benefited, including the FSSR, PIMA, Tax Administration Diagnostic Assessment Tool (TADAT), and the World Bank's Country Climate and Development Report (CCDR), as well as that of the IMF, which made it possible to conduct a comprehensive diagnosis of governance weaknesses. We appreciate the support of the two resident experts in Kinshasa in the field of PFM and taxation, who are financed by the Belgian agency for international cooperation (Enabel) and work in close collaboration with the IMF's technical assistance teams, as well as the support made available to the BCC since October 2023 by the IMF's Monetary and Capital Markets Department for the operationalization of the BCC's Financial Stability Unit. We would also welcome renewed funding from the Japanese government to replace the resident expert from the IMF's Fiscal Affairs Department (FAD), whose term has come to an end.

46. We will finalize and submit to Parliament, for adoption by end-2025, the draft Statistics Law, in accordance with the African Charter on Statistics to which the DRC acceded in June 2022. This law will make it possible to harmonize the national statistical system and ensure the autonomy of the National Statistics Institute's resources.

47. We launched the pilot census mapping in April 2025, with a view to carrying out the general population and housing census, including with the support of development partners. This mapping will be completed by June 2025.

48. We remain committed to improving our statistical data and their dissemination, in order to enhance the monitoring of ECF- and RSF-supported programs.

- After publishing the new revised GDP series up to 2019 according to the 1993 System of National Accounts (SNA), with 2005 as the base year, we have updated the series of accounts up to 2022 and 2023 (provisional), with the technical support of AFRITAC centre. These accounts have been published in May 2025. We are continuing work on the rebasing of GDP according to the 2008 SNA with 2022 as the base year. Work on the implementation of activity and product classifications, as well as the initialization of the ERETES database (tool for the compilation of national accounts), was carried out in 2023 and the processing of sources started last year is under way. The preparation of the accounts will be completed at end-December 2026.

- We will consolidate the quarterly transmission of financial soundness indicators to the IMF, initiated in March 2023 by the BCC, with a view to their publication. In addition, the BCC is committed to producing improved and updated monetary data, through better coordination among the staff involved and in close collaboration with the IMF's recent technical assistance mission.

- We will continue to support the National Statistics Institute and the other institutions responsible for producing official statistical data in fulfilling their missions and improving institutional coordination, in close cooperation with technical and financial assistance from our development partners. Priorities at this level continue to focus on debt data, for state-owned enterprises and provinces in particular, enhancing the quality and frequency of data transmission by the BCC, and improving the reliability of economic indicators.

- After improving our fiscal statistics through the preparation and regular publication of the Table of Government Financial Operations (TOFE) in the *Government Finance Statistics Manual* (*GFSM*) *2014* format, prepared up until now on the basis of the version of the TOFE in the *GFSM 1986* format for the IMF International Financial Statistics Yearbook, we now aim to improve the quality of our production by producing soon a TOFE directly based on detailed primary data in the *GFSM 2014* format Our continued efforts are focused on using the General Balance of Treasury Accounts (BGCT) as the main source of the TOFE in the *GFSM 2014* format, through the implementation of the new accounting system.

- We will continue to improve the quality and dissemination of public debt statistics, including through a gradual expansion of the scope of debt coverage to state-owned enterprises and by improving the reporting of statistical data to the quarterly public debt database co-managed by the World Bank and IMF (QPSD).

- We welcome the readiness of the IMF Statistics Department to support us in in implementing the enhanced General Data Dissemination System (e-GDDS) recommendation by launching the National Summary Data Page (NSDP). In preparation of the IMF technical assistance mission, we have prepared metadata describing current practices in the compilation and dissemination of macroeconomic statistics, for publication in the NSDP.

F. Monitoring the Performance of ECF- and RSF-Supported Programs

49. The performance of the ECF-supported program is generally satisfactory despite the challenging security context and a difficult socio-political context.

- All but two of the quantitative performance criteria at end-December 2024 were observed (Table 1). The performance criterion relating to the ceiling on the domestic budget deficit on a cash basis was not met due to expenditure overruns related to the escalation of hostilities (see §4 above). The performance criterion relating to the ceiling on the BCC's assets in foreign currency accounts with resident correspondent banks was also not met, due to the unanticipated receipt of Treasury resources at end-December.

- The indicative targets were also met, except for the floor on social spending and the ceiling on expenditures carried out through emergency procedures, mainly due to the surge in exceptional security spending in connection with the sharp deterioration in the security situation, and at the expense of certain social spending (Table 1).

- Progress on structural reforms is much clearer, with all the structural benchmarks foreseen in the first review having been achieved (Table 2).

50. Quantitative performance criteria and structural benchmarks (Tables 1 and 2) were proposed for the remainder of the year and beyond. The third review is scheduled to be completed on or after May 15, 2026 based on PCs test dates of end-December 2025. Under the RSF, monitoring will be done through the reform measures, which are presented in Table 3. The performance criteria, indicative target, and key concepts and indicators are set out in the attached Technical Memorandum of Understanding (TMU), which also specifies the nature and frequency of data and information to be provided for monitoring the performance of the ECF-supported program. Under the leadership of the Minister of Finance, the Minister of Budget, and the Governor of the BCC, a technical troika chaired by the Ministry of Finance and comprising the Ministry of the Budget and the BCC is responsible for monitoring implementation of the program. The Technical Committee for Reform Monitoring and Evaluation will provide for coordination, technical secretariat functions, and liaison with the IMF for the transmission of information to IMF staff, in accordance with the TMU.

Table 1. Democratic Republic of the Congo: Quantitative Performance Criteria and Indicative Targets Under the ECF arrangement

	2024				2025									2026	
	End-December				End-March				End-June		End-September	End-December		End-March	End-June
	PC				IT				PC		IT	PC		IT	IT
	CR No. 25/023	Adjusted	Actual	Status	CR No. 25/023	Adjusted	Actual	Status	CR No. 25/023	Proposed	Proposed	Proposed		Proposed	Proposed
Quantitative Performance Criteria															
Floors on changes in net international reserves of the BCC (US$ millions)	800	720	893	Met	0	0	195	Met	400	400	400	800		0	400
Ceilings on changes in net BCC credit to central government (CDF billions) 1/	0	228	-957	Met	0	-66	252	Not met	0	513	513	513		0	0
Ceilings on changes in net domestic assets of the BCC (CDF billions)	-1,518	-1,290	-1,811	Met	-603	-669	-119	Not met	-1,206	0	0	0		0	0
Floors on the domestic fiscal balance (cash basis, CDF billions)	-522	69	-1,639	Not met	-501	1,208	-1,595	Not met	-984	-2,000	-1,000	-2,989		-1,436	-718
Continuous Performance Criteria															
Ceilings on the accumulation of external payment arrears (US$ millions)	0		0	Met	0		0	Met	0	0	0	0		0	0
Ceilings on the levels of foreign currency assets of the BCC held with domestic correspondents (US$ millions) 2/	200		352	Not met	200	146	146	Met	200	200	200	200		200	200
Ceilings on contracting or guaranteeing of new external debt by the public sector (present value, US$ millions)	3,000		717	Met	3,000		308	Met	3,000	3,000	3,000	3,000		3,000	3,000
Indicative Targets															
Floors on revenues of the central government (CDF billions)	25,100		26,200	Met	4,900		5,723	Met	12,600	12,600	20,700	27,100		8,013	16,026
Floors on social spending (CDF billions)	115		81	Not met	27		0	Not met	103	80	134	156		29	86
Ceilings on the accumulation of wage arrears of the central government (US$ millions)	0		0	Met	0		0	Met	0	0	0	0		0	0
Ceilings on the wage bill (CDF billions)	9,169		9,167	Met	9,442		2,610	Met	9,715	9,715	10,597	11,479		3061	6122
Ceilings on central government expenditures executed under emergency procedures (in percent of total domestically financed expenditures)	10%		15%	Not met	10%		15.6%	Not met	0	10%	8%	8%		8%	8%
Adjustors															
Budget support (US$ millions)	311		156		23		0		599	716	716	1,003		137	555
External debt service payments (US$ millions)	201		203		49		37		117	116	154	234		61	152
Domestic arrears payments (CDF billions)	-1,230		-1,022		-326		-5		-653	-60	-500	-1,005		-400	-800
Domestically-financed investment, excluding SICOMINES (CDF billions)	3,611		3,103		1,458		496		2,915	900	2,582	4,263		1590	3,179
Central government revenues (CDF billions)	26,449		26,200		5,191		5,723		13,234	14,000	22,000	28,825		8,435	16,869

Sources: Congolese authorities and IMF estimates and projections.

1/ The ceilings are positive to take into account some transactions pending clearance at end December 2024.

2/ The ceiling on foreign-currency balances that the BCC holds with domestic correspondents must remain below the threshold with a five-day grace period per breach.

Table 2. Democratic Republic of the Congo: Prior Action and Structural Benchmarks Under the ECF Arrangement

Measures	Objective	Deadline	Status
Approval of the ECF Program			
Issue an interministerial order on the expenditure procedures manual, where the latter revise the procedures and govern the nature of eligible exceptional expenditures.	Strengthen adherence to normal expenditure chain procedures.	Prior action	Met
Continuous			
Publish a detailed quarterly report on the execution of expenditures by emergency procedure (simplified procedure), including regularization amount of the previous quarter.	Strengthen adherence to normal expenditure chain procedures.	Continuous (3 months after the end of the quarter)	Met
Publish a detailed quarterly report on the execution of expenditures by volume, type, and institution, distinguishing between expenditures carried out through different procedures.			Not yet due (first due at end-June for 2025-Q1
Publish mining contracts.	Improve the transparency of mining contracts.	Continuous	Met
First Review			
I. Prior Action			
Issue revised 2025 spending plans in line with the revised program and administrative tools to support agreed changes in policy.		Prior action	Met
II. Structural Benchmarks			
Adopt an FX intervention policy.	Increase the effectiveness of foreign exchange market interventions.	January 2025	Met
Adopt a roadmap for the transition toward a resource-based framework, in line with the recommendations of the IMF technical assistance.	Reduce the countercyclicality of expenditures.	March 2025	Met
Adoption by the government of the three decrees necessary to restore the accounting function in the expenditure chain (see MEFP, ¶22).	Strengthen adherence to normal procedures in the expenditure chain.	April 2025	Met

Table 2. Democratic Republic of the Congo: Prior Action and Structural Benchmarks Under the ECF Arrangement (Concluded)

Measures	Objective	Deadline	Status
Second Review			
The BCC should create a standard refinancing instrument ready for use in the form of an auction operation, eliminate the short-term lending facility, (MEFP, ¶25).	Strengthen the transmission of monetary policy.	June 2025	
Finalize and activate the expenditure chain software in four pilot line ministries (MEFP, ¶22)	– Decentralization of the expenditure authorization process.	June 2025	
Deploy accountants in the four pilot ministries. (MEFP, ¶22).	– Decentralization of the expenditure authorization process.	August 2025	
Deploy agents and managers to their positions of employment (MEFP ¶22) to establish the administrative structures of the DGTCP, in accordance with the decree amending and supplementing the 2022 decree establishing the framework and organizational structures of the DGTCP.	– Decentralization of the expenditure authorization process.	August 2025	
Conduct a stress test on the impact of account closures and develop the accounts closure strategy.	Establishment of the TSA.	October 2025	
Generalize the use of the standardized VAT billing system to all companies subject to VAT.	Raise the ratio of taxes to GDP.	September 2025	
Adopt a revenue mobilization plan, including VAT-related tax expenditures, in a coordinated manner among the various revenue collection departments.	Improve the mobilization of domestic revenues.	*(Proposed SB)* September 2025	
Revise the interministerial order establishing the CPCM to include the FARI modelling function, and strengthen the collection and centralization of extractive sector data, in collaboration with all stakeholders. (MEFP, ¶22)	Improve the forecasting of natural resource revenues.	*(Proposed SB)* September 2025 New	
Third Review			
Publish, on a quarterly basis, the payments made by investment project, distinguishing between those included in the budget law and those that are not. (MEFP, ¶19)	Improve public investment management	*(Proposed SB)* March 2026	

Table 3. Democratic Republic of the Congo: Reform Measures under the RSF (2025-2027)								
Pillar	**Reform measure**	**Diagnostic**	**Expected outcome**	**Implementing partner**	**Technical assistance**	**Date**	**Status**	**Prospective BOP Risk Reduction**
Promote forest protection and sustainable mining exports	**RM1. Forest exploitation concessions.** The government will adopt amendments to the forest law to define the process to allocate concessions (forest, conservation and community forest concessions) specifying (i) social and environmental safeguard and compensation measures, (ii) mechanisms to guarantee the transparency of the allocation process and monitoring of the implementation of environmental and social management plans.	CCDR, CCIA	Government defines protection rules for forests in DRC's laws. Complete information - on concession award processes, concessions awarded, and environmental and social management plans - is published. This allows citizens to hold the government and concession holders accountable for how they manage forests.	Ministry of Environment and Sustainable Development (MEDD)	WB CAFI AFD	March 2026	In Progress	*Improved fiscal and external sustainability.* - Enhances transparency of forestry and mining sector, attracting more external investment and promoting net exports. - Contains impact of natural disasters on fiscal, external and real sectors
	RM2. Governance in the forest sector. The Court of Accounts will publish a performance audit that evaluates the reforestation operations financed by the National Forestry Fund (FFN).	DRC Governance Diagnostic, C-PIMA, CCIA	Public institutions are held accountable for the climate results they deliver. Enhanced reforestation efforts given the mandate of the FFN.	Court of Accounts (CDC) FFN	INTOSAI Development Initiative (IDI)	June 2026	In Progress	

Table 3. Democratic Republic of the Congo: Reform Measures under the RSF (2025-2027) (continued)								
Pillar	**Reform measure**	**Diagnostic**	**Expected outcome**	**Implementing partner**	**Technical assistance**	**Date**	**Status**	**Prospective BOP Risk Reduction**
	RM3. Geo-monitoring of forests. The Ministry of Environment and Sustainable Development will publish (i) geospatial forest monitoring data on the state of the forest, that is updated at minima on a biennial basis, (ii) maps and databases on forest concessions drawn from a digitalized forest cadaster.	CCDR	DRC has the second-most important forest worldwide after the Amazonas, and deforestation is worrying. Government establishes a - regularly updated - official data source on state of the forest, deforestation and related GHG, and on forest concessions.	MEDD - Directorate of the Forest Cadaster (DCF), Directorate of the Forest Inventory and Use (DIAF)	FAO AFD WRI	November 2026	In Progress	
	RM4. Mining norms. The government will align the mining regulation to the mining code regarding environmental and forest protection norms, and notably to specify safeguard and compensation measures.	WB climate-smart mining diagnostic DRC (CEM), CCDR, C-PIMA, CCIA	DRC has rules to protect the most valuable forest zones (virgin forests/peatlands) from mining activities. DRC as a solutions country provides transition critical minerals at an affordable human and environmental cost.	MEDD - Congolese Environment Agency (ACE) Ministry of Mines – Directorate for Protecting the Mining Environment (DPEM) National Fund for Social Promotion and Service (FNPSS)	CAFI GIZ	March 2027	In Progress	

Table 3. Democratic Republic of the Congo: Reform Measures under the RSF (2025-2027) (continued)

Pillar	Reform measure	Diagnostic	Expected outcome	Implementing partner	Technical assistance	Date	Status	Prospective BOP Risk Reduction
	RM5. Mining norms. The government will systematically publish the environmental and social impact assessments of all approved mining projects, accompanied by their management plans and summary reports, as well as ex-post environmental audits.	CEM, CCDR, C-PIMA, CCIA	DRC has rules to protect the most valuable forest zones (virgin forests/peatlands) from mining activities. DRC as a solutions country provides transition critical minerals at an affordable human and environmental cost.	ACE DPEM FNPSS	CAFI GIZ	September 2027	In Progress	
	RM6. Governance in the forest sector. The FFN drafts a reform action plan in response to the audit, whose implementation will be revised by the Court after one year.	DRC Governance Diagnostic, C-PIMA, CCIA	Public institutions are held accountable for the climate policy results they deliver. Enhanced reforestation efforts given the mandate of the FFN.	FFN CDC	IDI	September 2027	In Progress	

Table 3. Democratic Republic of the Congo: Reform Measures under the RSF (2025-2027) (continued)

Pillar	Reform measure	Diagnostic	Expected outcome	Implementing partner	Technical assistance	Date	Status	Prospective BOP Risk Reduction
Build resilience to climate natural disasters	**RM7. Climate fiscal risks.** Starting with the 2026-2028 fiscal risk statement (FRS), the Ministry of Budget will integrate a quantified analysis of natural disasters in the FRS published in annex to the budget law.	C-PIMA, CCIA	Natural disasters have an important impact on DRC's public finances, and their analysis supports better fiscal planning. Quantification of risks will better inform risk management by the Government.	Ministry of Budget – Directorate General for Budget Planning and Programming (DGPPB)	FAD	October 2025	In Progress	*Improved external and fiscal resilience to natural disasters.* - Reduces ex-ante exposure to disaster risks, limiting potential financial losses while supporting investor confidence and attracting new investments (including FDI) - Reduces fiscal costs when climate risks materialize, lowering external financing needs. - Reduces reconstruction needs and associated import demand. - Reduces risks of negative impact on mining sector due to flooded mines and roads, safeguarding mining exports and associated government revenues.
	RM8. Disaster risk management. The government will adopt by decree a policy to clarify institutional responsibilities for disaster risk management at the Ministry of Interior and the Ministry of Social Affairs and Humanitarian Action, in line with the roadmap of the 2024 disaster risk reduction strategy.	CCDR, CCIA	DRC ceases to be amongst the minority of countries to not have a DRM law that organizes its disaster risks response.	Ministry of Interior and Security Ministry of Social Affairs and Humanitarian Action	UNDP UNDRR WB	November 2025	In Progress	
Integrate the climate agenda into public investment management	**RM9. Preparation of PPPs.** The Ministry of Planning will table draft amendments to the PPP law to require an appraisal of climate risks during the preparation of PPPs and publish a methodological manual to operationalize this requirement.	C-PIMA	PPPs are analyzed for their climate change impacts to ensure their resilience and that effects on GHGs are known.	Ministry of Planning – Unit for the Coordination of PPPs (UC-PPP)	FAD	June 2026	In Progress	*Improved fiscal and external sustainability.* - Reduces contingent liabilities and/or fiscal costs following adverse climate related shocks, supporting debt sustainability and reducing the need for external financing. - Regulatory certainty promotes investment, including external capital flows. - Climate resilient infrastructure facilitates resilient transport needed for trade.

