

INTERNATIONAL DEVELOPMENT ASSOCIATION  
INTERNATIONAL MONETARY FUND

DEMOCRATIC REPUBLIC OF THE CONGO

**Enhanced Heavily Indebted Poor Countries (HIPC) Initiative—Preliminary Document**

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May 24, 2002

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### **Abbreviations and Acronyms**

|                 |   |
|-----------------|---|
| DDRRR           | Disarmament, Demobilization, Repatriation, Resettlement and Reintegration |
| DRC             | Democratic Republic of the Congo  |
| DSA             | Debt Sustainability Analysis  |
| EMRRP           | Emergency Rehabilitation and Reconstruction Program                       |
| GDP             | Gross Domestic Product  |
| HIPC Initiative | Heavily Indebted Poor Countries Initiative                                |
| IDA             | International Development Association                                     |
| IMF             | International Monetary Fund   |
| I-PRSP          | Interim Poverty Reduction Strategy Paper                                  |
| MDBs            | Multilateral Development Banks  |
| MONUC           | United Nations Organization Mission                                       |
| NPV             | Net Present Value   |
| PRGF            | Poverty Reduction and Growth Facility                                     |
| PRSP            | Poverty Reduction Strategy Paper  |
| SMP             | Staff-Monitored Program   |
| TSS             | Transitional Support Strategy   |
| UNDP            | United Nations Development Programme                                      |
| UNICEF          | United Nations Children's Fund  |

## **I. INTRODUCTION**

1. This paper presents a preliminary assessment of the Democratic Republic of the Congo's (DRC) eligibility for assistance under the Enhanced Heavily Indebted Poor Countries (HIPC) Initiative. The findings are based on several joint IDA-IMF missions to Kinshasa, most recently in February–March 2002. Together with the authorities, the missions conducted a preliminary debt sustainability analysis (DSA). The results show that the DRC's external debt situation would remain unsustainable even after application of traditional debt-relief mechanisms. Moreover, with the phased delivery of relief under the HIPC Initiative, the NPV of debt-to-exports ratio would remain significantly above 150 percent during the interim period. Section II provides background information on eligibility under the enhanced HIPC Initiative, the incidence of poverty, the policy track record to date, and a brief economic outlook. Section III presents the preliminary debt sustainability analysis, incorporating possible assistance under the enhanced HIPC Initiative. Section IV outlines the proposed time line for preparation of the decision point document, linking it to satisfactory performance under the PRGF arrangement, to be put in place following arrears clearance, and advances in developing the full poverty reduction strategy paper (PRSP), given that the interim PRSP is presented together with this preliminary HIPC Initiative document. The section also includes proposed key reforms to be achieved before the completion point and a preliminary assessment of how debt service savings after the decision point will be used and tracked. Section V includes issues for discussion by the Boards of Executive Directors.

## **II. ELIGIBILITY FOR HIPC INITIATIVE ASSISTANCE**

### **A. PRGF and IDA Status**

2. The DRC is currently an IDA-only country, with a nominal per capita GDP of about US\$107 in 2001, and it is eligible to receive resources under the Poverty Reduction and Growth Facility (PRGF). The DRC will continue to need substantial concessional assistance from the international community and is likely to remain an IDA-only country and eligible for PRGF resources for many years to come.

### **B. Poverty and Social Development**

3. Economic and financial mismanagement for over 30 years, corruption, and civil strife have been the main causes of the dramatic decline in real GDP per capita over that time period. This decline has been compounded by the effects of the war that broke out in 1998 involving the armies of six other African nations and several militias on Congolese territory. Deprivation owing to this conflict claimed about 3 million lives between 1998–2001. Human rights abuses, famine, disease, violence against women, and natural resource pillaging are some of the devastating consequences of this war. Consequently, poverty affects almost 84 percent of the total population. GDP per capita plummeted from US\$286 per year in 1960 (the year of independence) to US\$107 per year in 2001. It is estimated that 80 percent of the

population lives on less than US\$0.20 per day. The 2001 United Nations human development index ranked the DRC 142nd out of a total of 162 countries.

4. The widespread incidence of poverty is reflected in social statistics (Box 1). Infant and child mortality rates (129 per thousand and 213 per thousand, respectively, in 1998) are well above the averages for the continent. The HIV/AIDS prevalence rate in the DRC (5.1 percent) is below the average for the continent (8.0 percent), although the rate is substantially higher in those regions of the DRC that have been directly affected by conflict, and particularly for women. Partly as a result of the AIDS epidemic in the eastern provinces, life expectancy in the DRC declined from 52.4 years in 1994 to 50.0 years in 2001.

| <b>Box 1: Selected Poverty and Living Standard Indicators</b> |                           |                                 |
|---|---------------------------|---------------------------------|
| (In percent, unless otherwise specified)                      |                           |                                 |
| Indicator   | DRC<br>Latest single year | Sub-Saharan Africa<br>(1993–99) |
| Population (in millions) (2001)                               | 52                        | 643                             |
| Population growth   | 3.1                       | 2.6                             |
| GDP per capita in US\$ (2001)                                 | 107                       | 500                             |
| Infant mortality rate (per thousand, 1998)                    | 129                       | 91.8                            |
| Child mortality rate (per thousand, 1998)                     | 213                       | 161                             |
| Maternal mortality rate (per 100,000/live births)             | 1289                      | ...                             |
| HIV/AIDS prevalence (2001)                                    | 5.1                       | 8.0                             |
| HIV/AIDS prevalence for women in conflict areas               | 8.0                       | ...                             |
| Literacy rate (2001)  |                           |                                 |
| Male  | 79.8                      | 69                              |
| Female  | 51.9                      | 53                              |
| Gross school enrollment rate (1998)                           |                           |                                 |
| Male  | 49.7                      | 85                              |
| Female  | 32.3                      | 71                              |
| Impact of Conflict  |                           |                                 |
| Child soldiers (thousands)                                    | 10.0–15.0                 |                                 |
| Displaced persons (millions)                                  | 3.0–4.0                   |                                 |
| Deaths from deprivation (millions)                            | 3.0                       |                                 |

Sources: I-PRSP, DRC: Social Sector and Poverty Indicators, June 12, 2000.

5. The pervasiveness of poverty is reflected in other statistics. Only 45–50 percent of the population has access to medical services. Child vaccination rates are 29 percent. Only 18 percent of households had access to hygienic latrines in 1995 and 41 percent to potable water. Employment statistics show a grossly underutilized workforce. In 2000, only 2 percent of the total population and 4 percent of the active population were employed in the formal sector. The average public sector salary in early 2002 was US\$15 per month. Educational

statistics are similarly discouraging. Although the illiteracy rate of 33 percent for the DRC is significantly lower than the regional rate of 43 percent, net primary education enrollment is 42.8 percent for urban areas and only 14 percent for rural areas.<sup>2</sup> The destruction of a large part of the eastern city of Goma as a result of a volcanic eruption in January 2002 presents additional challenges.

### **C. Policy Track Record**

6. The DRC is emerging from 35 years of ruination. Prolonged economic mismanagement and a devastating war have resulted in hyperinflation, a soaring budget deficit, an overvalued exchange rate, and widespread poverty. To address the alarming economic and social situation, the government of President Joseph Kabila has been engaged in restoring peace, strengthening core state institutions, correcting macroeconomic imbalances, and opening up the economy. The stated commitment by the government to pursue peace and to undertake these reforms, as well as its actions to date to achieve these objectives, have been well received by the international community.

7. The desire to restore peace and reconstruct the country has been demonstrated by the signing of the Lusaka accord in 1999, and subsequently through the implementation of the cease-fire beginning in 2001 under UN supervision based on Security Council Resolutions 1341 and 1355. A number of financial, diplomatic, and political initiatives are being implemented to ensure a stable government with credible institutions, the protection of human rights, and anti-corruption programs in the judicial and administrative branches. The DRC is designing a Disarmament, Demobilization, Repatriation, Resettlement and Reintegration (DDRRR) program, supported by the UN and IDA, to help ex-combatants, including child soldiers, to reintegrate themselves into society, and the provision of assistance to child soldiers has already begun. A multicountry demobilization and reintegration program for the Great Lakes region was considered by the Executive Directors of IDA on April 25, 2002 and has already received support from several donors.

8. With respect to economic reform, the government implemented a heavily front-loaded economic reform program, covering the period June 2001 to March 2002 and monitored by IMF staff, with the main objectives of eliminating hyperinflation, liberalizing the economy, and initiating major structural reforms. This program was also supported by a US\$50 million grant from IDA approved on July 31, 2001 as part of IDA's Transitional Support Strategy (TSS). This grant provided support for: (a) the strengthening of the government's ability to raise fiscal revenues and manage public resources, and to overcome major obstacles to private sector development; (b) essential road maintenance to keep the country's access to its port at Matadi open year-round; (c) community development; and (d) HIV/AIDS education and prevention at the community level.

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<sup>2</sup> Net primary enrollment includes only students of primary school age enrolled in primary school. Gross enrollment statistics cited in Box 1 include students of all ages enrolled in school.

9. Performance under the economic reform program was satisfactory. The government introduced a floating exchange rate system in late May 2001, adopted a cash budget, and adhered to a monthly cash-flow plan that limited expenditure to available resources. Revenue enhancing measures have been implemented, with revenue reaching 5.9 percent of GDP in 2001, compared with 4.5 percent the year before, and expenditure control has started to improve. Monetary financing of the budget has ceased and net bank credit to the government was significantly reduced. Box 2 summarizes the measures that were taken in 2001 and are under way in early 2002.

| <b>Box 2: Economic Policy and Structural Measures Under the Interim Program</b>   |   |
|---|---|
| <b>Measure</b>  | <b>Status</b>                             |
| 1. Abolition of diamond monopoly  | Done (February 2001)                      |
| 2. Unification of the exchange rate   | Done (May 2001)                           |
| 3. Liberalization of all prices except for water, electricity, and transportation   | Done (May 2001)                           |
| 4. Adoption of a transparent and automatic petroleum pricing mechanism  | Done (May 2001)                           |
| 5. Creation of Interministerial Committee for Economic and Financial Coordination (ECOFIN)                                  | Done (May 2001)                           |
| 6. Creation of the National Secretariat for the Reinforcement of Capacity (SENAREC)   | Done (July 2001)                          |
| 7. Formation of team for execution of PRSP actions  | Done (September 2001)                     |
| 8. Creation of a Central Bureau of Coordination (BCeCo) in charge of the management of funds to be used to finance projects | Done (December 2001)                      |
| 9. Convocation of a consultative group for the mobilization of US\$1.5 billion to finance investment program                | July 2001, December 2001, May 2002        |
| 10. Adoption of a new banking law   | Done (January 2002)                       |
| 11. Publication of a new Investment Code  | Done (March 15, 2002)                     |
| 12. Creation of a monitoring committee on economic reforms  | Done (April 30, 2002)                     |
| 13. Adoption of new statutes of the central bank, enshrining its independence   | Done (May 6, 2002)                        |
| 14. Liberalization of interest rates  | Done (June 2001)                          |
| 15. Rehabilitation of budget procedures and strict control of payment authorizations by the Ministry of Finance             | Initiated at start of program and ongoing |
| 16. Budget execution based on a strict cash flow plan   | Initiated at start of program and ongoing |
| 17. Adoption of a new Mining Code   | Before Parliament                         |
| 18. Central bank audit by an international auditor  | Being implemented                         |
| 19. Audit of commercial banks   | Being implemented                         |
| 20. Deposit of all receipts to the Treasury account at the central bank   | Ongoing                                   |
| 21. Preparation of Investment program with advice from the World Bank   | Ongoing                                   |
| 22. Reinforcement of the management of the Central Bank   | Ongoing                                   |

10. On the structural side, far-reaching measures have already been taken. Civil groups have identified **governance** and corruption as key causes of impoverishment (paragraph 30) and, with international assistance, the government is developing a

comprehensive strategy to address these concerns. The government is preparing a code of ethics for public servants as an initial step in this reform. Parliament has approved a series of laws, including a new investment code, and the government is reforming its forestry law. The government is also preparing an anticorruption strategy with assistance from the World Bank Institute.