Table 3. Democratic Republic of the Congo: Reform Measures under the RSF (2025-2027) (concluded)								
Pillar	**Reform measure**	**Diagnostic**	**Expected outcome**	**Implementing partner**	**Technical assistance**	**Date**	**Status**	**Prospective BOP Risk Reduction**
	RM10. Preparation of public investment projects. The Ministry of Planning will adopt by decree a methodology for climate change impact screening of relevant projects to assess their impacts on GHGs, and their exposure to natural disasters.	C-PIMA, CCIA	All public investment projects are screened for their climate change effects before they receive budget funding.	Ministry of Planning MEDD	FAD	June 2026	In Progress	
	RM11. Implementation of the NDC. The Government will (i) publish an investment plan that costs high priority projects under the NDC by 2025, (ii) allocate identifiable budget funding to these in the finance laws.	C-PIMA, CCIA	The 2021 NDC gets implemented, by defining the investment projects needed to achieve it, and by a commitment from authorities to finance them.	Ministry of Planning Ministry of Budget	FAD	January 2027	In Progress	
	RM12. Preparation of public investment projects. The Ministry of Planning will update the annual public investment circular instructing line ministries to share climate appraisals, based on the adopted methodology, when submitting projects for budget funding. The government will finance and publish these appraisals, including for extrabudgetary funds (ACGT, BCECO).	C-PIMA, CCIA	All public investment projects are screened for their climate change effects before they receive budget funding.	Ministry of Planning Congolese Agency of Great Works (ACGT) Central Bureau for Coordination (BCECO)		April 2027	In Progress	

Attachment II. Technical Memorandum of Understanding

1. This **Technical Memorandum of Understanding (TMU)** contains definitions and adjusters that clarify the measurement of quantitative performance criteria and indicative targets in Tables 1 and 2, which are attached to the Memorandum of Economic and Financial Policies. Unless otherwise indicated, all performance criteria and indicative targets will be evaluated in terms of cumulative flows from the beginning of each calendar year.

A. Definitions

2. In the TMU, **exterior** and **interior** are defined on the basis of residence.

3. **Institutional coverage**: Central government comprises all units of government that exercise authority over the entire economic territory. However, unless otherwise specified in this memorandum, the central government does not include non-profit organizations controlled and financed by it. The banking system consists of the Central Bank of the Congo (BCC) as well as deposit institutions.

4. The **program exchange rates** for the TMU are as follows (indicative BCC rates as of December 31, 2024):

- The variables denominated in U.S. dollars will be converted into Congolese francs (CDF) using the program exchange rate of XX CDF per one US dollar.
- The variables denominated in SDRs will be valued at the program exchange rate of CDF XX per SDR.
- The variables denominated in euros will be valued at the program exchange rate of XX CDF per euro.
- Variables denominated in currencies other than the U.S. dollar, SDR, or euro will first be converted to U.S. dollars at the official exchange rate on December 31, 2024, USD/currency (taken from *IMF International Financial Statistics*) and then converted to Congolese francs using the CDF/USD program exchange rate.

5. The **quantitative performance criteria** (PCs) included in the program, as defined below, refer to the net international reserves of the BCC, the foreign currency assets of the BCC held with domestic correspondents, the net credit of the BCC to the government, the net domestic assets of the BCC, external payment arrears, subscriptions or guarantees of new external debt by the public sector, and the domestic fiscal balance (cash basis). Performance criteria are set for end-December 2024 and end-June 2025, while new indicative targets are set for end-March 2026 and end-September 2025.

6. In addition to the specific PCs listed in paragraph 5, as with any arrangement of the Fund, **Continuous PCs** also include the non-introduction of exchange restrictions and multiple currency practices. In particular, ongoing conditionality covers: (i) not imposing or intensifying restrictions on making payments and transfers for current international transactions; (ii) not to introduce or modify multiple currency practices; (iii) not to enter into bilateral payment agreements inconsistent with Article VIII; and (iv) not imposing or intensifying import restrictions for balance of payments reasons. In view of their non-quantitative nature, these continuous PCs are not included in the PC table appended to the MEFP.

B. Quantitative Performance Criteria and Adjusters

Floors on Changes in the BCC's Net International Reserves

7. Definition: **Net international reserves** (NIR) are defined as the difference between the BCC's **gross international reserves** and its total **foreign liabilities**, excluding SDR allocations.

8. Definition: **Gross international reserves** are defined in accordance with the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6), as the sum of the following: (i) the BCC's monetary gold holdings held abroad; (ii) SDR holdings held abroad; (iii) foreign exchange cash holdings; and (iv) convertible claims on non-residents, such as foreign deposits and foreign securities. The following items are excluded from the definition of gross international reserves: foreign currency claims on residents, assets in nonconvertible currency, assets whose availability is subject to conditions, and assets that are in any manner encumbered or pledged, including without limitation, reserve assets used as pledges or guarantees for third-party external liabilities and swap transactions.

9. Definition: **External liabilities** are all BCC liabilities in foreign currency to nonresidents, including the IMF, but excluding SDR allocations.

10. The following **adjustments** will apply to NIR floors:

- **Balance of payments support** (BPS, budget support): NIR floors will be adjusted upward by an amount equivalent to 50 percent of the surplus of BPS over programmed levels (corresponding to budget support, including from the IMF). The NIR floors will be adjusted downward by an amount equivalent to 50 percent of the shortfall collected compared to the programmed levels.
- **External debt service payments:** NIR floors will be adjusted, either (i) upward by an amount equivalent to the underpayment of external debt service compared to programmed amounts, or (ii) downward by an amount equivalent to the excess of external debt service payments compared to the programmed amounts.
- **Proceeds from privatizations in convertible foreign currency** (PPDC): the NIR floors will be adjusted upward by an amount equivalent to 50 percent of the total surplus of the PPDC over programmed levels. There will be no downward adjustment in the event of a shortfall.

11. Definition: **BPS** includes all external grants and loans disbursed to the central government, excluding those related to projects.

12. Definition: **Payments for servicing the external debt** of central government are defined as payments of principal and interest owed to external creditors (excluding the IMF).

Ceilings on the Levels of BCC Foreign Currency Assets Held with Domestic Correspondents

13. Definition : The BCC's **foreign currency assets held with domestic correspondents** are defined as BCC assets: (i) of any denomination other than the Congolese franc; (ii) held with institutions or subsidiaries domiciled in the Democratic Republic of the Congo; (iii) but excluding BCC deposits used as guarantee/collateral for central government borrowing (as defined in §14). The ceiling on the BCC's foreign currency assets held daily with domestic correspondents must remain below the threshold specified in the table of quantitative performance criteria, with a tolerance of five working days should this be exceeded.

14. Definition: **BCC deposits used as guarantee/collateral for central government loans** is defined as the sum of deposits that serve as guarantee, in one form or another, for loans contracted by the central government. Their change is defined as the difference in the amount of such deposits between the test date and the previous year-end.

Ceilings on Changes in BCC Net Domestic Assets

15. Definition: **BCC net domestic assets** (NDA) of are defined as the monetary base (see §16) minus net international reserves (see §7) minus external assets excluded from the international reserves, minus **the Treasury securities payable to the BCC** (§19), minus, as of December 2022, the reserve requirements of deposit-taking institutions. Based on this definition, the BCC's NDA include: (i) net credit to the government (central government (see §17); (ii) credit to the private sector; (iii) credit to public enterprises; (iv) credit to commercial banks; (v) other claims on the rest of the economy (on other financial institutions and other nonfinancial institutions); and (vi) other net assets.

16. Definition: **Monetary base**, strictly defined, is the sum of (i) currency in circulation; (ii) bank cash balances; (iii) bank deposits at the BCC; (iv) nonbank private sector deposits at the BCC; and (v) deposits of public enterprises with the BCC.

17. The following adjustments will be made to the NDA ceilings:

- **BPS**: The NDA ceilings will be adjusted downward by an amount equivalent to 50 percent of the total BPS in excess of the programmed level. The NDA ceilings will be adjusted upward by an amount equivalent to 50 percent of the shortfall in the amount collected compared to the programmed levels.
- **External debt service payment**: the NDA ceilings will be adjusted (i) downward by an amount equivalent to the underpayment of debt service compared to the programmed amounts; and (ii) upward by an amount equivalent to the excess of external debt service payments over the programmed amounts.

Ceilings on Changes in Net BCC Credit to the Government (NCG)

18. Definition: **BCC net credit to the government** (NCG) is defined as the difference between BCC's gross claims on the central government and the central government's deposits at the BCC. Government deposits include those related to the agreement on the distribution of SDRs between the government and the BCC. For program monitoring purposes, government deposits related to externally financed projects, as well as **Treasury securities in favor of the BCC,** are excluded from the NCG.

19. Definition: **Treasury securities payable to the BCC** are interest-bearing securities issued by the Treasury to recapitalize the BCC or to regularize past BCC claims on the government, and to cover past operating losses, unsecured operating losses from 2011 and subsequent years, overdue interest payments for securities related to the BCC's operating losses and foreign currency conversion losses. These securities include in particular the Treasury bonds redeemable *in fine* provided for in *the Memorandum of Understanding between the Government and the Central Bank of Congo on the regularization of its claims on the Public Treasury* of December 2021, and its April 2022 amendment. This definition excludes non-interest-bearing loans from the BCC to the government, non-interest-bearing Treasury securities, and advances from the BCC to the Treasury.

20. The following **adjustments** will apply to the NCG ceilings.

- **BPS**: the NCG ceilings will be adjusted downward, by an amount equivalent to 50 percent of the surplus of BPS over the programmed level. In the event of a shortfall, the NCG ceilings will be adjusted upward by an amount equivalent to 50 percent of the shortfall relative to the programmed levels.
- **External debt service payments:** The NCG ceilings will be adjusted (i) downward by an amount equivalent to the underpayment of debt service relative to programmed amounts, or (ii) upward by an amount equivalent to the external debt service overpayment relative to programmed amounts.
- **Proceeds from privatizations** : The NCG ceilings will be adjusted downward by an amount equivalent to 50 percent of the total surplus of privatization proceeds over the programmed levels. There will be no upward adjustment for shortfalls.

Floors on the Domestic Fiscal Balance

21. Definition: The **domestic fiscal balance** (cash basis) is defined as domestic revenue minus domestically financed expenditure. **Domestic revenue** is defined as total revenue and grants minus grants. **Domestically financed expenditure** is defined as total expenditure minus externally financed investment (loans and grants) minus foreign interest payments plus the **net accumulation of domestic arrears.**

22. The **following adjustments** will apply to the floors on the domestic fiscal balance:

- **Domestic arrears payment:** The floors on the domestic fiscal balance will be **adjusted** downward (higher deficit) by the equivalent of the amount of domestic arrears repayments made in excess of the programmed amount; symmetrically, they will be adjusted upward (lower deficit) by the equivalent of the amount of domestic arrears repayments made below the programmed amount.

- **Domestically financed investments:** The floors on the domestic fiscal balance will be adjusted upward (lower deficit) by the equivalent of the amount of domestically financed investments made below (less than) the programmed amount.
- **Central government revenue**: The floors on the domestic fiscal balance will be adjusted upward by an amount equivalent to 80 percent of the surplus in central government revenues over the programmed level. They will be adjusted downward by an amount equivalent to 50 percent of the central government's revenue compared to the programmed level.

23. Definition: **Domestic arrears** are defined as obligations to domestic public suppliers that have not been paid by the due date according to the contractual provisions with a delay of at least 60 days, including also VAT credits due but not refunded, and which have been certified and validated by the government.

Ceilings on the Accumulation of External Payment Arrears

24. Definition: **External payment arrears** are defined as central government external debt service obligations (interest and principal) that have not been paid by the due date according to the contractual provisions. The ceilings on new external payment arrears apply **continuously** throughout the period covered by the Extended Credit Facility. They do not apply to external payment arrears that are in the process of being renegotiated, or to those for which the creditor has agreed to a suspension of payments pending the outcome of negotiations. For the purposes of this continuous PC, which is monitored continuously, the government will immediately report any new external arrears it accumulates to Fund staff.

Ceilings on the Present Value of Contracts or Guarantees of New External Debt by the Public Sector

25. Definition: **The public sector** comprises the central government (State), local governments, the central bank (BCC), public enterprises, 17 decentralized territorial entities (DTEs), as well as public institutions controlled and financed by the central government.

26. Definition: **Debt** is defined in accordance with paragraph 8(a) of the Guidelines on Public Debt Conditionality in Fund Arrangements attached to Executive Board Decision No. 16919-(20-103), adopted on October 8, 2020. External debt is deemed to be incurred when all parties have signed the debt contract. For the purposes of the program, external debt is measured on a gross basis using the residency criterion.

27. Definition**:** The **guarantee** of a debt arises from any explicit legal obligation of the public sector to repay a debt in the event of default by the debtor (payments in cash or in kind), or from any implicit legal or contractual obligation of the public sector to finance all or part of any shortfall in payment by the debtor.

28. Definition: The **present value** (PV) of new external debt is calculated by discounting all scheduled disbursements and debt service payments (principal and interest), on the basis of a program discount rate of 5% and taking into account all conditions of the loan, including projected disbursements, maturity, grace period, payment schedule, entry fees, and management fees. The PV is calculated using the IMF "DSA template", which is based on the loan amount and the aforementioned parameters. In the case of loans for which the grant element is zero or below, the present value is equal to the face value.

29. Definition: **Ceiling.** As of March 2022, a performance criterion applies to the PV of new external debt (i.e. debt owed to nonresidents), contracted or guaranteed by the public sector with original maturities of one year or more. The ceiling applies to commitments entered into or guaranteed for which no value has been received. It excludes the use of Fund resources and normal import credits with a maturity of less than one year.[18]

30. Definition: **Reporting requirement.** The authorities will inform IMF staff of any planned external borrowing, and the terms thereof, before loans are contracted or guaranteed by the government, and will consult with IMF staff on any potential debt management operations.

C. Indicative Targets

Floors on Central Government Revenues

31. Definition: **Central government revenue** is defined according to the Government Finance Statistics Manual (GFSM 2001) but on a cash basis, excluding grants. Revenue is an increase in the net worth of the central government (including its units in the provinces and agencies) resulting from a transaction.

- Central government revenue includes taxes and other compulsory transfers imposed by the central government, property income from the ownership of assets, sales of goods and services, social contributions (excluding pension contributions received by the central government), interest, fines, penalties and forfeitures, and voluntary transfers, other than subsidies, received from non-government authorities. The definition, for program monitoring, excludes grants and other non-compulsory contributions received from foreign governments and international organizations. These transfers between central governments would be eliminated in the consolidation of fiscal reports and would not be recorded as revenues. Receipts from the sale of nonfinancial assets (e.g., privatization and bonuses for signing natural resource contracts) and transactions in financial assets and liabilities, such as borrowings but excluding interest payments, are also excluded from the definition of income. The transfer of profits from the BCC to the Treasury is also excluded from the definition of revenue. Revenues from the special accounts and annexed budget are also excluded.
- Revenues should be recorded on a cash basis, and flows should be recorded when cash is received. Exceptional advance payments will be treated as if they had been received on the normal due date.

Floor on Social Spending

32. Definition: **Social expenditure** is central government expenditure (excluding wages) defined as the sum of:

- *Health spending*
  - Reproductive, maternal, newborn, child, and adolescent health (RMNCAH) and primary health care expenditures
  - Disbursements of GAVI-supported vaccine co-financing and traditional vaccines procurement
  - Disbursements of tuberculosis/malaria/HIV/AIDS co-financing
- *Social spending*

Social expenditure includes interventions related to the universal health coverage policy within the framework of the activities of the Health Solidarity Fund, the promotion of social services, the protection of vulnerable groups, and the construction of shelters for children who have broken away from their family ties.

Ceilings on the Accumulation of Central Government Wage Arrears

33. Definition: **Wage arrears** are defined as approved wages and salaries that are 60 days past due. Wages and salaries include the total compensation paid to public service employees, including permanent benefits. These arrears will be assessed on a cumulative basis as from July 1, 2021.

34. Definition: **Public service employees** are civilian, police and military personnel, either statutory civil servants or under contract with the central government.

Ceilings on the Wage Bill

35. Definition: The **wage bill** is defined as the total remuneration paid to public service employees (see §34), including permanent benefits.

Ceilings on central government expenditures executed under emergency procedures

36. Definition: **Central government expenditures executed under emergency procedures** is expenditure that has not been executed in accordance with the normal expenditure chain procedures.

37. Definition: The **ceiling** is defined quarterly as the percentage of central government expenditure executed under emergency procedures relative to total central government expenditure from own resources and budget support.

D. Data to be Reported for Program Monitoring Purposes

38. The DRC authorities will provide IMF staff with the information required for program monitoring within the prescribed deadlines, as shown in the table below.

Table 1. Democratic Republic of the Congo: Overview of Data Required to be Reported by the Authorities

	Data Description	Institution in Charge	Data Frequency (Reporting frequency, if different)	Submission Deadline (business days)
1	**Exchange rates and foreign exchange market statistics** Including rates and volumes submitted by commercial banks, foreign exchange bureaus and the BCC; the official exchange rate (indicative rate); parallel market exchange rates; BCC interventions; BCC foreign exchange auctions; the supply of and demand for foreign exchange as reported by commercial banks.	BCC (Directorate of Banking Operations and Markets (DOBM); Directorate of Research and Statistics (DRS)	Daily (Weekly)	1
2	**BCC foreign assets and liabilities** Disaggregated by category and currency; NIR and GIR according to program definition.	BCC (Directorate of Banking Operations and Markets (DOBM))	Daily (Weekly)	1
3	**Monetary policy instruments and interventions** BCC bills, swap facility, emergency lending facilities, interbank market (rates and volumes, by bank)	BCC	Daily (Weekly)	1
4	**Depository institutions' reserves at the BCC** Required and excess reserves	Financial Intermediaries Supervision Directorate (DSIF)	Daily (Weekly)	1
5	**Depository institutions survey** Situation of the central bank and other depository institutions.	BCC	Monthly	10
6	**Detailed monetary survey:** Standardized report forms 1SR & 2SR	BCC	Monthly	10
7	**Government deposits with the BCC and commercial banks:** By type, entity, and currency	BCC	Monthly	10

Table 1. Democratic Republic of the Congo: Overview of Data Required to be Reported by the Authorities (continued)

	Data Description	Institution in Charge	Data Frequency (Reporting frequency, if different)	Submission Deadline (business days)
8	**BCC guarantees** Promissory notes, term deposits, insured deposits, or any other type of guarantee contracted by the BCC with local commercial banks (by bank, category, terms, and currency); for guarantees, detailed information on payments related to guaranteed loans, and terms of such loans and associated guarantees.	BCC	Monthly	10
9	**BIS 2D BIS USD statement of account** Statement of account (downloadable electronic data format) provided by the BIS for the two-day deposit account in USD opened in the books of the BCC to record IMF-related disbursements.	BCC	Monthly	10
10	**Monitoring of monetary criteria** Net international reserves, BCC net credit to the government, BCC net domestic assets, BCC foreign currency assets held with domestic correspondents.	BCC	Monthly	15
11	**Monetary Data** Monetary survey and detailed Net credit to government	BCC	Bi-weekly	3
12	**BCC cash payments** BCC and government cashier operations, by currency and execution procedure	BCC	Monthly	10
13	**BCC local currency budget**	BCC	Monthly	3
14	**Commercial bank balance sheets** Detailed tables of assets and liabilities, for each depository institution and aggregated, broken down by national currency and foreign currency.	Financial Intermediaries Supervision Directorate (DSIF)	Monthly	10
15	**Financial soundness indicators (FSI)** Capital adequacy, asset quality, profitability, liquidity, sensitivity to market risks.	Financial Intermediaries Supervision Directorate (DSIF)	Monthly	10
16	**Interest rate term structure** Deposit-taking institutions and the BCC	Financial Intermediaries Supervision Directorate (DSIF)	Monthly	10
17	**Foreign exchange budget**	BCC (Directorate of Banking Operations and Markets (DOBM)	Weekly	5

Table 1. Democratic Republic of the Congo: Overview of Data Required to be Reported by the Authorities (continued)				
	Data Description	**Institution in Charge**	**Data Frequency** (Reporting frequency, if different)	**Submission Deadline** (business days)
18	**Statistical digest** Main productions	BCC	Monthly	15
19	**Commodity exports and imports** Value and volume	BCC	Monthly	15
20	**Transactions on the capital and financial accounts of the balance of payments**	BCC	Quarterly	15
21	**GDP estimates and forecasts**	CESCN	Quarterly	45
22	**Expenditures executed under emergency procedures** Amounts approved by the Emergency Expenditures Commission and amounts paid and regularized by the BCC.	Emergency Committee	Quarterly	15
23	**Customs and excise revenues** Including mining, by category	Directorate General of Customs and Excise (DGDA)	Monthly	40
24	**Revenues from direct and indirect taxes**	DGI	Monthly	40
25	**Revenues from the mining sector** By nature	DGI	Monthly	40
26	**Subscriptions to corporate income tax (IBP)**	DGI	Annually	20
27	**Nontax revenue** Excluding provinces, including revenues from the mining sector	Directorate General of Administrative, Judicial, State, and Participation Revenue (DGRAD)	Monthly	20
28	**Proceeds of privatization**	DGRAD	One-off, for asset sales	15
29	**Indicators of national production**	National Institute of Statistics (INS)	Monthly	15
30	**Consumer price index**	INS	Weekly	5
31	**Estimation of the fiscal cost of the fuel pricing policy**	Ministry of Economy (validation by the Ministry of Finance)	Quarterly	40
32	**External arrears** Discounted amounts	Ministry of Finance (Directorate General of Public Debt (DGDP))	Monthly	15

Table 1. Democratic Republic of the Congo: Overview of Data Required to be Reported by the Authorities (continued)

	Data Description	Institution in Charge	Data Frequency (Reporting frequency, if different)	Submission Deadline (business days)
33	**External debt service** Interest and principal, detailed by creditor	Ministry of Finance (Directorate General of Public Debt (DGDP))	Monthly	10
34	**Central government domestic debt** Debt stock and debt service, by category and creditor	Ministry of Finance (Directorate General of Public Debt (DGDP))	Quarterly	15
35	**Public external debt contracted** Including by central or local governments, public enterprises (Gécamines, Sicomines, SNEL, MIBA) and the BCC; Details on the associated guarantees/collateral.	Ministry of Finance (Directorate General of Public Debt – DGDP)	Ad hoc, where a loan contract is signed	15
36	**Public external debt stock** Including that of central or local governments, public enterprises (Gécamines, Sicomines, SNEL, MIBA) and the BCC; associated amortization schedules.	Ministry of Finance (Directorate General of Public Debt – DGDP)	Annually	30
37	**Status of natural resource revenue collection**	Ministry of Finance (Technical Committee for Monitoring and Evaluation of Reforms (CTR))	Quarterly	20
38	**Government cash flow plan** Execution and projections	Ministry of Finance (Directorate General of the Treasury and Public Accounts (DGTCP)	Weekly	5
39	**Treasury bills and bonds** Issuance amounts, maturities, and interest rates; amortization	Ministry of Finance (Securities Committee)	Weekly	3
40	**Mining exports** By mineral and company, with annual projections	Ministry of Mines (Technical Mining Coordination and Planning Unit – CTCPM)	Monthly and quarterly	10
41	**Budget arrears** Up-to-date stock	Ministry of the Budget (Budgetary Control Directorate – DCB)	Annually	15

Table 1. Democratic Republic of the Congo: Overview of Data Required to be Reported by the Authorities (concluded)

	Data Description	Institution in Charge	Data Frequency (Reporting frequency, if different)	Submission Deadline (business days)
42	**Budget monitoring statement**	Ministry of Budget (Directorate General of Budgetary Policy and Programming – DGPPB)	Monthly	10
43	**Wage arrears** Stock, including details by category	Ministry of the Budget (Payroll Directorate)	Monthly	60
44	**Projected expenditure commitment plan**	Ministry of the Budget (Budgetary Control Directorate – DCB)	Quarterly	10
45	**Economic situation report** Prepared for the weekly meeting with the Prime Minister	Ministry of Planning (Macroeconomic Studies Directorate – DEME)	Weekly	3

Criteria and data for the RSF. With regard to the RSF, the authorities will provide IMF staff with all of the documents (legal texts, manuals, methodologies, etc.) referred to in each reform measure. Table 2 below provides the criteria for interpreting reform measures.

Table 2. Democratic Republic of Congo: Overview of Information to be Provided by the Authorities Under the RSF

Reform Measure	Interpretive Criteria
RM1.	Adoption of the Code by the Government and transmission to Parliament. Preliminary stage: this measure will take place after the adoption of the forestry policy (expected in early 2025).
RM2.	Performance audit report published on the Court's website, including observations on the efficiency and effectiveness of public policy and reform recommendations (in line with INTOSAI auditing standards). Preliminary stage: The Committee includes the audit in the 2025 Annual Work Plan (PAT).
RM3.	The SNSF's geospatial data covers deforestation data, forest degradation data, and National Forest Inventory data. They are updated at least every two years and published by the government on the official SNSF web portal according to different spatial scales (national and provincial), forest types and management methods (exploitation concessions, conservation concessions, CFCL, protected areas, etc.). Measurement for the SNSF involves an initial release (first quarter of 2025) and at least one subsequent data update.
RM4.	Adoption of the revised mining regulation by the Government and publication of the new text in the Official Journal The new regulation will clarify the institutional arrangements, procedures and standards governing the protection of the environment and forests, including safeguards and compensation measures.
RM5.	The revised Mining Regulations (RM4) will specify the government entity responsible for publishing studies, plans, reports and audits at a government site. All mining projects approved after the end of RM4 will have a study with its management plan and the synthesis report previously published. As ex post audits are lagged, publication will cover all audits due after RM4.
RM6.	Action plan in response to the audit (in line with INTOSAI's auditing standards) prepared by May 2026 at the latest. The FFN states that it can draw up this plan in three months. Court's report on the review of implementation published.
RM7.	Chapter with quantified data on natural disasters in the 2026–2028 DRB, published as part of the budget documentation for the 2026 budget law. In case of limitations in the availability of data on natural disasters, an action plan will be adopted to improve data collection.
RM8.	Policy formally adopted by a published decree.

Table 2. Democratic Republic of Congo: Overview of Information to be Provided by the Authorities Under the RSF (concluded)	
RM9.	Amendments to the PPP Act adopted by the Government and tabled in Parliament. PPP methodological guide developed in line with international best practices, published (on the UC-PPP website) and formally adopted (with formal presentation to the Council of Ministers for endorsement). Chapter 4.5 of the *November 2023 Public Investment Management Procedures Manual* (Order No. 210 /CAB/MINET/PLAN/ JST/2023 of November 15, 2023) is amended to include a reference to the PPP methodological guide.
RM10.	The Ministry of Planning will revise the November *2023 Decree on the Public Investment Management Procedures Manual* (Decree No. 210 /CAB/MINET/PLAN/ JST/2023 of November 15, 2023) to include an annex that explains the climate assessment methodology that details the principle set forth in Chapter 4.4.1 of the said Manual. The term "relevant" will be defined by the methodology, i.e., it will differentiate which type of analysis will be applied to which type of project.
RM11.	A plan was published on the Ministry of Planning or MEDD website listing and quantifying the costs of priority climate projects. These projects will have been included (in an identifiable manner) in the PIP appended to the LFI and will have received budget appropriations by 2027. For mature projects, they should already be included in the 2026 budget law.
RM12.	Planning ministry circular issued January 2026. The government will pay, for each fiscal year, expenditures relating to project evaluations to be included in the budget for fiscal year n+1. A report showing the execution rate of appropriations allocated to finance project evaluations is published. Assessments are published by April 2027.

DEMOCRATIC REPUBLIC OF THE CONGO

June 18, 2025

FIRST REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF QUANTITATIVE PERFORMANCE CRITERIA, AND FINANCING ASSURANCES REVIEW—DEBT SUSTAINABILITY ANALYSIS

Approved By
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Prepared by the staffs of the International Monetary Fund (IMF) and the International Development Association (IDA)

Risk of external debt distress:	**Moderate**
Overall risk of debt distress	**Moderate**
Granularity in the risk rating	**Some space to absorb shocks**
Application of judgment	**No**

Under the Low-Income Country Debt Sustainability Framework (LIC DSF), the Democratic Republic of the Congo (DRC) remains at moderate risk of both external and overall debt distress.[1] *This is consistent with the conclusion of the previous DSA.*[2] *Its debt-carrying capacity is assessed as weak, reflecting limited revenue mobilization, which constrains fiscal space despite relatively low external debt levels. Stress tests indicate breaches of both external debt solvency and liquidity thresholds, as well as the public debt-to-GDP benchmark, highlighting the DRC's vulnerability to external shocks, particularly from deteriorating export performance.*

[1] The DRC's Composite Index (CI) score is estimated at 2.43, based on the April 2025 WEO update and the 2024 World Bank Country Policy and Institutional Assessment (CPIA). Accordingly, the country's debt-carrying capacity remains weak.

[2] See IMF Country Report No. 25/23.

The DRC is assessed to have some space to absorb shocks. However, in view of constrained fiscal buffers and high exposure to volatile commodity prices, maintaining debt sustainability require prudent borrowing policies that prioritize concessional financing. Strengthening debt management frameworks and enhancing domestic revenue mobilization are also critical to mitigating vulnerabilities and reinforcing the fiscal space needed to absorb future shocks.

PUBLIC DEBT COVERAGE

1. Public and publicly guaranteed (PPG) external and domestic debt covers debt contracted or guaranteed by the central government, the Central Bank of Congo (BCC), provinces, and state-owned enterprises (SOEs). The Directorate-General for Public Debt (*Direction Générale de la Dette Publique*, DGDP)[3], operating under the Ministry of Finance, publishes quarterly and annual reports on its website, detailing domestic and external debt based on the residency criteria. These reports summarize the debt of the central government, the debt of Sicomines (a joint venture between the Congolese government and Chinese investors) and Gécamines, guaranteed external debt of SOEs managed by the government, and the BCC.[4] Other public institutions are legally prevented from borrowing externally without approval and are unlikely to command market access without a government guarantee. However, the authorities do not receive regular reports from public institutions other than those named above or from provinces. To address this information gap, the authorities are committed to improving the quality of debt reporting, especially for SOEs, and are implementing recommendations from recent IMF technical assistance. In this regard, the authorities approved an ordinance-law on public debt management in September 2023, which mandates the DGDP to evaluate any new borrowing by SOEs prior to debt contracting, harmonizes the legal framework, and reaffirms the Ministry of Finance's exclusive role in contracting external debt. Supported by the World Bank Sustainable Development Finance Policy (SDFP), under Performance and Policy Actions (PPA2), the authorities are committed to further enhancing the coverage of their debt reports by including the reporting of additional SOE and provincial debt.[5] Moreover, Sicomines' infrastructure loans are backed by a government guarantee, which can only be called after 2040. These loans are expected to be repaid by 2028 and are collateralized by Sicomines' earnings.[6] Additionally, Sicomines has contracted a loan to finance the Busanga power plant to secure its electricity supply. Data on private sector debt remains limited, and the private sector is believed not to be borrowing externally.

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[3] DGDP has undergone institutional reform through Decree No. 25/20 of April 29, 2025, which formally establishes its creation, organization, and functioning. The decree aims to strengthen the DGDP's institutional framework by introducing a dedicated front-, middle-, and back-office structure to enhance its analytical, operational, and advisory capacity in managing public debt. It also seeks to improve governance by consolidating the DGDP's role as the central coordinating authority for public borrowing operations. To support the effective implementation of this reform, a new organizational staffing structure is being put in place.

[4] SOEs account for approximately 30 percent of PPG external debt, with a portion managed by the government through escrow accounts.

[5] Under the SDFP PPA2 of the past two fiscal years 2023 and 2024, the authorities have been progressively improving debt transparency and coverage by publishing quarterly debt bulletins and annual debt reports to include debt of seven strategic SOEs to date (SNEL, MIBA, Gécamines, Sodimico, Sonahydroc, REGIDESO and RVA), and of eight provinces (Kinshasa, Kwilu Kongo Central, Haut-Katanga, Equateur, Lomami, Kasai-Orientale and Lualaba). Under SDFP PPA2 for fiscal year 2025, the authorities will continue improving debt coverage for the 2023 annual debt report and for the last two quarterly bulletins for 2024, to include two additional SOEs (ONATRA and SNCC) and two additional provinces (Kasai Central and Tanganyika).

[6] See Annex VI. 'A Brief Overview of the SICOMINES Deal', IMF Country Report No. 2024/226.

Text Table 1. Democratic Republic of the Congo: Coverage of Public and Publicly Guaranteed Debt and Parameters for Contingent Liability Shocks for the Tailored Stress Test

Public and Publicly Guaranteed Debt Coverage

	Subsectors of the public sector	Sub-sectors covered
1	Central government	X
2	State and local government	X
3	Other elements in the general government	
4	o/w: Social security fund	
5	o/w: Extra budgetary funds (EBFs)	
6	Guarantees (to other entities in the public and private sector, including to SOEs)	X
7	Central bank (borrowed on behalf of the government)	X
8	Non-guaranteed SOE debt	X

Public Debt Coverage and the Magnitude of the Contingent Liability Tailored Stress Test

1	The country's coverage of public debt	The central, state, and local governments, central bank, government-guaranteed debt, non-guaranteed SOE debt			
		Default		Used for the analysis	Reasons for deviations from the default settings
2	Other elements of the general government not captured in 1.	0	percent of GDP	2.0	Some public institutions are not reporting to the DGDP.
3	SoE's debt (guaranteed and not guaranteed by the government) 1/	2	percent of GDP	2.0	
4	PPP	35	percent of PPP stock	0.0	
5	Financial market (the default value of 5 percent of GDP is the minimum value)	5	percent of GDP	5.0	
	Total (2+3+4+5) (in percent of GDP)			9.0	

1/ The default shock of 2 percent of GDP will be triggered for countries whose government-guaranteed debt is not fully captured under the country's public debt definition (1). If it is already included in the government debt (1) and risks associated with SOE's debt not guaranteed by the government is assessed to be negligible, a country team may reduce this to 0 percent.