11. In the **financial** sector, the authorities adopted in early 2002 a series of laws (a) granting independence to the central bank; (b) governing the banking sector; and (c) governing financial cooperatives. The government's strategy for restructuring the banking sector calls for the liquidation of banks that are not viable and the restructuring of those that are under-capitalized but deemed viable. Under this regime, three banks are currently in liquidation, and three are implementing restructuring plans approved by the central bank. The government has agreed to liquidate the three remaining public sector banks identified as nonviable by September 2002, and to limit government shareholding in banks to under 20 percent. It has further agreed with IDA to develop an overall financial sector strategy that will encompass legal, regulatory, and accounting reforms, as well as a coherent strategy for other sub-sectors of the financial system, including credit unions and microfinance, insurance, and specialized financial institutions.

12. The DRC has exceptional **forest and biodiversity resources**. The country has a higher sustainable timber production potential than all other African countries combined. Its importance for rainforest biodiversity is second in the world only to Brazil's; and forest ecosystems provide subsistence revenues to the entire rural population. While the potential contribution of the forestry sector to development remains largely underutilized, the new forestry law will call for the transparent and competitive allocation of forestry resources. This change from past practices is expected to improve governance and ensure a larger contribution to national economic recovery and rural development. The new law will also call for: (a) greater empowerment of local communities through the creation of community forests and direct access to fiscal revenues; and (b) mandatory adoption of sustainable forest management practices.

13. The rehabilitation of the **social sectors** is of primary concern for the government. It has launched preliminary programs in the health and education sectors, and, as observed before, will implement a DDRRR program to help former combatants to reintegrate into society. Together with the international community, the government has planned reforms that include the rehabilitation of health zones to ensure the provision of essential medical services, the rehabilitation of schools, and the intensification of AIDS education. In addition, a 2002 update of the 1996 multi-indicator cluster survey has been completed in collaboration with the United Nations Children Fund (UNICEF), and other baseline studies are being developed.

14. The government has initiated a comprehensive reform of the **public enterprise sector**. It has started a program to restructure Gécamines, the DRC's biggest state-owned mining enterprise and once the largest generator of foreign exchange and fiscal receipts. The new mining code is expected to eliminate distortions in the sector. Audits of most public



enterprises, undertaken in 2001, resulted in the immediate dismissal of many chief executives. A comprehensive strategy to reform state-run enterprises is being prepared, including the legal, regulatory, and institutional frameworks governing the operations of the enterprises and their privatization.

15. Significant efforts are being made to enhance **institutional capacity**, with technical assistance from the IMF, the World Bank, the United Nations Development Program (UNDP), and the African Development Bank (AfDB). IMF technical experts are undertaking in-depth “audits” of the customs and tax administrations and the expenditure control system. Initial steps have been taken for a series of public expenditure reviews, to be coordinated by the World Bank. The first such review, to be completed by late September 2002, will focus on the role of the central government in providing services, particularly in sectors such as health, education, transport, and infrastructure, which have been provided so far by nongovernmental organizations.

16. The overall impact of the government’s reforms has been positive, and the macroeconomic environment has started to stabilize. Inflation decelerated sharply from an average monthly rate of 18 percent during January–May 2001 to less than 1 percent during June 2001–March 2002. This decline, in turn, has led to a stabilization of the exchange rate. The liberalization of petroleum prices sharply improved product delivery and the availability of transportation services.

#### **D. Outlook for 2002–05**

17. In light of these positive results, the international community has prepared a major coordinated effort to help the DRC normalize its relations with multilateral and bilateral creditors, beginning with the coordinated clearance of arrears to the IMF, IBRD, IDA, the African Development Bank (AfDB), and other multilateral institutions (Section III). This will be immediately followed by a multidonor, multisector economic rehabilitation project concentrating on infrastructure, rural development, health, social protection, community development, and education, in which IDA will take the lead. The government will implement a longer-term growth and poverty reduction strategy in the context of a full PRSP. Key sector reforms include strengthening public expenditure management, reinforcing the rule of law and strengthening the judiciary, improving the legal, regulatory, and administrative environment for private sector activity, strengthening the banking system, governance, and mining and forestry reform.

18. Following the successful implementation of the interim reform program, real GDP growth is projected to accelerate to 3 percent in 2002, and then to 7 percent in 2005. Inflation is now under control and will be limited to an average annual rate of about 5 percent by 2005. Supported by debt relief, gross official foreign reserves are targeted to increase from about four weeks of imports in 2001 to over two months in 2005. Investment is expected to increase from 5 percent of GDP in 2001 to almost 19 percent of GDP by 2005 as a result of (i) the investment projects financed through IDA’s Emergency Multisector Rehabilitation and Reconstruction Project (EMRRP); (ii) resources that could be released under the

HIPC Initiative; and (iii) investment projects of NGO's. Similarly, the mining code and the new forestry law will improve investor security, as well as increase employment and fiscal revenues.

19. The satisfactory performance under the Staff-Monitored Program (SMP) has paved the way for a three-year successor program for which the authorities have requested support from the IMF under the Poverty Reduction and Growth Facility (PRGF).