BACKGROUND AND RECENT DEVELOPMENTS

2. Despite its vast natural resources, the DRC remains one of the world's poorest countries, with persistent fragility making it highly vulnerable to health crisis, humanitarian emergencies, and conflict. The economy is heavily dollarized, lacks diversification, and remains deeply exposed to commodity-price shocks and supply chain disruptions. Importantly, the security situation in Eastern DRC deteriorated sharply in January 2025, placing additional strain on public finances.

3. The DRC's economy has shown resilience in recent years, but growth slowed in 2024 as copper production stabilized. After expanding by 8.5 percent in 2023, real GDP growth decelerated to 6.5 percent in 2024 and is projected to average around 5.0 percent annually over the period 2025-35. Growth continues to be driven by increased mining production, alongside contributions from the non-extractive sector. Inflation was on a sustained downward trajectory in 2024 and is projected to continue its downward trend to reach the BCC's target of 7.0 percent by the end of 2027, before stabilizing. However, due to its heavy import dependency and extensive dollarization, the country remains highly vulnerable to supply shocks and exchange rate fluctuations. The primary deficit narrowed from 1.3 percent of GDP in 2023 to 0.7 percent in 2024, supported by strong revenue collection, particularly from the mining sector. This fiscal improvement comes despite sustained pressures from elevated security-related expenditures driven by ongoing conflict in the eastern region. Foreign reserves strengthened in 2024, reaching 2.3 months of non-aid-related imports by year-end. Further reserve accumulation is expected in 2025, supported by a continued narrowing of the current account deficit and favorable trends in the mining sector.

4. **Central government external arrears date back to the pre-HIPC Completion Point period, with additional arrears from Gécamines adding to the total stock.** By the end of 2024, external arrears had reached US$250.8 million (0.4 percent of GDP). Four non-Paris Club creditors hold pre-HIPC claims against the DRC totaling US$59.8 million (0.1 percent of GDP), which are either under negotiation or undergoing reconciliation. The authorities have engaged with these creditors through meetings and correspondence to enhance information sharing and facilitate agreement. Under the arrears policy for official bilateral creditors, such pre-HIPC Initiative arrears to non-Paris Club creditors can continue to be deemed away, as the underlying Paris Club agreement is adequately representative, and the authorities have made best efforts to resolve them. In addition, the DRC also has outstanding arrears to some external commercial creditors—comprising claims against the central government (less than 0.2 percent of GDP, pre-HIPC) and Gécamines (also less than 0.2 percent of GDP). The authorities continue to actively engage with these external commercial creditors and are making good faith efforts to reach a collaborative agreement.

5. **At the end of 2024, the public debt ratio is projected to have reached 22.5 percent of GDP, down from 27.0 percent in 2023.** This decrease was primarily driven by a reduction in external debt as a percentage of GDP. Despite this, public debt increased in nominal terms, indicating that the observed decline in the debt-to-GDP ratio was largely due to a favorable denominator effect, supported by growth and favorable price and exchange rate developments.

- **External public debt is expected to have decreased from 17.8 percent of GDP in 2023 to 14.5 percent of GDP in 2024.** This outcome is set to be below the previous DSA projection of 16.0 percent of GDP, primarily due to weaker-than-expected external borrowing towards the end of the year. Additionally, favorable price and exchange rate changes have contributed to the reduction. However, external debt has still slightly increased in nominal terms in 2024. Multilateral and bilateral creditors continue to dominate the creditor base (Text Table 2).
- **Domestic public debt—set to total 8.0 percent of GDP in 2024—is predominantly composed of arrears.** The stock of domestic arrears is estimated to have amounted to 6.4 percent of GDP in 2024, while non-arrears domestic debt is estimated at 1.7 percent of GDP. Non-arrears debt primarily comprised Treasury bills and bonds, whose issuance increased in 2024. In 2024, arrears—categorized as non-financial debt—were mainly composed of: (i) reconciled legacy arrears (3.1 percent of GDP, Text Table 3), (ii) arrears to oil companies (0.3 percent of GDP), and (iii) VAT arrears to exporters (2.7 percent of GDP). Reconciled arrears have been audited and encompass obligations such as bank loans, social debt, legal claims, supplier payments, and liabilities related to rent and other services. The repayment of these arrears is guided by the clearance strategy, underpinned by a roadmap updated by the

government in December 2024.[7] Implementation gained momentum towards the end of 2024, with the authorities completing the payment of US$ 5 million by December 2024. Compared to the previous DSA, it is worth noting an upward revision in both the outturn and projections for VAT arrears, based on updated information from the Ministry of Finance. Necessarily, this revision also affects the public debt-to-GDP ratio for 2023 and previous years.

Text Table 2. Democratic Republic of the Congo: Decomposition of Public Debt and Debt Service by Creditor 2024-26[1]

	Debt Stock[3] 2024			Debt Service					
				2024	2025	2026	2024	2025	2026
	(in M US$)	*(Percent total debt)*	*(Percent GDP)*	*(in M US$)*			*(Percent GDP)*		
Total	16,601.2	100.0	22.5	1,520.5	2,154.9	3,358.3	2.0	2.7	3.9
External	10,692.0	64.4	14.5	642.4	795.9	872.7	0.9	1.0	1.0
Multilateral creditors	6,084.7	36.7	8.3	153.9	256.7	306.2	0.2	0.3	0.4
IMF[2]	2,768.2	16.7	3.8	47.4	145.6	181.3	0.1	0.2	0.2
World Bank	2,926.2	17.6	4.0	85.6	89.3	101.9	0.1	0.1	0.1
AfDB	246.1	1.5	0.3	5.1	5.5	5.5	0.0	0.0	0.0
Other Multilaterals	144.2	0.9	0.2	15.9	16.3	17.6	0.0	0.0	0.0
o/w: European Investment Bank	34.4	0.2	0.0	9.5	9.3	9.3	0.0	0.0	0.0
Arab Bank for Economic Development in Africa	39.6	0.2	0.1	1.0	1.0	1.4	0.0	0.0	0.0
Bilateral creditors	3,969.4	23.9	5.4	419.5	419.9	436.0	0.6	0.5	0.5
Paris Club	68.2	0.4	0.1	7.7	3.9	3.9	0.0	0.0	0.0
o/w: France	14.5	0.1	0.0	7.7	3.9	3.9	0.0	0.0	0.0
Exim Bank of Korea	53.8	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Non-Paris Club	3,901.2	23.5	5.3	411.8	416.0	432.1	0.6	0.5	0.5
o/w: Exim Bank of China	3,484.1	21.0	4.7	382.8	367.1	384.1	0.5	0.5	0.4
Exim Bank of India	115.3	0.7	0.2	20.1	19.5	17.2	0.0	0.0	0.0
Bonds	…	…	…	…	…	…	…	…	…
Commercial creditors	637.9	3.8	0.9	69.0	119.3	130.5	0.1	0.1	0.2
o/w: FG Hemisphere	81.5	0.5	0.1	11.6	11.6	11.6	0.0	0.0	0.0
Financial Investment Holding	17.4	0.1	0.0	7.2	7.1	7.0	0.0	0.0	0.0
Domestic	5,909.2	35.6	8.0	878.1	1,359.1	2,485.6	1.2	1.7	2.9
T-Bills	124.6	0.8	0.2	343.8	137.1	266.1	0.5	0.2	0.3
T-Bonds	1,092.7	6.6	1.5	152.2	879.2	1,701.1	0.2	1.1	2.0
Loans	3.0	0.0	0.0	19.0	3.0	3.0	0.0	0.0	0.0
Arrears	4,688.8	28.2	6.4	363.2	339.8	515.3	0.5	0.4	0.6
Memo items:									
Collateralized debt	2,808.2	16.9	3.8						
Contingent liabilities	3,176.5	19.1	4.3						
o/w: Public guarantees	115.6	0.7	0.2						
o/w: Other explicit contingent liabilities	3,060.9	18.4	4.2						
Nominal GDP (in M USD)	73,640.2	…	…	74,508.5	80,966.5	86,613.6	…	…	…

Sources: Congolese authorities and IMF staff estimates.
1/ As reported by country authorities according to their classification of creditors, including official and commercial creditors. Debt coverage is consistent with the DSA.
2/ Includes the net negative SDR position following the SDR allocation retroceded to the government and used for budget support.
3/ Based on the exchange rate at the end of the year.

[7] The three-pronged strategy consists of (i) repaying first claims under US$ 300,000 (for a total of US$ 99 million) and residuals on large claims; (ii) securitizing large claims; (iii) resuming the payment of arrears subject to MoUs with creditors (Country Report No. 2023/434, ¶13).

Text Table 3. Democratic Republic of the Congo: Total Domestic Debt, 2024

	2024		
	Nominal in US$ million	in percent of GDP [2/]	in percent of total domestic debt
Stock of Treasury bills and other bank loans	1,220.4	1.7	20.7
Reconciled legacy arrears [1/]	2,314.3	3.1	39.2
Arrears from provinces	143.5	0.2	2.4
Arrears to oil companies	245.6	0.3	4.2
VAT arrears	1,985.5	2.7	33.6
Total	5,909.2	8.0	100.0

Sources: Congolese authorities and IMF staff calculations.

1/ Includes the stock of validated and certified arrears under the domestic debt clearance strategy, as well as the stock of certified arrears pending validation.
2/ At end-year exchange rate.

MACROECONOMIC FORECASTS AND POLICY ASSUMPTIONS

6. The projections underlying this DSA are based on the macroeconomic framework supporting the first review of the ECF-supported arrangement.

- GDP growth is projected to average 5.4 percent from 2025 to 2030, reflecting a moderation in the pace of mining production expansion, partially counteracted by an acceleration in non-extractive sector growth. While sustained high commodity prices, strong global demand for the DRC's exports, and growth in the non-extractive sector are expected to support improvements in the trade balance over the medium to long term, import growth in the medium term is likely to partially offset these gains. As a result, the current account deficit is expected to narrow to 2.4 percent of GDP by 2026, before gradually widening again. Key risks to this outlook include the potential escalation of conflict in the eastern region and fluctuations in commodity prices, both of which could undermine the DRC's economic stability and trade performance.
- The previous DSA contained an ambitious public spending program focused on infrastructure, underpinned by additional financing sources, the catalytic effect of the ECF-supported arrangement, and enhanced domestic revenue mobilization efforts.[8] To accommodate higher security spending, this DSA projects a slower pace of infrastructure investment in 2025 and 2026,

[8] The ECF-supported arrangement focuses on four key priorities: (i) strengthening domestic revenue mobilization by enhancing VAT collection, streamlining tax expenditures, and improving revenue administration; (ii) strengthening budget management through the implementation of a resource-based fiscal framework designed to mitigate procyclicality; (iii) advancing governance reforms by ensuring stricter adherence to the expenditure chain to enhance transparency and accountability; and (iv) enhancing the monetary policy framework and reinforcing the independence of the BCC to underpin macroeconomic stability.

followed by a recovery in the medium term. This trajectory hinges on the authorities' renewed commitment to tax administration measures to boost both mining and non-mining revenues.

- Substantial foreign direct investment (FDI) and other investment inflows, including project financing, contributed to robust reserve accumulation in 2024, alongside an improvement in the current account balance. Looking ahead, the baseline scenario projects continued high levels of investment, including capital directed towards climate change adaptation. Additionally, a favorable commodity price outlook is expected to stimulate further investment in the mining sector, primarily through capacity expansion in existing projects.
- Multilateral and bilateral loans continue to be the primary sources of debt financing. Excluding IMF financing, newly contracted external borrowing is projected to have reached approximately US$1.3 billion in 2024 and is expected to increase to US$3.8 billion in 2025. The financial terms of new borrowing are expected to remain largely concessional, although non-concessional lending is anticipated to increase over the medium term.
- The stock of Treasury bills and bonds is estimated to have reached US$1.2 billion (1.7 percent of GDP) at the end of 2024 and is expected to remain moderate throughout 2025–29. However, it is projected to gradually increase thereafter as the domestic market deepens and concessional financing declines over the long term. As a result, public debt service as a percentage of GDP is expected to rise after 2034, reflecting the shorter maturities of domestic debt in the DSA projections.

7. The debt drivers and realism tools indicate that the DSA projections are broadly consistent with the DRC's historical experience (Figures 3 and 4).

- **Debt drivers:** The external debt-to-GDP ratio is set to have remained relatively low in 2024. New engagement strategies with multilateral institutions are expected to continue providing additional financing to support development efforts. Compared to the previous DSA projections, the escalation of armed conflict in Eastern DRC, leading to increased security-related spending and revenue losses, is expected to result in a slightly higher fiscal deficit in the short to medium term (see Figure 3). Disbursements under the new ECF- and RSF-supported arrangements are expected to help stabilize external debt levels. The sizable residuals possibly reflect the accumulation of deposits abroad—including reserve accumulation—time lags between the drawing of external loans and their actual use in public spending, and the effects of price and exchange rate developments.

- **Fiscal adjustment and economic growth.** The projected fiscal primary deficit, averaging 1.7 percent of GDP over the period 2025–30, is broadly in line with its historical average. Its persistence reflects the critical role of the domestic public sector in meeting the country's pressing development needs, alongside a recent surge in security-related spending driven by the escalation of armed conflict in Eastern DRC. Nevertheless, the primary deficit is expected to moderate over the medium term, supported by enhanced revenue mobilization—primarily in the non-extractive sector—and sustained economic growth. Realism tools confirm that the projected primary adjustment over the program period is achievable. Although fiscal policy is expansionary in 2025 and only partially reversed in 2026, the projected growth does not pick up as one would typically expect from demand-side stimulus alone, confirming that other factors— such as supply-side constraints, including infrastructure bottlenecks, persistent supply chain disruptions, and security-related challenges—are weighing on the outlook (see Figure 4).

Box 1. Macroeconomic Assumptions for 2025-34

Real GDP growth. In the short term, mining production—particularly copper and zinc—is expected to remain buoyant in 2025, reflecting upward revisions to earlier forecasts. Over the medium to long term, growth is expected to average approximately 5.0 percent, supported by sustained—albeit gradually moderating—expansion in mining output, favorable commodity prices, a steady rise in public investment, and ongoing diversification into the non-extractive sectors.

Inflation. After reaching 17.7 percent in 2024, average annual inflation—as measured by the year-on-year percentage change in the CPI—is expected to decline and stabilize around 7 percent. This disinflation reflects the BCC's tight monetary policy stance, the stabilization of the exchange rate, and the easing of earlier supply shocks. The projected path is consistent with the BCC's objective of keeping inflation below 7 percent. Sustaining this trajectory will rely on the BCC's continued readiness to tighten monetary policy as necessary to contain inflationary pressures and firmly anchor expectations.

Primary fiscal balance. The primary fiscal deficit is projected to average around 1.4 percent of GDP over the medium to long term, supported by enhanced revenue mobilization—notably, in the non-extractive sector—and additional external financing to meet substantial spending needs. Capital expenditure is expected to remain significant throughout the projection period, with a gradual shift toward greater reliance on domestic financing. In the near term, 2025 is expected to be marked by an overall slight loosening of the fiscal stance—as increased spending pressures stemming from the security situation and its adverse impact on revenue performance—are only partially mitigated by adjustment efforts. These include a combination of structural measures to mobilize tax and non-tax revenues, targeted reductions in government operating costs, and more rigorous investment prioritization. Revenue projections comprise central government collections and revenues from SOEs, the latter assumed to be sufficient to cover their debt service obligations.

Current account balance. The current account balance is heavily influenced by developments in the mining sector. Mineral exports, which account for a substantial share of total exports, are projected to grow on average over the medium term, driven by capacity expansion in existing mining projects and strong global demand for commodities tied to the global energy transition. Imports are expected to increase gradually, reflecting rising demand for capital goods and intermediate goods needed for infrastructure investment. Overall, the non-interest current account deficit is projected to average slightly below 3 percent of GDP over the medium term. In turn, over the long term, while the nominal value of mining exports is projected to remain broadly in line with medium-term levels, their share in GDP is expected to decline. This reflects the anticipated diversification of the economy, with GDP growth increasingly supported by other sectors beyond mining. Accordingly, the current account deficit is expected to slightly deteriorate over the long term, although it would remain moderate by historical standards.

Financing. External financing is projected to comprise a mix of concessional and non-concessional loans from multilateral, bilateral, and commercial lenders, alongside FDI. Additionally, foreign grants are expected to play a significant role in funding public investment projects. To address remaining government financing needs, reliance on domestic market instruments is anticipated, with Treasury bills accounting for 70 percent of issuance and Treasury bonds with maturities under seven years making up 30 percent until 2034.

Gross official reserves. Gross official reserves are projected to gradually increase, reaching approximately 3 months of non-aid-related imports by 2029. This reserve buildup is primarily driven by strong export performance and the catalytic impact of the ECF- and RSF-supported programs.

Text Table 4. Democratic Republic of the Congo: Selected Macroeconomic Indicators, Current vs. Previous[1] DSA, 2019–45

		2019-24	2025	2026	2027	2028	2029	2030	2031-45
Real GDP	Current	5.3	5.3	5.3	5.4	5.4	5.4	5.4	4.5
(annual percentage change)	Previous	5.3	5.4	5.1	5.3	5.5	5.4	5.0	4.3
Consumer prices, period average	Current	12.0	8.8	7.1	7.0	7.0	7.0	7.0	6.3
(annual percentage change)	Previous	12.0	8.9	7.3	7.0	7.0	7.0	7.0	6.3
Fiscal Balance [2/]	Current	-2.4	-2.3	-1.7	-1.6	-1.5	-1.7	-1.4	-1.4
(percent of GDP)	Previous	-1.9	-1.8	-1.6	-1.6	-1.4	-1.4	-1.2	-0.7
Current Account Balance	Current	-3.5	-3.2	-2.4	-2.8	-3.2	-3.6	-4.2	-3.5
(percent of GDP)	Previous	-3.7	-2.8	-2.4	-2.8	-3.3	-3.9	-3.4	-2.6
Exports of Goods and Services	Current	37.7	46.1	46.6	46.2	45.5	44.7	43.6	25.9
(percent of GDP)	Previous	37.6	45.4	45.5	44.8	44.1	43.3	41.9	25.6
Foreign Direct Investment	Current	3.0	3.2	3.2	3.2	3.2	3.2	3.0	1.9
(percent of GDP)	Previous	2.9	2.5	2.5	2.5	2.5	2.5	2.3	1.5

1/ The previous vintage refers to the DSA conducted in January 2025.
2/ Fiscal balance on a commitment basis. This measure includes accrued spending and may differ from the cash balance due to the accumulation/clearance of arrears and other timing or accounting factors.

COUNTRY CLASSIFICATION AND DETERMINATION OF SCENARIO STRESS TESTS

8. **The DRC's debt carrying capacity remains classified as weak (see Text Table 5), unchanged from the previous DSA**. This classification is determined by the composite indicator (CI) score, which is based on the World Bank's latest CPIA and other macroeconomic variables, including forward-looking elements. The DRC's CI score is 2.43, remaining largely consistent with previous assessments. As a fragile and conflict-affected state, the DRC remains highly vulnerable to external shocks, underscoring the importance of prudent debt management and sustainable financing strategies.

9. **The assessment of risks to debt sustainability includes six standardized stress tests and two tailored stress tests (a commodity price shock and a combined contingent liability shock).** The standardized stress tests are conducted using default settings. While the DRC does not meet the criteria for a market financing shock stress test, the commodity price shock stress test is particularly relevant for evaluating the sensitivity of projected debt burden indicators to adverse movements in commodity export prices, given the economy's reliance on the mining sector.[9]

[9] Under the debt sustainability framework, countries where commodity exports constitute at least 50 percent of total exports of goods and services over the preceding three-year period are subject to a commodity price shock stress test. In the case of the DRC, commodities accounted for approximately 98 percent of total exports of goods and services during the period 2019–24, making this stress test highly relevant.

Text Table 5. Democratic Republic of the Congo: Composite Indicator and Threshold Tables

Debt Carrying Capacity	Weak

Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintage
Weak	Weak	Weak	Weak
	2.43	2.33	2.38

Calculation of the CI Index

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	3.110	1.20	49%
Real growth rate (in percent)	2.719	5.398	0.15	6%
Import coverage of reserves (in percent)	4.052	19.181	0.78	32%
Import coverage of reserves^2 (in percent)	-3.990	3.679	-0.15	-6%
Remittances (in percent)	2.022	2.837	0.06	2%
World economic growth (in percent)	13.520	2.973	0.40	17%
CI score			2.43	100%
CI rating			Weak	

Applicable Thresholds

APPLICABLE	
EXTERNAL debt burden thresholds	
PV of debt in % of	
Exports	140
GDP	30
Debt service in % of	
Exports	10
Revenue	14

APPLICABLE	
TOTAL public debt benchmark	
PV of total public debt in percent of GDP	35

Note: The current vintage refers to the April 2025 WEO and the World Bank's 2024 CPIA; the previous vintages refer to the April and October 2024 WEOs and, respectively, the 2022 and 2023 CPIAs.

EXTERNAL DEBT SUSTAINABILITY ANALYSIS

Baseline

10. **All external PPG debt indicators remain below the applicable thresholds over the next 10 years under the baseline scenario.** External financing decreased slightly from US$10,944.1 million at end-2023 to US$10,692.0 million at end-2024, with multilateral creditors remaining the primary source of funding. The present value (PV) of external debt, estimated at 11.6 percent of GDP in 2024, is well below the benchmark of 30 percent, reflecting the predominance of concessional debt, which is expected to remain broadly unchanged. Despite higher external borrowing in the near term—driven by the catalytic effects of the ECF- and RSF-supported arrangements—and temporarily wider fiscal deficits linked to increased investment needs, the medium-term trajectory of external and public debt remains consistent with debt sustainability, provided the current favorable growth outlook holds. Under the baseline scenario, key

indicators of public and publicly guaranteed external debt and debt service remain below their respective thresholds (see Figure 1).

Alternative Scenarios and Stress Tests

11. However, external debt vulnerabilities persist, reflecting the DRC's structural weaknesses, including limited economic diversification and high dependence on commodity exports. Specifically, the PV of debt-to-GDP and debt-to-exports ratios, as well as both debt service indicators, breach their respective thresholds under the most extreme shock scenario, which assumes lower nominal exports (see Figure 1).[10] In this export shock scenario, nominal exports are projected to decline by approximately 17.5 percent on average in 2026 and 2027, relative to the previous year's levels. With copper exports comprising 70 percent of total exports in 2024, this shock can be modeled as two consecutive nearly 25-percent drops in international copper prices in 2026 and 2027 relative to baseline projections. These breaches underscore the vulnerabilities associated with a potential reversal in commodity prices. To mitigate these risks, it is crucial to limit non-concessional borrowing and leverage the current period of high commodity prices to build fiscal and external buffers, thereby safeguarding borrowing space and enhancing resilience against future shocks.

PUBLIC DEBT SUSTAINABILITY ANALYSIS

Baseline

12. The public debt-to-GDP ratio remains below its benchmark, under the baseline scenario. However, risks persist. While Treasury bill and bond issuance is expected to remain moderate, the recognition of uncertified domestic arrears to suppliers could increase domestic debt and, consequently, total public debt. Additionally, the realization of guarantees and other contingent liabilities poses potential risks to the debt trajectory, underscoring the need for continued vigilance in fiscal management and liability monitoring.

Domestic Public Debt Vulnerabilities

13. The DRC's domestic debt is expected to decrease in the medium term as the authorities advance the implementation of their arrears' clearance strategy (see Text Figure 1). The domestic debt-to-GDP ratio is projected to decline substantially, falling below 5.3 percent by 2030. This reduction is primarily driven by the clearance of arrears and the limited access to domestic financial markets, in a context where the monetary policy transmission to domestic borrowing costs remains limited due to the high share of domestic debt instruments denominated in U.S. dollars. From 2031 onward, a gradual shift toward increased reliance on domestic issuance is anticipated, supported by market deepening, rising development needs, and conservative assumptions regarding the availability of concessional financing. This issuance is

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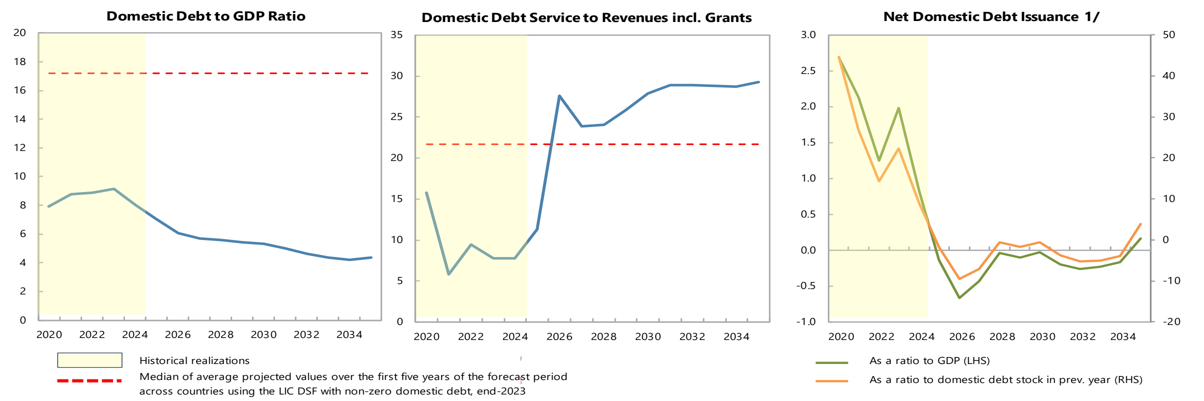
[10] Nominal export growth (in US$) is set to the lower of two values: its historical average minus one standard deviation or the baseline projection minus one standard deviation. This approach imposes a shock that may be excessively severe for assessing external financing needs, as imports would likely contract significantly under such conditions. For details on the specification of other stress tests, refer to Table 8 in the 2018 Guidance Note.

expected to predominantly involve short-maturity instruments, reflecting the relatively shallow and underdeveloped structure of the domestic debt market.

Text Figure 1. Democratic Republic of the Congo: Indicators of Domestic Public Debt, 2020–34 (Percent)



Borrowing Assumptions (average over 10-year projection)	Value
Shares in new domestic debt issuance	
Medium and long-term	30%
Short-term	70%
Borrowing terms	
Domestic MLT debt	
Avg. real interest rate on new borrowing	3.7%
Avg. maturity (incl. grace period)	3
Avg. grace period	1
Domestic short-term debt	
Avg. real interest rate	4.7%

Sources: Country authorities, and staff estimates and projections.

1/ Net domestic debt issuance is an estimate based on the calculated public gross financing need net of gross external financing, drawdown of assets, other adjustments, and domestic debt amortization. It excludes short-term debt that was issued and matured within the calendar year.

Alternative Scenarios and Stress Tests

14. Stress tests underscore the DRC's vulnerability to export and commodity price shocks. The most extreme shock to the PV of public debt-to-GDP ratio involves a significant decline in exports (see Figure 2). Under this shock scenario, the PV of the public debt-to-GDP ratio temporarily exceeds the applicable benchmark of 35 percent before gradually declining over the medium to long term.

CLIMATE CHANGE VULNERABILITIES

15. The macro-fiscal assumptions underlying the DSA baseline scenario incorporate estimated public investment required to address climate challenges. The forecast is benchmarked against CCDR estimates, which indicate that annual public investment of at least 3 to 5 percent of GDP is necessary to mitigate the impacts of climate shocks under the most optimistic climate scenario, SSP1-1.9. This scenario assumes sustainable development, low greenhouse gas (GHG) emissions, and global warming limited to below 2° C by 2100.

16. Building climate resilience is projected to impose significant fiscal and balance-of-payments pressures under a no-adaptation scenario.[11] The fiscal cost of climate change can be indirectly assessed by estimating the additional public investment required to counteract its adverse effects on GDP. Projections from the World Bank's CCDR under the pessimistic SSP 3-7.0 scenario—characterized by high inequality, limited climate action, and global warming of approximately 4º C by 2100—indicate that real GDP losses could reach up to 13 percent by 2050. These losses are primarily driven by labor heat stress, urban flooding, and reduced rainfed crop yields, with lower production affecting exports and government revenues. Under a scenario without adequate adaptation measures, offsetting these climate-induced shocks would require additional public investment of 1.4 to 6.0 percent of GDP annually compared to the baseline scenario. These costs are incorporated into the DSA through a customized scenario—'Disaster, no adaptation'—calibrated using CCDR estimates. The scenario assumes that these costs would take the form of (i) additional public investment, and (ii) higher capital goods imports. It also incorporates the impact of a natural disaster in 2026, with a 10-percentage-point increase in the public debt-to-GDP ratio, a 1.5-percent decline in real GDP growth, and 3.5-percent reductions in exports relative to the baseline scenario.

17. The public debt-to-GDP benchmark would be breached under the customized disaster scenario in the absence of adaptation measures. The PV of external debt-to-GDP is projected to rise steadily, nearing its threshold by 2035. Likewise, the external debt service-to-revenue ratio is expected to approach its threshold around the same time, underscoring the long-term fiscal risks of delayed or insufficient adaptation (see Figure 1). The PV of public debt-to-GDP would exceed its benchmark starting in 2033 and follow a strictly upward trajectory, with public debt service projected to surpass 70 percent of revenue by 2035 (see Figure 2).

RISK RATING AND VULNERABILITIES

18. The external and overall risk of debt distress for the DRC remains moderate, driven by breaches of external debt burden thresholds and public debt-to-GDP ratio benchmark under stress tests. Public debt metrics remain broadly stable, as stronger projected economic and revenue growth is expected to be partially offset by increased borrowing. The PV of external debt is expected to decrease gradually relative to GDP, while remaining broadly stable relative to exports over most of the projection horizon. External arrears, primarily pre-HIPC in origin, account for less than 1 percent of GDP, qualifying as a *de minimis* case and, therefore, not influencing the risk rating. In turn, domestic arrears are owed to suppliers of goods and services, as well as tax payers, and primarily reflect weaknesses in public financial management rather than issues of government insolvency or liquidity constraints. To address these, the authorities are implementing measures aimed at reducing these arrears and improving fiscal practices.

19. The DRC's low revenue mobilization capacity underscores the importance of preserving the borrowing space created by favorable commodity prices. While the DRC is mechanically assessed to have some space to absorb shocks (see Figure 5), low revenue mobilization remains a significant challenge. Under the previous ECF arrangement and the ongoing ECF and RSF programs, revenues are projected to rise from approximately 9.5 percent of GDP in 2020 to 14.6 percent in 2027, before stabilizing around 15.0

[11] World Bank, Democratic Republic of the Congo, Country Climate and Development Report, 2023.

percent by 2029. However, this remains well below the sub-Saharan Africa (SSA) average of 20 percent of GDP, highlighting the need for sustained efforts to enhance revenue mobilization, especially in the non-extractive sector.

20. **Risks to the DRC's debt sustainability largely stem from export performance and the country's capacity to implement meaningful reforms**. Export performance, heavily reliant on commodity prices, represents a critical vulnerability. Fluctuations in global commodity markets remain a key risk to fiscal and external stability. To mitigate these risks, the DRC should focus on building buffers by increasing international reserves, enhancing revenue mobilization, and ensuring that borrowed resources are effectively channeled toward inclusive growth. This includes promoting economic diversification and supporting private sector development, particularly in non-extractive sectors, to reduce dependency on commodity exports. Although borrowing on non-concessional terms is projected to rise, it should remain limited. The DRC should continue to prioritize concessional financing to maintain sustainable debt levels while addressing critical development needs.

21. **Despite the DRC's relatively low total public debt, limited repayment capacity remains a significant vulnerability.** Key risks stem from fluctuations in commodity prices and persistent challenges in fiscal revenue mobilization. While revenues are projected to increase gradually, the high debt service-to-revenue ratio indicates that the space for additional borrowing is close to becoming constrained (Figures 1 and 2). This underscores the importance of adopting prudent fiscal policies, including limiting new borrowing to preserve debt sustainability. Structural reforms are essential to strengthening the DRC's debt carrying capacity. Priorities include enhancing revenue mobilization, improving public financial management, and increasing the efficiency and growth potential of public investment. These measures are critical to building fiscal resilience and supporting sustainable economic development.

22. **The Inga 3 project presents both a strategic opportunity and a fiscal risk for the DRC's debt outlook.** This flagship hydroelectric initiative on the Congo River has the potential to expand domestic power supply, enable regional electricity exports, and support long-term economic growth. If well-executed and supported by strong governance and contractual safeguards, it could enhance the country's revenue base and contribute positively to debt sustainability over time. However, its scale entails substantial upfront financing needs, possibly involving complex and potentially non-concessional borrowing arrangements. Delays, cost overruns, weak implementation capacity, or unsuitable financing options could heighten fiscal risks and undermine the project's expected returns. These considerations underscore the importance of transparent project appraisal, robust risk management, and a financing strategy that prioritizes concessional terms to mitigate potential debt vulnerabilities.

AUTHORITIES' VIEWS

23. **The authorities broadly concurred with the country's debt distress risk rating and sustainability assessment.** They expect debt carrying capacity to improve under the reforms and fiscal measures supported by the ECF- and RSF-supported arrangements. The authorities reiterated their commitment to strengthening debt management practices. Key priorities include enhancing the reporting and transparency of SOE debt, provincial debt, and publicly guaranteed debt, to support better fiscal

oversight and sustainability. They also acknowledged the importance of prioritizing concessional financing over non-concessional borrowing to help contain debt vulnerabilities and safeguard debt sustainability over the medium term.

Figure 1. Indicators of Public and Publicly Guaranteed External Debt under Alternative Scenarios, 2025-35

Customization of Default Settings		
	Size	Interactions
Tailored Stress		
Combined CL	Yes	
Natural disaster	n.a.	n.a.
Commodity price	Yes	Yes
Market financing	n.a.	n.a.