### **III. DEBT SUSTAINABILITY ANALYSIS AND POSSIBLE HIPC ASSISTANCE**

#### **A. Debt Reconciliation Status**

20. The debt sustainability analysis (DSA) presented below was prepared jointly by the authorities and the staffs of IDA and the IMF, based on loan-by-loan data provided by the authorities and creditors for debt outstanding and disbursed as of end-December 2001. Debt reconciliation began in 2001 during several joint IDA-IMF missions based on end-2000 debt statistics. The reconciliation process continued during the February–March 2002 joint IDA-IMF mission with end-December 2001 debt data used to ensure that the authorities' nominal debt figures used to calculate the end-2001 net present value (NPV) of external debt were consistent with the data provided by the creditors. The debt estimates and NPV calculations are preliminary, pending the reception of further information from some creditors, as well as a complete reconciliation with all multilateral, bilateral, and commercial creditors.<sup>3</sup>

#### **B. Structure of External Debt**

21. At end-December 2001, the DRC's public and publicly guaranteed external debt was estimated at US\$12,880 million in nominal terms, of which US\$10,082 million were in arrears. After assuming full use of traditional debt relief mechanisms for bilateral and commercial debt, and excluding the clearance of multilateral arrears, the stock of external debt outstanding in NPV terms is US\$7,267 million (Table 4; Figures 1 and 2). Paris Club bilateral creditors would account for the largest share of this debt—55 percent, or US\$4,007 million in NPV terms, of which the largest Paris Club bilateral creditor, the United States, would account for US\$975 million in NPV terms. Multilateral creditors would account for about 38 percent of the NPV of debt outstanding, or US\$2,761 million. The main multilateral creditors are the African Development Bank Group (US\$1,141 million), the World Bank Group (US\$881 million, of which IBRD accounts for US\$128 million and IDA US\$753 million), and the IMF (US\$503 million). Non-Paris Club bilateral creditors, commercial creditors, and holders of short-term debt in arrears for more than one-year account for the remaining debt outstanding (US\$272 million, US\$110 million, and US\$118 million, respectively).

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<sup>3</sup> The reconciliation process has been completed for about 90 percent of multilateral debt, which constitutes about a quarter of external debt. Reconciliation discussions on bilateral and commercial debt will take place in the context of a possible Paris Club rescheduling.

22. **External arrears.** Over the past decade, the DRC has accumulated arrears to all of its external creditors. Some 78 percent of public and publicly guaranteed external debt was in arrears as of end-2001 (Table 3 and Figure 3). About 19 percent of total arrears, or US\$1,932 million, were owed to multilateral creditors—arrears to the African Development Bank Group total US\$942 million, to the IMF US\$503 million, and to the World Bank Group US\$318 million (of which IBRD accounts for US\$128 million and IDA US\$190 million). Discussions have been held with the DRC's multilateral creditors about a comprehensive arrears clearance operation.<sup>4</sup> Any debt reduction provided by multilateral creditors resulting from a concessional treatment of arrears would count toward their contribution to assistance under the enhanced HIPC Initiative, in line with a methodology agreed with multilateral development banks (MDBs).<sup>5</sup> As of end-2001, arrears of US\$7,486 million were owed to Paris Club bilateral creditors, and an additional US\$663 million in arrears were owed on non-Paris Club bilateral debt, commercial debt, and short-term debt in arrears for more than one year.

### C. Debt Sustainability Analysis

23. The underlying macroeconomic projections used in this analysis were prepared jointly with the authorities and extend to 2021. In line with the authorities' I-PRSP, the projections assume that the DRC continues to implement its economic recovery program. The outlook envisages a period of reconstruction (2002–05), followed by sustained development starting in 2005. Annual real GDP growth is projected to accelerate through the short term, reaching 7 percent in 2005, before decelerating to about 6 percent in 2016 and beyond. It is assumed that institutional capacity building and sustained economic growth will permit the government sector to more than double its relative share in GDP so that revenues excluding grants are projected to increase from 7 percent of GDP in 2002 to 18 percent in 2021. Economic recovery is expected to be sustained by significant levels of official external financing (grants and loans), which in gross terms is expected to reach 15 percent of GDP in 2004, and then trending down to 3 percent by 2021. Official grants are expected to exceed official loans until 2004 but their share in total official assistance is expected to decline steadily until it reaches about one-fifth at the end of the projection period. Official loan assistance is assumed to be on PRGF or concessional terms comparable to IDA until 2008, after which time it is expected that the concessionality of credits to the DRC will gradually decline, with the average grant element descending from about 60 percent to 32 percent at the end of the projection period. Foreign direct investment is expected to respond to opportunities in the resource export sector and is projected to increase substantially relative

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<sup>4</sup> Side meetings were held with the DRC's multilateral creditors at the October 2001 Multilateral Development Bank meeting held in Washington D.C., and at a Consultative Group Meeting chaired by the World Bank in Brussels on December 19, 2001.

<sup>5</sup> See "HIPC Debt Initiative: the Chairman's Summary of the Multilateral Development Banks' Meeting," March 6, 1998, IDA/Sec M98-90, Attachment.

to GDP, peaking at 6 percent of GDP in 2011, before trending down to 2 percent by the end of the projection period. External loans to the private sector are also projected to become increasingly significant in the medium and longer term as the economy strengthens. Supported by external financing, public and, subsequently, private gross investment are projected to provide a significant source of growth, especially through the next decade. Starting from an unusually low base, exports are expected to make a significant contribution to growth throughout the projection period and are expected to surpass their levels relative to GDP of the late 1980s. However, through the next decade, the trade sector's contribution to growth will be mitigated by strong imports related to reconstruction and recovery. In consequence, a surplus on the trade balance of goods and services is not expected until 2012, and on the current account not until 2018.

24. On the basis of these assumptions, and taking into account the phased in provision of HIPC Initiative assistance, the NPV of outstanding debt to exports would remain **significantly** above 150 percent through the interim period (Table 9). The estimates for the amount of HIPC assistance are based on the NPV of the stock of multilateral debt at end-2001 prior to arrears clearance and on the end-2001 NPV of bilateral and commercial debt assuming the full use of traditional debt relief mechanisms as simulated by a hypothetical stock-of-debt operation on Naples terms. It is estimated that HIPC assistance would reduce the NPV of debt (including new borrowing) from 730 percent of exports at end-2001, following the simulation of traditional debt relief, to 132 percent at end 2006, trending down to 66 percent by the end of the projection period (Table 10).

#### **D. Possible HIPC Initiative Assistance**

25. After the full use of traditional debt-relief mechanisms—a 67 percent stock-of-debt reduction on Naples terms on eligible Paris Club bilateral debt and comparable treatment on non-Paris Club bilateral debt—the NPV of external debt-to-exports ratio would stand at 730 percent<sup>6</sup> at end-2001, as indicated above. To bring this figure down to the target ratio of 150 percent implies a *common reduction factor* of 79.4 percent for all creditors or relief in the amount of US\$5,773 million in NPV terms.