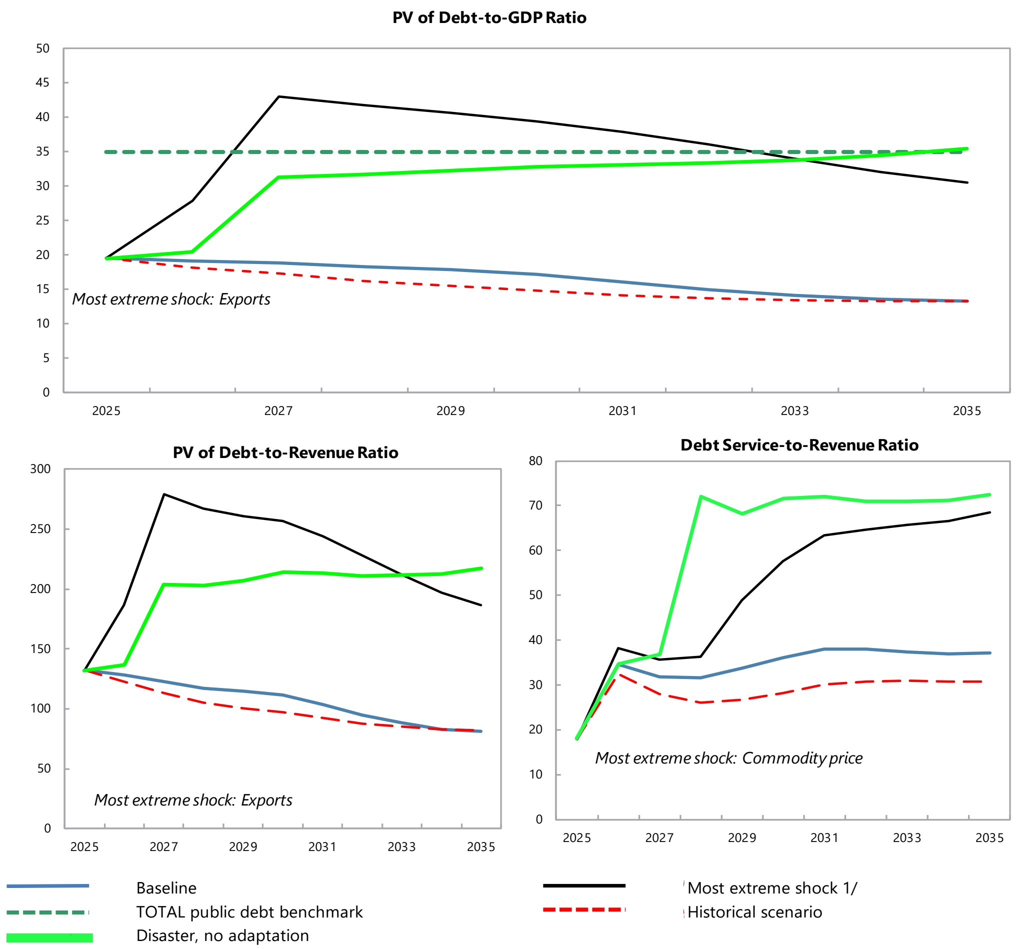
Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

Borrowing assumptions on additional financing needs resulting from the stress tests*		
	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	3.2%	3.2%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	27	27
Avg. grace period	5	5

* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities and IMF staff estimates and projections.
1/ The most extreme stress test is the test that yields the highest ratio in or before 2034. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Figure 2. Indicators of Public Debt under Alternative Scenarios, 2025-35

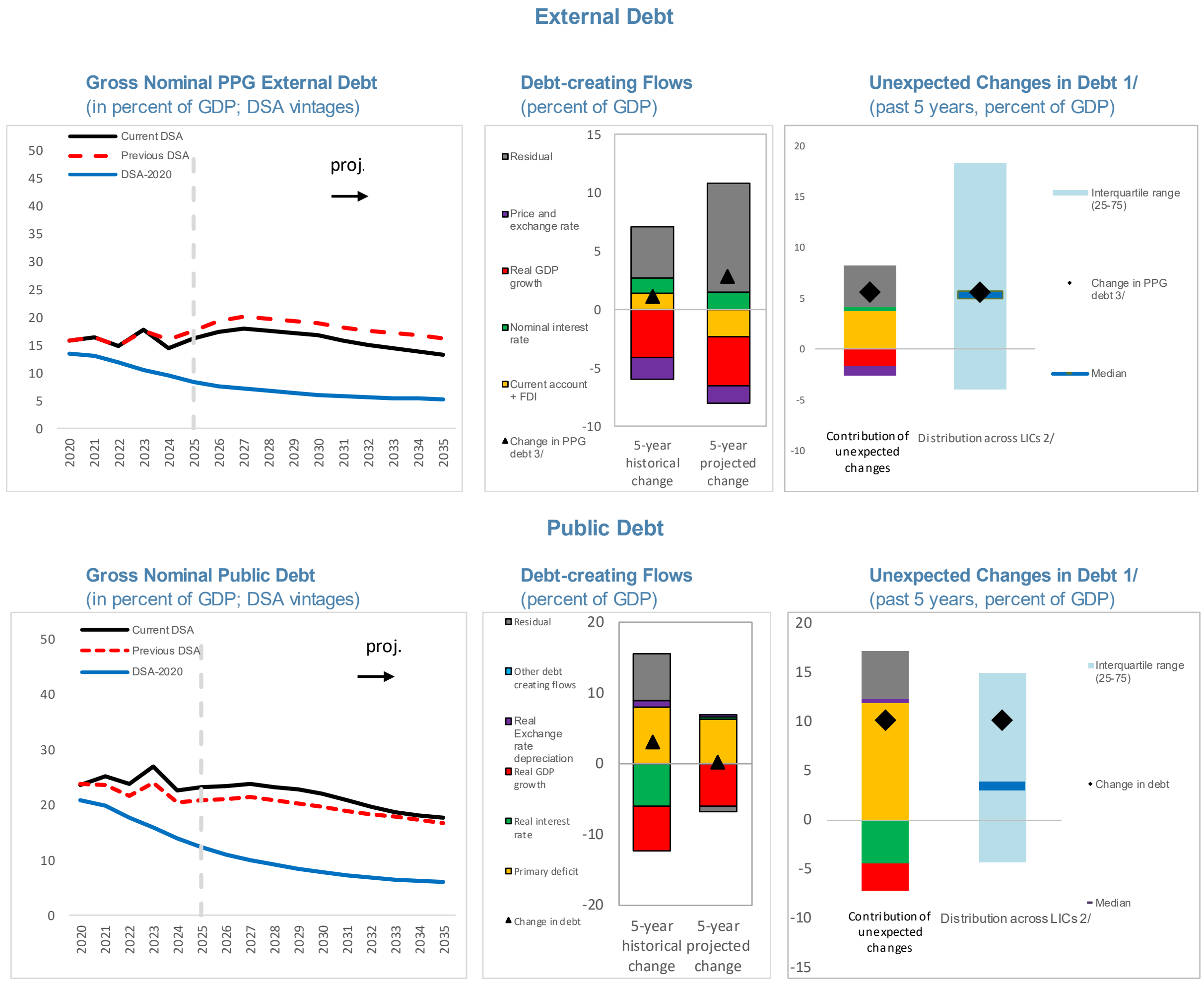


Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	33%	33%
Domestic medium and long-term	20%	20%
Domestic short-term	47%	47%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	3.2%	3.2%
Avg. maturity (incl. grace period)	27	27
Avg. grace period	5	5
Domestic MLT debt		
Avg. real interest rate on new borrowing	3.7%	3.7%
Avg. maturity (incl. grace period)	3	3
Avg. grace period	1	1
Domestic short-term debt		
Avg. real interest rate	4.7%	4.7%

* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities and IMF staff estimates and projections.
1/ The most extreme stress test is the test that yields the highest ratio in or before 2034. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

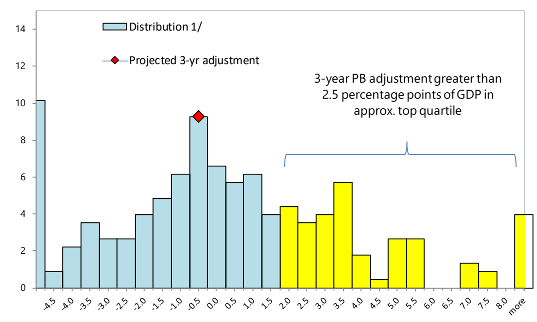
Figure 3. Drivers of Debt Dynamics – Baseline Scenario



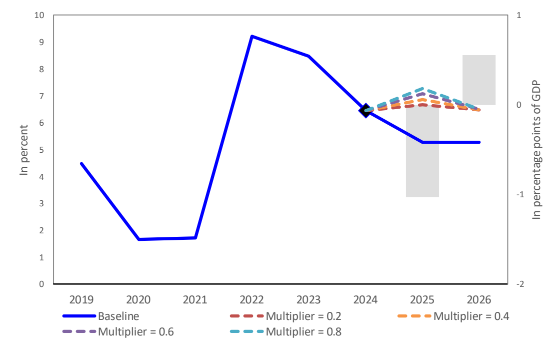
Sources: Country authorities and IMF staff estimates and projections.
1/ Difference between anticipated and actual contributions on debt ratios.
2/ Distribution across LICs for which LIC DSAs were produced.
3/ Given the relatively low private external debt for average low-income countries, a ppt change in PPG external debt should be largely explained by the drivers of the external debt dynamics equation.

Figure 4. Realism Tools[3]

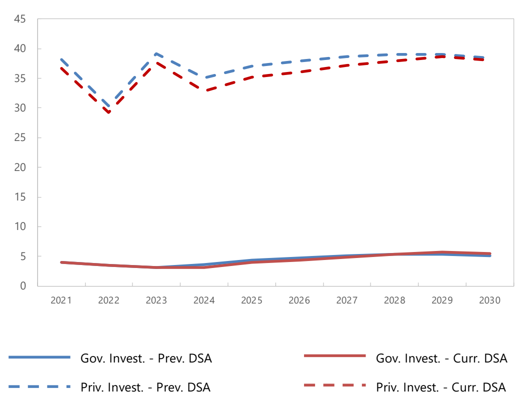
3-Year Adjustment in Primary Balance
(Percentage points of GDP)



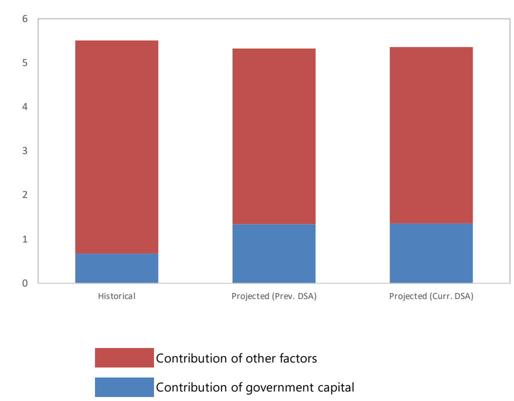
Fiscal Adjustment and Possible Growth Paths 2/



Public and Private Investment Rates
(percent of GDP)

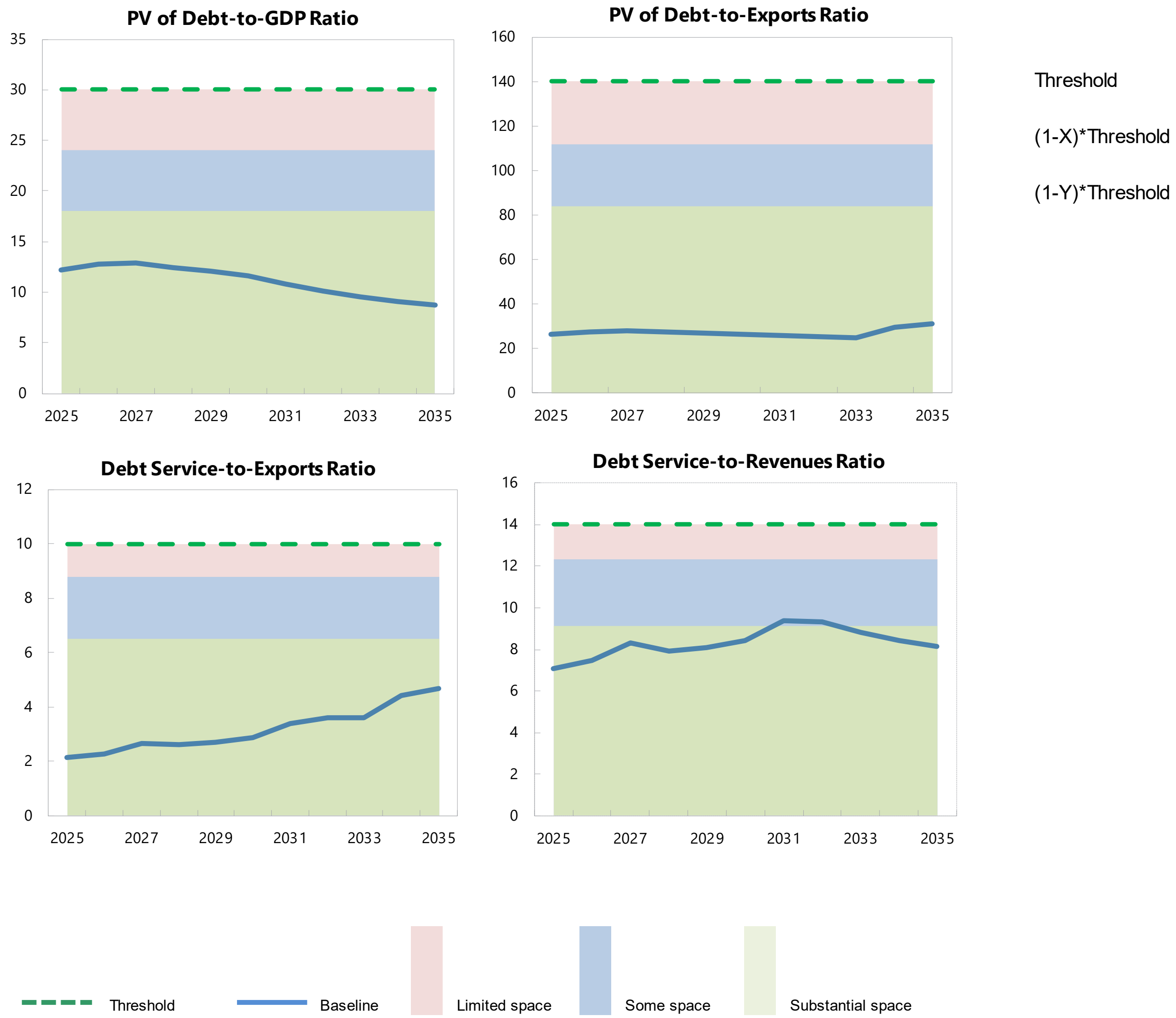


Contribution to Real GDP Growth
(percent, 5-year average)



Sources: Country authorities and IMF staff estimates and projections.
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.
2/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).
3/ Public and private investment rates are preliminary and based on national accounts information. Some discrepancies with fiscal accounts information are expected.

Figure 5. Qualification of the Moderate Category 2025-35[1]



Sources: Country authorities and IMF staff estimates and projections.

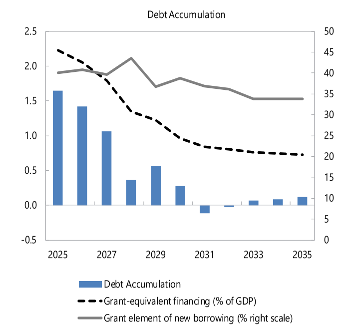
1/ For the PV of the debt-to-GDP ratio and the PV of debt-to-exports thresholds, x is 20 percent and y is 40 percent. For ratios of debt service-to-exports and debt service-to-revenue thresholds, x is 12 percent and y is 35 percent.