26. Of this amount, possible assistance from multilateral creditors would be about US\$2,193 million in NPV terms, and relief from Paris Club bilateral creditors would amount to about US\$3,183 million. A further US\$397 million of relief in NPV terms could be provided by non-Paris Club bilateral creditors, commercial creditors, and creditors of short-term debt in arrears for more than one year (Table 5). Assuming the time profile and modalities laid out below, this translates into about US\$9,800 million in nominal terms over

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<sup>6</sup> The DRC does not qualify for HIPC Initiative assistance under the fiscal openness criteria—the DRC's revenue-to-GDP ratio is 5.9 percent and the export-to-GDP ratio is 17.7 percent, both of which are far below the required minimum of 15 percent and 30 percent, respectively.

time. The following assumptions were made in projecting the time profile of possible enhanced HIPC Initiative assistance:

- **Paris Club bilateral creditors.** There would be a flow rescheduling on Cologne terms—or a 90 percent NPV reduction—after reaching the decision point (which is assumed to take place in January 2003), with delivery of the remaining required assistance at the completion point expected in early 2006, through a stock-of-debt operation.
- Comparable treatment would be provided **by non-Paris Club official bilateral creditors.**
- **IMF.** IMF assistance would total US\$400 million in NPV terms, of which about US\$150 million would be delivered through the concessional element in the use of PRGF resources arranged following arrears clearance and which would count toward the IMF's contribution to HIPC assistance. Immediately following the approval of the decision point by the Boards of IDA and the IMF, the IMF would provide further interim assistance in the form of debt service reduction. Due to the relatively low levels of debt service that would fall due under the PRGF arrangement during the interim period, most of the IMF's remaining HIPC relief would be delivered following the completion point, with debt service reduction through 2012.
- **IDA.** IDA would provide total assistance amounting to US\$700 million in NPV terms, of which US\$205 million would be delivered through the concessional element in the use of IDA resources following arrears clearance and which would count toward the World Bank's contribution to HIPC assistance. Immediately following the approval of the decision point by the Executive Directors of IDA and the IMF, IDA would begin to provide interim assistance in the form of debt-service reduction on debt outstanding and disbursed at end-2001, which, after reaching the completion point in early 2006, would continue until 2022.
- **All other creditors** are assumed to provide debt service reduction until their contributions meet the requirement under the HIPC initiative. Discussions are ongoing with AfDB and other MDBs as to the precise modalities.

#### **E. Impact of HIPC Initiative Assistance**

27. Because the DRC has not been servicing its external debt for nearly a decade, about 78 percent of its nominal stock of debt is in arrears. Consequently, in addition to scheduled debt service on current maturities, total debt service obligations also include significant interest on arrears. During the process of normalizing its relations with the international community, the entire stock of external arrears is assumed to be replaced by new successor arrangements or rescheduled on various terms. In addition, Paris Club creditors are expected to provide a comprehensive package of debt relief that would include a rescheduling of current maturities on Naples flow terms, a capitalization of moratorium interest, as well as

the deferral of post-cutoff-date arrears. Other bilateral and commercial creditors are expected to provide debt relief on comparable terms. Because of the normalization of arrears and notwithstanding debt relief, the scheduled debt service after arrears clearance would be higher than before (Table 8), but total debt service obligations would diminish because of the elimination of interest on arrears. On the basis of normalized relations with external creditors, expected additional external resources will more than offset debt service obligations and will result in a net positive inflow during the interim period and beyond (Table 11). HIPC assistance would reduce debt service due in 2003 from 19 percent of exports following arrears clearance to 15 percent, subsequently down to between 4 percent and 5 percent from 2011 and beyond. Similarly, debt service due in 2003 after arrears clearance is expected to reach 42 percent of fiscal revenue, but would decline to 33 percent following the delivery of assistance under the HIPC Initiative and would subsequently rise to 45 percent in 2004 before trending down to between 8 and 10 percent from 2011 and beyond. The reduction of debt service as a result of HIPC assistance (Table 8)<sup>7</sup> is expected to average nearly US\$300 million per annum from 2003 to 2005, increasing to an annual average of US\$344 million from 2006 to 2010, and increasing further to just under US\$400 million per annum from 2011 to 2021.

## F. Sensitivity Analysis

28. Two alternative scenarios were carried out to test the sustainability of the DRC's external debt after HIPC Initiative assistance (Table 10 and Figure 7). The **first alternative scenario** considers the sensitivity of the projections to lower growth in the volume of merchandise exports as compared with the baseline scenario, assuming an unchanged level of external assistance and investment. Growth in merchandise export receipts is assumed to be 3 percentage points lower than projected in 2003 and 4 percentage points lower in both 2004 and 2005. Thereafter, the growth, but not the level, of exports is assumed to be the same as in the baseline scenario so that by 2021 total exports are assumed to be 13 percent lower than projected in the baseline scenario. The reduced export growth also reduces real GDP and fiscal revenue growth in the short term but not in the longer term, and by 2021 the cumulative declines in nominal GDP and revenues relative to the baseline scenario are about 4 percent. Under these assumptions, the ratio of the NPV of debt to exports and the ratio of debt service to exports would average 236 percent and 13 percent, respectively, during the period 2003–11. The corresponding figures for 2012–21 are 84 percent and 5.2 percent, respectively.

29. The **second alternative scenario** considers the impact of a one-percentage point increase in interest rates starting in 2002 and remaining in place throughout the projection

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<sup>7</sup> In nominal flow terms, HIPC assistance by multilateral creditors is defined as the reduction in debt service due after arrears clearance and after HIPC assistance. For bilateral and commercial creditors it is defined as the difference between debt service due after traditional debt relief and that due after HIPC assistance.

period. Through 2007, higher interest rates are assumed to affect only bilateral loans, while from 2008 interest rates are assumed to be higher on all loans, concessional as well as nonconcessional. Both export receipts and government revenues are assumed to remain unchanged from the baseline scenario. Under these assumptions, the ratio of the NPV of debt to exports would average 225 percent over the period 2003–11 while the debt service to exports ratio would average 12 percent. The corresponding figures for 2012–21 are 81 percent and 5.2 percent, respectively.