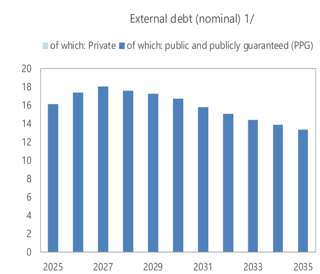
Table 1. Democratic Republic of the Congo: External Debt Sustainability Framework, Baseline Scenario 2022-45

(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 8/	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2035	2045	Historical	Projections
External debt (nominal) 1/	14.9	17.8	14.5	16.2	17.4	18.1	17.6	17.3	16.7	13.4	12.2	16.8	16.0
of which: public and publicly guaranteed (PPG)	14.9	17.8	14.5	16.2	17.4	18.1	17.6	17.3	16.7	13.4	12.2	16.8	16.0
Change in external debt	-1.6	2.9	-3.3	1.7	1.2	0.6	-0.5	-0.3	-0.6	-0.5	-0.1		
Identified net debt-creating flows	0.7	2.4	-1.7	-0.7	-1.6	-1.3	-0.9	-0.5	0.3	0.8	1.3	-0.4	0.0
Non-interest current account deficit	4.6	5.9	3.6	3.0	2.1	2.5	2.9	3.3	3.9	3.3	2.7	3.3	3.3
Deficit in balance of goods and services	4.6	6.0	2.8	1.3	0.4	0.7	1.5	1.8	2.9	1.9	1.1	3.7	1.9
Exports	43.3	44.0	47.4	46.1	46.6	46.2	45.5	44.7	43.6	27.7	16.6		
Imports	47.9	49.9	50.3	47.5	47.0	46.9	46.9	46.5	46.5	29.6	17.7		
Net current transfers (negative = inflow)	-3.5	-2.8	-2.0	-1.1	-1.1	-0.9	-0.9	-0.8	-0.7	-0.4	-0.3	-3.0	-0.7
of which: official	-1.6	-1.3	-1.1	-0.2	-0.2	-0.1	0.0	0.0	0.0	0.2	0.1		
Other current account flows (negative = net inflow)	3.5	2.7	2.8	2.7	2.7	2.7	2.3	2.2	1.7	1.9	1.9	2.7	2.1
Net FDI (negative = inflow)	-2.1	-3.5	-3.9	-3.2	-3.2	-3.2	-3.2	-3.2	-3.0	-2.2	-1.2	-2.9	-2.9
Endogenous debt dynamics 2/	-1.9	0.0	-1.4	-0.4	-0.5	-0.6	-0.6	-0.6	-0.6	-0.3	-0.2		
Contribution from nominal interest rate	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3		
Contribution from real GDP growth	-1.3	-1.2	-1.0	-0.7	-0.8	-0.9	-0.9	-0.9	-0.9	-0.6	-0.5		
Contribution from price and exchange rate changes	-0.8	1.0	-0.7	...	...	...	...	...	...	...	...		
Residual 3/	-2.2	0.5	-1.7	2.3	2.9	1.9	0.5	0.2	-0.9	-1.4	-1.4	0.1	-0.1
of which: exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	...	...	11.6	12.2	12.7	12.9	12.4	12.1	11.6	8.7	7.8		
PV of PPG external debt-to-exports ratio	...	...	24.5	26.4	27.3	27.9	27.3	27.0	26.5	31.3	46.8		
PPG debt service-to-exports ratio	2.4	2.4	1.8	2.1	2.3	2.6	2.6	2.7	2.9	4.7	5.8		
PPG debt service-to-revenue ratio	6.5	7.6	6.1	7.1	7.4	8.3	7.9	8.1	8.4	8.1	5.4		
Gross external financing need (Million of U.S. dollars)	2354.4	2318.5	425.3	593.4	-61.3	487.9	875.3	1348.3	2412.5	3665.9	6751.8		
Key macroeconomic assumptions													
Real GDP growth (in percent)	9.2	8.5	6.5	5.3	5.3	5.4	5.4	5.4	5.4	4.5	4.6	4.7	5.0
GDP deflator in US dollar terms (change in percent)	5.0	-6.1	3.8	3.2	1.6	1.5	1.5	1.8	1.4	1.6	1.4	2.3	1.7
Effective interest rate (percent) 4/	1.8	2.0	2.0	2.1	1.9	1.8	1.8	1.8	2.0	2.4	2.6	1.4	2.1
Growth of exports of G&S (US dollar terms, in percent)	28.1	3.6	19.2	5.7	8.0	6.1	5.3	5.5	4.2	-3.6	0.7	13.1	1.9
Growth of imports of G&S (US dollar terms, in percent)	42.7	6.3	11.2	2.6	5.9	6.8	7.0	6.4	6.8	-3.6	0.7	11.4	2.0
Grant element of new public sector borrowing (in percent)	...	...	...	40.1	40.8	39.7	43.5	36.7	38.7	33.8	33.9	...	37.6
Government revenues (excluding grants, in percent of GDP)	16.0	13.7	14.2	13.9	14.1	14.7	15.0	15.0	15.0	16.0	17.8	11.6	15.1
Aid flows (in Million of US dollars) 5/	2398.5	3383.9	3997.5	1867.0	1719.3	1592.8	1630.2	1631.9	1443.4	1392.0	1392.0		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	2.2	2.0	1.8	1.3	1.2	1.0	0.7	0.6	...	1.2
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	52.9	53.3	52.5	59.7	51.5	51.3	45.6	41.3	...	50.9
Nominal GDP (Million of US dollars)	66,161	67,426	74,498	80,952	86,598	92,611	99,064	106,306	113,642	153,659	271,248		
Nominal dollar GDP growth	14.6	1.9	10.5	8.7	7.0	6.9	7.0	7.3	6.9	6.1	6.1	7.1	6.8
Memorandum items:													
PV of external debt 7/	...	...	11.6	12.2	12.7	12.9	12.4	12.1	11.6	8.7	7.8		
In percent of exports	...	...	24.5	26.4	27.3	27.9	27.3	27.0	26.5	31.3	46.8		
Total external debt service-to-exports ratio	2.4	2.4	1.8	2.1	2.3	2.6	2.6	2.7	2.9	4.7	5.8		
PV of PPG external debt (in Million of US dollars)			8654.7	9881.0	11031.2	11950.2	12285.2	12847.7	13145.7	13347.4	21096.3		
(PVt-PVt-1)/GDPt-1 (in percent)				1.6	1.4	1.1	0.4	0.6	0.3	0.1	0.4		
Non-interest current account deficit that stabilizes debt ratio	6.2	3.0	6.9	1.3	0.8	1.9	3.4	3.6	4.4	3.8	2.8		

Definition of external/domestic debt	Residency-based
Is there a material difference between the two criteria?	No





Sources: Country authorities and IMF staff estimations and projections.
1/ Includes both public and private sector external debt.
2/ Derived as [r - g - ρ(1+g) + Εα (1+r)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, ρ = growth rate of GDP deflator in U.S. dollar terms, Ε=nominal appreciation of the local currency, and α= share of local currency-denominated external debt in total external debt.
3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.
4/ Current-year interest payments divided by previous period debt stock.
5/ Defined as grants, concessional loans, and debt relief.
6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).
7/ Assumes that PV of private sector debt is equivalent to its face value.
8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

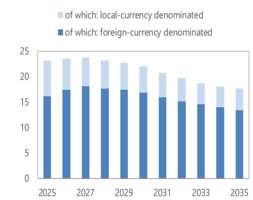
Table 2. Democratic Republic of the Congo: Public Sector Debt Sustainability Framework, Baseline Scenario 2022-45

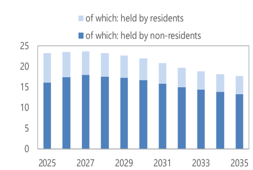
(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 6/	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2035	2045	Historical	Projections
Public sector debt 1/	23.8	27.0	22.5	23.2	23.5	23.7	23.2	22.7	22.1	17.7	23.4	24.3	21.2
of which: external debt	14.9	17.8	14.5	16.2	17.4	18.1	17.6	17.3	16.7	13.4	12.2	16.8	16.0
Change in public sector debt	-1.5	3.2	-4.4	0.7	0.3	0.2	-0.5	-0.5	-0.7	-0.4	0.3		
Identified debt-creating flows	-2.1	1.0	-3.8	0.1	0.1	0.2	0.0	0.2	-0.1	0.1	0.3	-0.3	-0.1
Primary deficit	0.9	1.3	0.8	1.8	1.2	1.1	1.0	1.1	0.9	0.6	0.8	1.6	0.8
Revenue and grants	17.3	14.8	15.2	14.8	14.9	15.4	15.6	15.6	15.3	16.3	17.9	12.9	15.6
of which: grants	1.2	1.1	1.1	0.9	0.8	0.7	0.6	0.6	0.4	0.3	0.2		
Primary (noninterest) expenditure	18.2	16.1	16.0	16.6	16.2	16.5	16.6	16.7	16.2	16.9	18.8	14.4	16.4
Automatic debt dynamics	-3.0	-0.3	-4.6	-1.7	-1.1	-0.9	-1.0	-1.0	-1.0	-0.5	-0.6		
Contribution from interest rate/growth differential	-3.3	-3.1	-3.1	-1.7	-1.1	-0.9	-1.0	-1.0	-1.0	-0.5	-0.6		
of which: contribution from average real interest rate	-1.2	-1.2	-1.4	-0.5	0.0	0.3	0.2	0.2	0.2	0.3	0.4		
of which: contribution from real GDP growth	-2.1	-1.9	-1.6	-1.1	-1.2	-1.2	-1.2	-1.2	-1.2	-0.8	-1.0		
Contribution from real exchange rate depreciation	0.3	2.8	-1.5	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	0.6	2.2	-0.6	0.5	0.2	0.0	-0.5	-0.7	-0.6	-0.4	0.1	0.3	-0.3
Sustainability indicators													
PV of public debt-to-GDP ratio 2/	...	...	19.8	19.5	19.1	18.9	18.3	17.8	17.2	13.2	19.2		
PV of public debt-to-revenue and grants ratio	...	...	129.7	131.9	128.3	122.7	117.3	114.4	111.9	81.0	107.0		
Debt service-to-revenue and grants ratio 3/	15.5	14.8	13.4	18.0	34.6	31.8	31.6	33.6	36.1	37.2	42.1		
Gross financing need 4/	3.6	3.5	2.8	4.5	6.4	6.0	5.9	6.4	6.4	6.7	8.4		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	9.2	8.5	6.5	5.3	5.3	5.4	5.4	5.4	5.4	4.5	4.6	4.7	5.0
Average nominal interest rate on external debt (in percent)	1.8	2.0	2.2	2.1	1.9	1.9	1.8	1.9	2.1	2.5	2.6	1.5	2.1
Average real interest rate on domestic debt (in percent)	-5.3	-12.3	-16.0	-6.0	1.1	5.6	4.9	4.3	3.7	5.2	3.6	-11.7	2.9
Real exchange rate depreciation (in percent, + indicates depreciation)	2.1	20.6	-9.2	...	...	...	...	...	...	...	...	1.5	...
Inflation rate (GDP deflator, in percent)	5.8	14.4	19.9	8.2	6.7	6.5	6.4	6.8	6.4	6.6	5.8	14.8	6.7
Growth of real primary spending (deflated by GDP deflator, in percent)	44.7	-3.6	5.6	9.1	2.5	7.7	6.1	6.2	2.1	6.7	7.0	8.0	5.6
Primary deficit that stabilizes the debt-to-GDP ratio 5/	2.4	-1.9	5.2	1.1	0.9	0.9	1.5	1.6	1.6	0.9	0.5	1.9	1.3
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Definition of external/domestic debt	Residency-based
Is there a material difference between the two criteria?	No

Public sector debt 1/





Sources: Country authorities and IMF staff estimations and projections.

1/ Coverage of debt: The central, state, and local governments, central bank, government-guaranteed debt, non-guaranteed SOE debt. Definition of external debt is Residency-based.

2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio ((-): a primary surplus), which would stabilize the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Table 3. Democratic Republic of the Congo: Sensitivity Analysis for Key Indicators of PPG External Debt, 2025-35 (In percent)

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of debt-to GDP ratio											
Baseline	12	13	13	12	12	12	11	10	10	9	9
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	12	14	15	15	15	14	12	11	9	8	7
A2. Alternative Scenario : Natural Disaster, No Adaptation	12	13	17	18	20	21	21	22	23	23	24
B. Bound Tests											
B1. Real GDP growth	12	13	14	14	14	13	12	11	11	10	10
B2. Primary balance	12	13	14	14	14	13	13	12	12	11	11
B3. Exports	12	23	**41**	**40**	**38**	**37**	**36**	**34**	**32**	**30**	29
B4. Other flows 3/	12	14	16	15	15	14	13	13	12	11	11
B5. Depreciation	12	16	14	14	13	13	12	11	10	10	10
B6. Combination of B1-B5	12	19	20	19	19	18	17	16	15	14	14
C. Tailored Tests											
C1. Combined contingent liabilities	12	15	16	17	17	17	16	15	15	15	14
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	12	19	25	24	24	23	22	21	19	18	17
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	30	30	30	30	30	30	30	30	30	30	30
PV of debt-to-exports ratio											
Baseline	26	27	28	27	27	27	26	25	25	30	31
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	26	30	33	33	34	32	30	27	25	27	26
A2. Alternative Scenario : Natural Disaster, No Adaptation	26	28	37	41	44	48	52	56	61	78	89
B. Bound Tests											
B1. Real GDP growth	26	27	28	27	27	27	26	25	25	30	31
B2. Primary balance	26	28	30	31	31	31	31	31	31	37	39
B3. Exports	26	59	132	130	129	128	128	129	127	**149**	**155**
B4. Other flows 3/	26	30	34	33	33	32	32	31	31	37	39
B5. Depreciation	26	27	25	24	24	23	22	22	22	26	27
B6. Combination of B1-B5	26	44	40	49	49	48	48	47	46	55	57
C. Tailored Tests											
C1. Combined contingent liabilities	26	33	35	36	37	38	38	39	39	48	51
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	26	49	62	60	58	56	54	53	52	62	64
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	140	140	140	140	140	140	140	140	140	140	140
Debt service-to-exports ratio											
Baseline	2	2	3	3	3	3	3	4	4	4	5
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	2	2	3	3	3	3	4	4	4	5	5
A2. Alternative Scenario : Natural Disaster, No Adaptation	2	2	3	3	3	4	4	5	5	7	8
B. Bound Tests											
B1. Real GDP growth	2	2	3	3	3	3	3	4	4	4	5
B2. Primary balance	2	2	3	3	3	3	4	4	4	5	5
B3. Exports	2	3	6	8	8	8	9	**11**	**13**	**16**	**17**
B4. Other flows 3/	2	2	3	3	3	3	4	4	4	5	5
B5. Depreciation	2	2	3	2	3	3	3	3	3	4	4
B6. Combination of B1-B5	2	3	4	4	4	4	5	6	6	7	8
C. Tailored Tests											
C1. Combined contingent liabilities	2	2	3	3	3	3	4	4	4	5	5
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	2	3	4	4	4	4	5	5	6	7	8
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	10	10	10	10	10	10	10	10	10	10	10
Debt service-to-revenue ratio											
Baseline	7	7	8	8	8	8	9	9	9	8	8
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	7	7	9	8	9	9	10	10	9	9	8
A2. Alternative Scenario : Natural Disaster, No Adaptation	7	7	9	9	10	10	12	12	13	13	13
B. Bound Tests											
B1. Real GDP growth	7	8	9	9	9	9	10	10	10	9	9
B2. Primary balance	7	7	8	8	8	9	10	10	10	9	9
B3. Exports	7	8	12	**15**	**15**	**15**	**16**	**18**	**21**	**20**	**19**
B4. Other flows 3/	7	7	9	9	9	9	10	10	10	10	9
B5. Depreciation	7	9	11	9	10	10	11	11	10	10	9
B6. Combination of B1-B5	7	8	11	10	10	11	12	13	12	12	11
C. Tailored Tests											
C1. Combined contingent liabilities	7	7	9	9	9	10	11	11	10	10	9
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	7	8	11	12	12	12	13	14	**14**	14	13
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	14	14	14	14	14	14	14	14	14	14	14

Sources: Country authorities and IMF staff estimates and projections.

1/ A bold value indicates a breach of the threshold.

2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.

3/ Includes official and private transfers and FDI.

Table 4. Democratic Republic of the Congo: Sensitivity Analysis for Key Indicators of Public Debt, 2025-35 (In percent)

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of Debt-to-GDP Ratio											
Baseline	20	19	19	18	18	17	16	15	14	14	13
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	20	18	17	16	15	15	14	14	13	13	13
A2. Alternative Scenario : Natural Disaster, No Adaptation	20	20	31	32	32	33	33	33	34	35	**36**
B. Bound Tests											
B1. Real GDP growth	20	21	23	24	25	26	26	26	27	27	29
B2. Primary balance	20	21	22	21	21	20	19	18	17	16	16
B3. Exports	20	28	**43**	**42**	**41**	**39**	**38**	**36**	34	32	31
B4. Other flows 3/	20	21	22	21	21	20	19	17	16	16	15
B5. Depreciation	20	21	19	17	16	14	12	10	9	7	6
B6. Combination of B1-B5	20	20	20	19	18	17	16	15	14	13	13
C. Tailored Tests											
C1. Combined contingent liabilities	20	28	27	26	25	24	23	22	21	20	20
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	20	21	23	26	28	29	30	30	31	31	32
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL public debt benchmark	35	35	35	35	35	35	35	35	35	35	35
PV of Debt-to-Revenue Ratio											
Baseline	132	128	123	117	114	112	103	95	89	83	81
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	132	123	113	105	100	97	92	88	85	83	82
A2. Alternative Scenario : Natural Disaster, No Adaptation	132	137	203	203	207	214	213	211	212	212	217
B. Bound Tests											
B1. Real GDP growth	132	140	151	155	161	168	167	166	167	169	174
B2. Primary balance	132	139	144	138	134	131	122	113	106	100	97
B3. Exports	132	187	279	268	261	257	244	228	212	197	187
B4. Other flows 3/	132	138	141	135	132	129	120	111	103	97	94
B5. Depreciation	132	138	123	111	102	93	79	66	54	44	37
B6. Combination of B1-B5	132	133	130	121	117	113	103	95	88	83	81
C. Tailored Tests											
C1. Combined contingent liabilities	132	185	175	167	162	159	149	138	130	124	121
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	132	153	165	179	190	199	196	190	191	192	198
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Debt Service-to-Revenue Ratio											
Baseline	18	35	32	32	34	36	38	38	37	37	37
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	18	32	28	26	27	28	30	31	31	31	31
A2. Alternative Scenario : Natural Disaster, No Adaptation	18	35	37	72	68	72	72	71	71	71	72
B. Bound Tests											
B1. Real GDP growth	18	36	38	42	48	54	59	61	62	63	65
B2. Primary balance	18	35	37	41	41	43	43	42	41	40	40
B3. Exports	18	35	34	37	39	41	43	45	48	47	46
B4. Other flows 3/	18	35	32	32	34	37	39	39	39	38	38
B5. Depreciation	18	33	32	29	33	35	37	37	36	35	35
B6. Combination of B1-B5	18	34	32	35	35	37	38	38	37	37	37
C. Tailored Tests											
C1. Combined contingent liabilities	18	35	61	52	52	50	49	47	45	44	43
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	18	38	36	36	49	58	63	65	66	67	68
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Sources: Country authorities and IMF staff estimates and projections.