### **Box 3: Main Assumptions in the Debt Sustainability Analysis**

**Real GDP growth** averages 6.4 percent over 2002–21, rising from an average of 5.3 percent over 2002–05, to 7 percent over 2006–15, and subsequently decelerating to 6 percent.

**Inflation**, measured by the growth in the GDP deflator, is projected to decelerate from 386 percent in 2001 to 23 percent in 2002 and subsequently to 5 percent in 2004 and beyond.

**The fiscal sector** is assumed to more than double its share in the economy and revenues, excluding grants, are assumed to increase from 7 percent of GDP in 2002 to 18 percent in 2021, a few percentage points higher than in the late 1970s.

**Gross official external financing** (grants plus loans) is expected to average 13 percent of GDP during 2002–05, then trending down to 3 percent of GDP in 2021, about the same share as in the early 1990s. External financing, net of principal repayments, is expected to remain positive throughout the projection period averaging 10 percent of GDP over 2002–05, then trending down to below 2 percent of GDP in 2021. The composition of gross financing is expected to shift sharply away from grants toward loans. Official grants are assumed to average 6 percent of GDP through 2002–05 and then to fall to 1 percent in 2014 and beyond. All official loans and grants are assumed to pass through the Treasury from 2008.

**Official loan financing** is initially assumed to be mostly at concessional rates on terms comparable to IDA. Modest amounts of government borrowing on nonconcessional terms (one-year grace, 8-year maturity at 5 percent interest rate) are assumed to start in 2008.

**Private capital flows** : Foreign direct investment is assumed to rise from 2 percent of GDP in 2002 to a peak of 6 percent in 2011 before trending down toward 2 percent. Private borrowing on nonconcessional terms (one-year grace, 5-year maturity at 7 percent interest rate) is assumed to start in 2011.

**The growth in merchandise export receipts in U.S. dollars** is assumed to accelerate to a peak of 21.6 percent in 2005, then trending down to 8.7 percent in 2017 and beyond. The GDP share of exports of goods and services is projected to rise from 18.4 percent in 2002 to 34.3 percent in 2021, a few percentage points higher than in the late 1980s.

**Imports of goods and nonfactor services** in U.S. dollars are projected to reach, and stay at, about 30 percent of GDP from 2004 onward. However, the composition of imports is expected to shift significantly and aid-related imports are expected to fall from 10 percent of GDP in 2003 to less than 2 percent by 2021.

#### IV. THE DECISION AND FLOATING COMPLETION POINTS

##### A. PRSP Process

30. The government has prepared an interim PRSP, based on consultations with the population in areas under its control. Participatory consultations carried out as a test of the methodology in four provinces as a preparation for the full PRSP reported that people consider the primary causes of poverty to be appalling governance at all levels, economic mismanagement, systematic plundering of public and natural resources, total inadequacy or lack of quality of public services, and lack of maintenance of economic and social infrastructure. The participation process will be broadened and deepened as the country reunifies.

31. The poverty reduction strategy proposed in the I-PRSP is based on three pillars: (i) restoring peace and good governance; (ii) stabilizing the macroeconomic environment and achieving pro-poor growth; and (iii) placing communities in a central position in the formulation and implementation of social and development activities. Activities are phased, addressing first the needs of stabilization, then reconstruction, and eventually a return to development and growth. Staffs from IDA and the IMF have reviewed the I-PRSP and conclude in the joint staff assessment that the document provides an adequate basis for the development of a participatory PRSP and for IMF and IDA concessional assistance. Development of a full PRSP, which can be done only if progress in the peace process continues, is planned for 2003–04, and would be ready in early 2005.

##### B. Possible Decision Point Timing

32. In the staffs' view, the DRC's record of macroeconomic and structural reform under the SMP, the strength of the new three-year program to be supported by the IMF through a PRGF arrangement and by IDA through an Economic Recovery Credit (ERC) and an Emergency Multisector Rehabilitation and Reconstruction Project (EMRRP), its submission of the I-PRSP, and the debt sustainability analysis would allow the decision point for debt reduction to be reached by January 2003.

##### C. Triggers for the Decision and Floating Completion Points

33. IDA and IMF staffs have reached preliminary understandings with the authorities on the nature of triggers for the decision and completion points. Those pertaining to the **decision point** relate, in addition to arrears clearance, to satisfactory execution of the PRGF-supported economic reform program, including adequate progress in establishing a system for monitoring and tracking poverty-related spending and use of HIPC Initiative resources. Those pertaining to the **floating completion point** are summarized in Box 4 below. The first three items in the Box would be standard general triggers to be complemented by a satisfactory performance on a few specific and easily monitorable policy measures, outputs, and outcomes in areas with growth and poverty implications that form part of the ongoing dialogue with the Congolese authorities. The policy measures would place special emphasis on pro-poor policy reforms and expenditure policy in education, health, basic infrastructure,



social protection of vulnerable groups, and the promotion of pro-poor growth. They would improve transparency and accountability in the management of public finances and natural resources, including revenue-sharing mechanisms with local communities. The reforms will aim at fostering a policy climate conducive to private sector development, as well as at improving the efficiency in the allocation and use of scarce resources directly benefiting the poor. Assuming that the full PRSP is completed in early 2005 and that the DRC remains on track with regard to implementation of its poverty reduction strategy and economic reforms supported by the IMF and IDA, the completion point could be reached in early 2006.

#### **Box 4: Possible Triggers for the Floating Completion Point**

1. **A full PRSP has been prepared** through a participatory process and satisfactorily implemented for at least one year as evidenced by the Joint Staff Assessment of the country's annual progress report.
2. **Maintenance of macroeconomic stability** as evidenced by satisfactory implementation of an ongoing IMF PRGF-supported program.
3. **Use of budgetary savings** in accordance with the criteria set forth at the decision point and **the use of interim relief as reported and discussed by a national monitoring committee on a semi-annual basis.**
4. A monitoring and tracking system for the budget, in particular for poverty-related spending, has been put in place.
5. Satisfactory progress on key policy measures and targets drawn from those outlined below, and to be refined during future discussions with government.
  - **Governance**: strengthening of the core functions of government including financial management, debt management systems, policy formulation, oversight, human resource management, revenue collection, public procurement, and the delivery of public services in accordance with priorities and schedules to be set and agreed.
  - **Structural measures** pertaining to promotion of environmentally sustainable pro-poor growth and competitiveness such as development of community forests and sharing the forest rent with rural communities and decentralized governing bodies, regulation/deregulation of private sector activities.
  - **Key social development sectors**: (i) **education**: measures to improve quality of and access to education, i.e., number of schools, availability of schoolbooks, number of teachers; (ii) **public health**: availability of medicine, potable water, waste disposal, and increased availability of primary health care personnel and facilities in rural and urban areas; (iii) **infrastructure**: rehabilitation of roads and rural access roads, rail and river transport, and the power grid; and (iv) **social protection** of particularly vulnerable groups.

#### **D. Monitoring the Use of HIPC Initiative Resources**

34. Securing the effective use of debt relief assistance for poverty reduction and, more generally, the capacity to implement and monitor a shift in the composition of expenditure toward poverty-related objectives, is a key element of the HIPC Initiative, and requires continued efforts to strengthen the programming, management and control of expenditure, and to improve service delivery in key sectors. Within this framework, the technical assistance already being provided in the area of public expenditure management by the IMF, in particular through its resident expert, and by IDA, will be essential to restore an adequate budget management capacity. Among the objectives that will be directly contributing to improvements in expenditure monitoring and reporting are: (i) the restoration of controls over expenditure commitment; (ii) the capacity to produce budget reports according to economic and functional classifications within short delays; (iii) the integration, reconciliation, and supervision of the budget execution process from the commitment to the payment phase; and (iv) a comprehensive review of government transfers to public agencies and autonomous entities, especially in the social and infrastructure sectors.

35. The design of specific mechanisms will be addressed in the context of the first Public Expenditure Review (PER), a component of which will be dedicated to identifying the core priorities for spending on poverty reduction. These mechanisms should be targeted at identifying and classifying expenditures on specific poverty-related programs and projects in order to allocate and manage the use of HIPC Initiative assistance adequately. The PER exercise is expected to begin in May 2002 and to produce concrete recommendations before the end of September 2002. The PER will be complemented by an Assessment and Action Plan (AAP) for tracking poverty-related expenditure. Specific proposals resulting from the PER could include: (i) the establishment of a **special treasury sub-account** at the Central Bank, where the budgetary savings from the debt relief will be deposited; and (ii) the establishment of a participatory **monitoring/oversight committee** including national and local representatives of civil society, as well as members of the international donor community. This approach has been successfully implemented in other countries in the region.

36. It remains important that poverty reduction programs be prepared according to standard budget procedures, with their eligibility for HIPC Initiative funding determined subsequently and subject to the non-objection of the monitoring committee. These institutional arrangements will be designed to empower local communities to participate in defining development priorities and strategies, as well as in reviewing public expenditure programs and monitoring service delivery. Furthermore, the use of HIPC Initiative resources would be subject to independent technical and financial audits to ensure the effective use of these resources for poverty reduction, and all such audits would be made publicly available.

37. Finally, if the decision point is reached, as anticipated, in January 2003, the poverty-related programs and projects to be financed with interim assistance would need to be included in the 2003 Budget. Since this budget will be prepared in the latter half of 2002, the implication is that planning for specific poverty reduction spending should begin by July—

August 2002. In view of the urgent need for reconstruction and rehabilitation, HIPC Initiative financing is likely to focus on the priority program areas summarized in Box 5. As stated above, these priorities would be refined, with the ongoing cooperation of IDA, the IMF, and other donors, in the context of the PER.

### **Box 5: Possible Expenditure Priorities for the Use of Debt Relief for 2003–05**

#### **Governance**

- Institutionalize government/civil society/private sector coalition(s) to design, monitor and control programs to reform and strengthen governance and the public sector
- Strengthen the institutional and operational capacity of the oversight and accountability organizations and processes of government to monitor and report on the delivery of services by government

#### **Social Protection**

- Establishment of a Social Fund
- Funding of a National Demobilization, Disarmament, Repatriation, Resettlement, and Reintegration (DDRRR) Program, including downsizing of the Armed Forces
- Provision of self-targeting social safety nets (linked to employment creation and rehabilitation of basic social and economic infrastructure)
- Programs designed to protect orphans, child-soldiers, and street children

#### **Infrastructure**

- Access to potable water supplies
- Rehabilitation of distribution facilities and on-line water production, many of which have been severely damaged

#### **Health**

- Global support (*appui global*) to the health zones, including the strengthening of vaccination programs, rehabilitation of primary health care facilities, hospitals and medical equipment, training of staff, and provision of drugs.
- Public awareness programs to promote the practice of safe sex in order to control the spread of HIV/AIDS
- Emergency programs to improve testing of blood in public hospitals
- Development of nutrition programs aimed at the malnourished
- Health programs targeting the most vulnerable (orphans, child-soldiers, and street children)

#### **Education**

- Rehabilitation or reconstruction of damaged or destroyed schools, ensuring that each child has a proper seat and desk
- Funding the provision of textbooks and teaching materials
- Education programs aimed at the most vulnerable groups
- Improvement of working conditions, including motivation and support for teachers

#### **Rural**

- Improve policy formulation capacity and monitoring/evaluation at the Ministry of Agriculture. This would be implemented through workshops, technical assistance by consultants, and logistical support

#### **Urban**

- Urgent urban road repair work including drainage projects
- Erosion protection work to reduce flooding and soil erosion within urban city limits
- Collection of solid waste by local private operators

## V. ISSUES FOR DISCUSSION

37. This paper presents a preliminary assessment of the DRC's eligibility for assistance under the enhanced HIPC Initiative. Executive Directors' views and guidance are sought on the following issues:

- **Eligibility:** Do Executive Directors consider the Democratic Republic of Congo to be eligible for assistance under the enhanced HIPC Initiative?
- **Timing of the Decision Point:** Do Executive Directors agree that the DRC could reach its decision point in January 2003, provided that the country remains on-track with its macro-economic program as agreed under the PRGF arrangement?
- **Floating Completion Point:** What are the Executive Directors' views on the possible triggers and key policy measures (for which satisfactory performance has to be achieved) linked to the floating completion point?