1/ A bold value indicates a breach of the benchmark.

2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.

3/ Includes official and private transfers and FDI.

Statement by Mr. Regis N'Sonde, Executive Director,
Mr. Mbuyamu Matungulu, Alternate Executive Director,
and Ms. Mwanza Nkusu, Senior Advisor to the Executive Director,
on the Democratic Republic of the Congo
July 2, 2025

On behalf of our Congolese authorities, we would like to thank the Executive Board, Management, and staff for the Fund's continued support to the Democratic Republic of the Congo (DRC). The authorities value the support they have been receiving from the Fund in the challenging domestic and external contexts of the past four years, including through policy advice, capacity building, and financial assistance under the successfully completed 2021–24 Fund-supported program and the current arrangements under the Extended Credit Facility (ECF) and the Resilience and Sustainability Facility (RSF). The authorities broadly concur with staff's evaluation of performance under the current ECF arrangement and appreciate the pertinence of related policy recommendations.

Despite the challenging external environment and the escalation of the war in the eastern provinces of the country, the authorities have steadfastly continued to deploy their economic and financial reforms agenda. The war has resulted in large swatches of the national territory, including two major towns, being occupied by hostile armed forces since February 2025. Atrocities are committed against the civilian population in the occupied territories where the already elevated number of internally displaced people has reached new highs. In parallel, with the establishment of invader-controlled administrations in these territories, a significant loss of central government revenue has been recorded. Notwithstanding these difficult circumstances, the authorities have preserved macroeconomic stability and implemented most scheduled structural reform measures under the ECF-supported program. They remain committed to further enhancing macroeconomic management and pursuing the implementation of the Government Action Program for 2024–2028 (PAG 2024–2028) to promote sustainable and inclusive growth and reduce poverty. The Fund-supported programs remain key anchors for their policy actions.

RECENT DEVELOPMENTS AND PROGRAM PERFORMANCE

Recent Developments

Economic activity has been stronger than anticipated while inflation has significantly decelerated. Real GDP growth is estimated to have decelerated to 6.5 percent in 2024, compared with 8.5 percent in 2023, but stands above 6.0 percent projected at the time of the program approval. The better-than-projected outcome is due to sustained activity in both the extractive and the non-extractive sectors. Strong growth of cobalt production and, to some extent, an increase in the production of zinc with the largest zinc mine coming into operation in 2024 helped contain the slowdown in the growth of the extractive sector from 19.8 percent in 2023 to 12.2 percent, compared with a projection of 11.6 percent. Projected to decline to 3.2 percent in 2024, growth of the non-extractive sector remained at 3.5 percent as in 2023, notably with a faster growth in services compensating for a slowdown in industry. Reflecting the central bank's tight monetary policy and subdued exchange rate depreciation pressures, year-on-year inflation halved to 11.7 percent at end-December 2024 compared with 23.8 percent a year earlier and a projection of 12 percent.

The estimated generally positive outturn for other key macroeconomic indicators for 2024 was moderated by heightened security-related spending pressures. At 12.4 percent of GDP, government revenue excluding the mining company SICOMINES was almost as projected, but expenditures exceeded projections owing to overruns on security-related spending in the last quarter as the armed conflict escalated. As a result, the domestic primary balance (0.8 percent GDP) was half-a-percentage point weaker than programmed. The current account deficit (CAD) is estimated to have narrowed significantly to 3.9 percent of GDP from 6.2 percent in 2023, compared with 5.1 percent of GDP projected at the time of the program approval. Underpinning factors include a significant increase in mining exports. The improved current account balance, together with robust inward foreign direct investment helped boost official foreign exchange (FX) reserves to US$6.7 billion, from US$5.4 billion, equivalent to 2.3 months of imports compared with 1.9 months of imports at end-2023.

Program Performance

Program performance was broadly satisfactory. At end-December 2024, the authorities met five out of seven quantitative performance criteria (QPCs) and three of the five indicative targets (ITs). The QPC on domestic fiscal balance was missed due to exceptional security spending pressures in 2024Q4 from heightened insecurity in eastern provinces, to an underestimation of programmed interest payments, and to an overrun of capital spending. The QPC on the ceiling on the levels of FX assets of Banque Centrale du Congo (BCC) held with domestic correspondent banks was missed due to a timing technicality associated with high tax payments in USD made at end-December, leaving no time for the BCC to transfer the excess amount to its account at the Bank for International Settlements (BIS). The two missed ITs are the ceiling on spending executed under emergency procedures and the floor on social spending. Exceptional security-related spending accounts for a large share of expenditure executed under emergency procedures, including those executed prior to the authorities' issuance of a decree clarifying the use of emergency procedures (prior action for program approval), along with a circular by the Prime Minister reinforcing the implementation of the new decree. The authorities are committed to strengthening adherence to the expenditure chain as strictly as possible to limit outlays executed under emergency procedures.

The authorities have taken corrective actions to address the missed QPCs. For the QPC on the domestic fiscal balance, corrective actions include submitting to Parliament an amended budget law in line with the program and publishing the associated budget commitment plans, accelerating revenue mobilization by adopting a revenue mobilization plan, ensuring that the investment budget is executed in accordance with the normal budget execution procedures and limiting public investment execution exclusively to projects accounted for in the budget law or those related to the new priorities approved by the government and specified in an amended budget law. To avoid exceeding the ceiling on FX of the BCC held with domestic correspondent banks, a 5-day compliance grace period has been established to allow time for the BCC to make transfers to the BIS if there are spikes in foreign currency-denominated tax payments near the test dates.

All structural benchmarks (SBs) for the first review under the ECF have been met and progress has been made towards meeting other SBs and implementing the reform measures (RMs) under the RSF. The authorities are on track to complete the installation of the expenditure chain software in the pilot ministries (June 2025 SB). They have also taken decisive steps towards the establishment of the Treasury Single Account (October 2025 SB). These include the signing in December 2024 of an agreement between the BCC and the Ministry of Finance on the management of the Central Government's Single Account with the BCC and the signing in January 2025 of the order calling for the creation of the Steering Committee responsible for ensuring the proper implementation of the agreement. Regarding RMs under the RSF, the authorities are taking actions to ensure that these measures are diligently implemented, including clarifying implementation responsibilities for each RM and developing roadmaps for their timely completion. No RMs are due at this first ECF review.

OUTLOOK AND RISKS

The outlook remains broadly favorable. Real GDP growth for 2025 is expected to decelerate by 1.2 percentage points relative to 2024, to 5.3 percent, which is broadly as projected at the time of program approval. The decline is driven mainly by a slowdown in growth of the extractive sector to 8.2 percent, 4.0 percentage points below the sector's 2024 growth rate, but half a percentage point stronger than projected under the program. The still comfortable performance would compensate for the weaker revised projection of the non-extractive sector associated with the negative growth impact of the escalation of hostilities in the eastern provinces. Over the medium term, GDP growth is projected to average 5.3 percent during 2026–30, sustained mostly by the non-extractive sectors, when the expansion of the extractive sector falters and stabilizes at about 3.5 percent. Consumer price inflation is projected to continue decelerating and to stabilize around the BCC's target of 7 percent by end-2026, supported by appropriate monetary and fiscal policies. The domestic fiscal deficit is projected to increase in 2025, reflecting both a decline in revenue as a result of hostilities in eastern provinces and a pickup in spending, notably investment. Owing to a projected stronger revenue effort, the domestic fiscal deficit would improve over the medium-term despite planned expansion of the public investment program. Public debt would decline slightly over the medium term and remain sustainable, with a moderate risk of debt distress. The current account deficit is projected to narrow further in 2025 and widen over the medium term. Inflows of private capital are projected to increase and would facilitate a buildup of FX reserves to US$14.5 billion (3 months of imports) by 2029, from anticipated US$8.3 billion (2.6 months of imports) in 2025.

The generally favorable outlook is subject to risks, with the balance tilted to the downside. Downside risks include rising insecurity in eastern provinces and its fiscal repercussions; a sharp reduction in aid flows; the persistence of the effects of M-pox in the context of a reduction of foreign aid, which supports several health programs; uncertainties related to the gradual withdrawal of the United Nations peacekeeping force in Congo (MONUSCO), which could exacerbate pressures on security spending; extreme climate events that could damage infrastructure and disrupt supply chains; and commodity prices volatility that could fuel inflationary pressures. Upside risks could also arise from an eventual rapid consolidation of the de-escalation of hostilities as a result of the ongoing peace talks.

POLICIES AND REFORMS FOR THE REMAINDER OF 2025 AND BEYOND

Our Congolese authorities remain committed to preserving macroeconomic stability and advancing reforms to promote strong and inclusive growth. To these ends, they are determined to pursue an orderly and effective implementation of the policies and reforms underpinning the ECF- and RSF-supported programs. Retained policies and reforms focus on notably improving the fiscal and monetary policy frameworks to bolster price stability and improve fiscal outcomes to strengthen buffers, create space to accommodate increased investment in social and development spending, and further enhance policy effectiveness. Other reforms include measures to improve financial sector supervision and stability and support private sector development, as well as advance financial sector development and resilience. The authorities also plan to continue implementing broader structural reforms to strengthen governance and transparency in the public sector and to deepen climate reforms to tackle daunting challenges in this critical area.

Fiscal Policy and Reforms

Fiscal consolidation supported by both revenue and expenditure measures is a key element of the authorities' policy agenda. To boost revenue mobilization, the authorities are combining tax policy with tax and customs administration reforms to broaden the tax base and improve tax compliance. Specific reform priorities include acceleration of the rollout of the standardized VAT invoicing system; acceleration of the optimization of tax expenditure; improvement in the exploitation of excise duty revenues, including by a planned adoption the draft revision of the Excise Code by December 2025; strengthening of the operational capacities of the mineral analysis laboratory set up by the tax authorities for the inspection of volumes and mineral content of exports to curb exports underpricing and stem related mineral revenue losses; and continuation of efforts of digitalization of tax obligations management. On the expenditure side, the authorities are committed to containing the wage bill from 4.4 percent of GDP in 2024 to about 4.1 percent of GDP by 2030 through actions in train to clean up the civil service registry and better regulate recruitments. They are also committed to containing non-priority spending and further curbing fuel subsidies.

The authorities plan to continue advancing implementation of strong fiscal structural measures to bolster fiscal performance. Retained reforms aim at improving the quality of public spending, enhancing budget credibility, ensuring rigorous adherence to spending procedures, continuing the implementation of the Treasury Single Account (TSA), and reducing fiscal risks. The modernization of public financial management (PFM) is central to these reforms. PFM priorities include accelerated operationalization of the Directorate General of the Treasury and Public Accounting (DGTCP), decentralization of expenditure authorizations while ensuring adequate local budget management capacity. To contain fiscal procyclicality risks, the authorities are committed to implementing the roadmap adopted by the government in March 2025 for the gradual transition to a fiscal framework excluding extractive sector resources in light of the country's high dependence on volatile revenue from this sector. They also plan to continue strengthening the monitoring of the performance of state-owned enterprises (SOEs) with the aim of improving SOEs' governance to better contain the fiscal risks these entities pose.

Monetary, Financial Sector, and External Sector Policies

Consistent with its price stability mandate, the BCC is committed to continuing its tight monetary policy stance to ensure a further easing of inflation. The monetary authorities will therefore continue to monitor liquidity and economic development trends and respond as may be needed to keep inflation in check. The Monetary Policy Committee has kept the policy rate unchanged at 25 percent since raising it by 1400 basis points in one go in August 2023. The BCC has kept the required reserve (RR) ratio on demand deposits in domestic currency unchanged since its increase in July 2024 from 10 percent to 12 percent.

The BCC will continue efforts to modernize its monetary policy framework, strengthen its governance and transparency arrangements, and improve financial sector surveillance. Drawing from IMF TA recommendations, the BCC is taking steps to strengthen the monetary policy institutional framework and improve the effectiveness of monetary policy transmission. To this end, efforts to expand the arsenal of instruments to enhance the effectiveness of liquidity recovery operations continue. The monetary authorities have committed to introducing a standard refinancing instrument in the form of auction-based operations to encourage banks to manage liquidity more efficiently, and to eliminating their short-term lending facility window in the same context. They also plan to remunerate national currency-denominated required reserves to help reduce banks' intermediation costs with the aim of encouraging the collection of deposits in domestic currency and eventually curbing dollarization. Also, the BCC will continue efforts to operationalize the Forecasting and Policy Analysis System (FPAS) and complete it by June 2026. It will also continue improving its operational and governance frameworks by implementing the recommendations of the updated safeguards assessment conducted in March 2025. As regards financial sector policy, reforms to strengthen banking and financial sector supervision will continue to be underpinned by the 2022 banking law. Relatedly, the central bank will accelerate the implementation of recommendations of the Financial Sector Stability Review (FSSR) to mitigate vulnerabilities and strengthen surveillance and compliance with financial sector regulations, with IMF technical support.

The authorities are committed to maintaining a flexible exchange rate system as a line of defense against shocks while continuing efforts to strengthen the external position and enhance resilience to shocks. The BCC will continue implementing an exchange rate policy guided by its price stability objective and the need to have adequate FX reserves. It will continue to ensure that the indicative exchange rate for the Congolese franc remains consistent with relevant market conditions as reflected by the observed narrowing of the spread between the indicative and the parallel market exchange rates. In its quest to improve the functioning of the FX market and smooth out excessive exchange rate volatility, the BCC has adopted a FX market intervention strategy in line with related recommendations of a November 2023 IMF TA mission.

Other Structural Reforms

The authorities are committed to continuing the implementation of a broad range of structural reforms to address bottlenecks to investment and support strong, sustainable, and inclusive growth. The focus is on improving the business climate, strengthening transparency, and improving governance and fighting corruption. In April 2025 a draft law on the creation, organization, functioning, and jurisdiction of the Economic and Financial Criminal Court (TPEF) and the National Economic and Financial Prosecutor's Office (PNEF) attached to it were adopted, in order to fight corruption and other forms of economic and financial crimes more effectively. In the mining sector, the authorities have committed to continuing the publication of new mining contracts in line with the country's Mining Code and the requirements of the Extractive Industries Transparency Initiative (EITI). They are confident that these broad-based reforms, together with infrastructure development and enhanced health and education services, will help boost private investment, economic diversification, and inclusive growth.

The authorities continue strengthening their Anti Money Laundering and Countering the Financing of Terrorism (AML/CFT) framework and improving its effectiveness. They will continue to implement the related action plan agreed with the Financial Action Task Force (FATF) and address identified deficiencies. During the seventh progress report discussed in Tanzania in April 2025, participants welcomed the measures taken within the deadlines set by the DRC to implement its action plan, with an achievement rate of 75 percent. The government's goal is to exit the FATF's grey list of jurisdictions under enhanced scrutiny by October 2025 when they submit the eighth progress report.

The authorities will advance the implementation of reforms aimed at promoting inclusive and sustainable private sector-led growth. Key priorities include: (i) enhancing the quality of the education and health systems, liberalizing the telecommunications sector, and revising the Investment Code and the Agricultural Law to strengthen productivity, improve the business environment and facilitate economic diversification; (ii) reinforcing governance and the fight against corruption; (iii) implementing the financial inclusion strategy; and (iv) developing basic infrastructure, particularly transport and communications, energy, and access to safe drinking water. Expected higher revenues from the renegotiated SICOMINES contract, coupled with transparency in their use, would offer an opportunity to further develop transformative infrastructure in key sectors. Implementation of investment projects financed with resources from the SICOMINES contract started late in 2024 but is expected to pick up in 2025.

Climate Change-related Reforms

The authorities are determined to rigorously implement the RMs under their RSF-supported program, which are based on the DRC's ambitious agenda to tackle climate change challenges that reinforces its status as a "solution country" in the global energy transition efforts. In the absence of RMs due for the first review under the ECF, the authorities' priority has been on devising strategies to ensure effective implementation of agreed climate reform measures in due course and to keep track of progress made in a framework clearly delineating implementing services' accountability. This entails clarifying the entity responsible for the implementation of the measures at each stage and any potential challenges, and actionable solutions to address them. To identify obstacles and ensure timely implementation of RMs, close collaboration between the authorities, IMF staff and other development partners will remain key. The authorities have also developed roadmaps for the implementation of several RMs.

The implementation of the authorities' ambitious climate agenda will require substantially large financial resources in addition to the funds needed to address the country's other daunting development challenges. The DRC's 2021 Nationally Determined Contribution (NDC) estimates the cost of financing investment under the climate agenda at about US$48 billion, almost 90 percent of the DRC's 2021 GDP. Access under the RSF amounts to about US$1.1 billion. The authorities expect that the DRC, as a nation-solution to global climate challenges, will attract adequate additional funding from other external stakeholders to advance critical components of its climate agenda for the benefit of humanity.

CONCLUSION

The Congolese authorities are determined to continue building on the policy gains achieved so far to deepen reforms aimed at further strengthening macroeconomic stability, promoting economic diversification to enhance the DRC's growth potential and economic resilience, and addressing the immense climate change challenges the country faces. Initial implementation has been broadly satisfactory in a difficult context of heightened hostilities in the eastern provinces and increased global policy uncertainties. In addition, the authorities have taken corrective actions for the missed QPC on the domestic fiscal balance and the recalibration of the target on the missed QPC related to the ceiling of FX balances held in domestic correspondent banks.

Against this background, we would appreciate Executive Directors' favorable consideration of the authorities' requests for waivers of nonobservance of PCs, modifications of PCs, frontloading of budget support, and completion of the first review under the ECF.