Figure 1. Democratic Republic of the Congo: Composition of Stock of External Debt at End-December 2001

Before Full Use of Traditional Debt-Relief Mechanisms

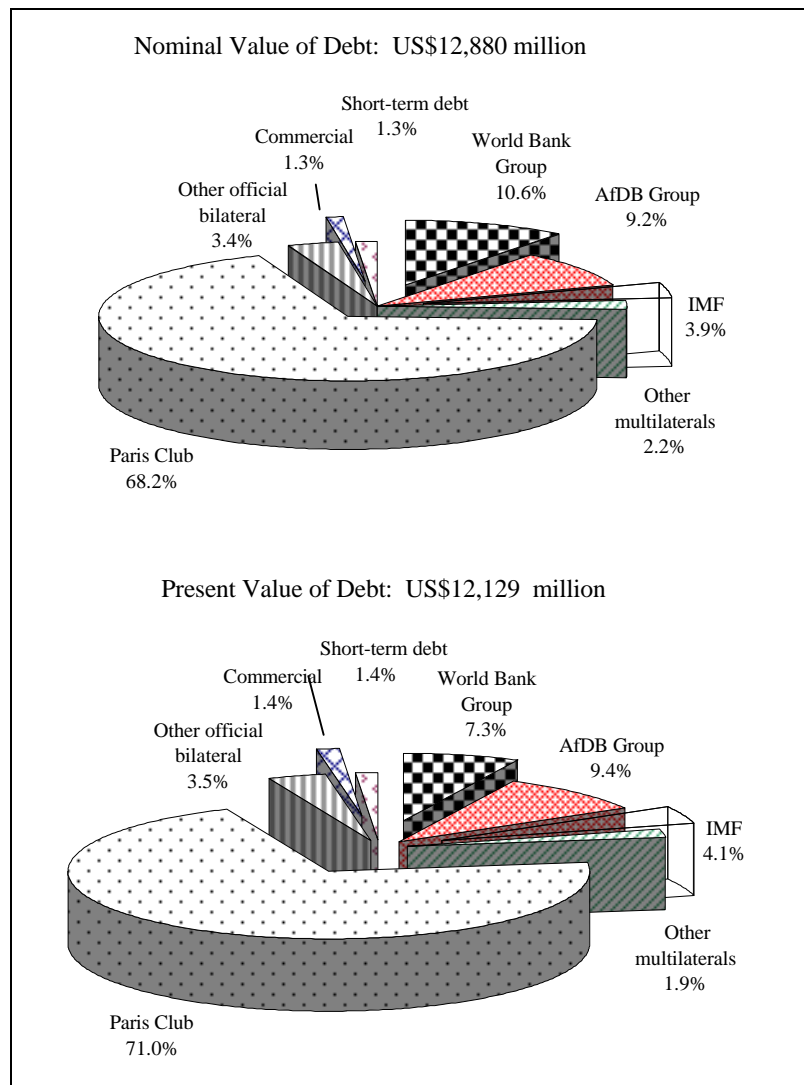
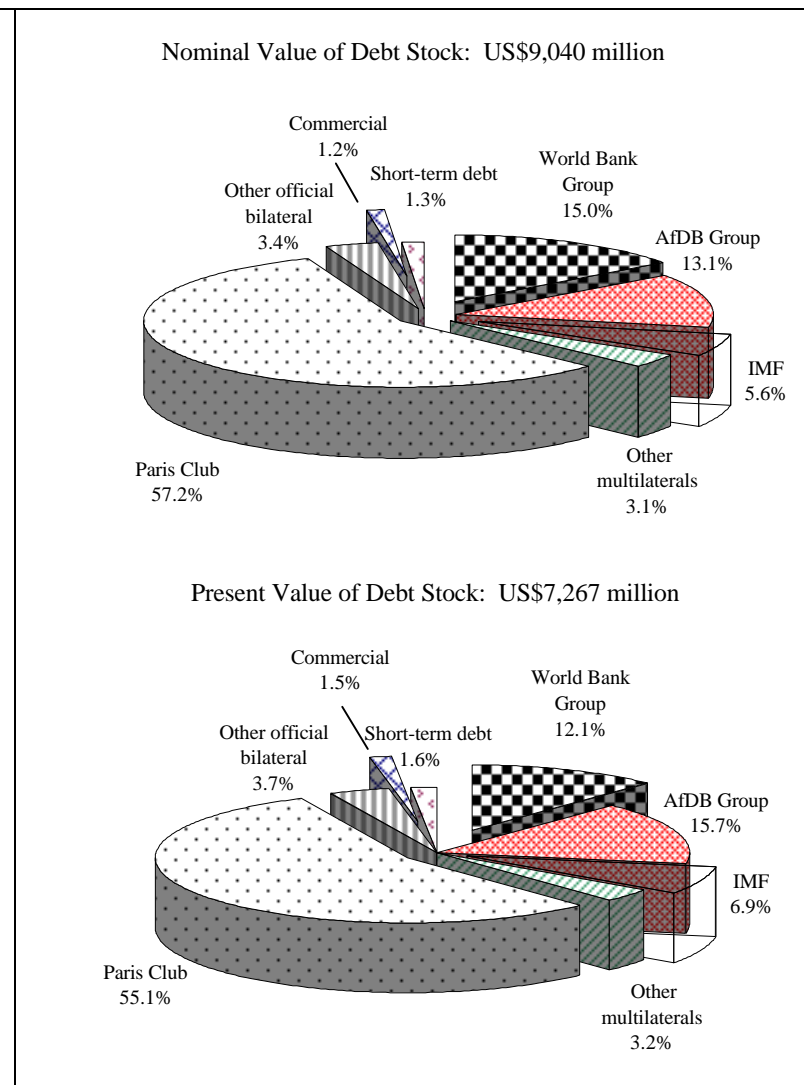


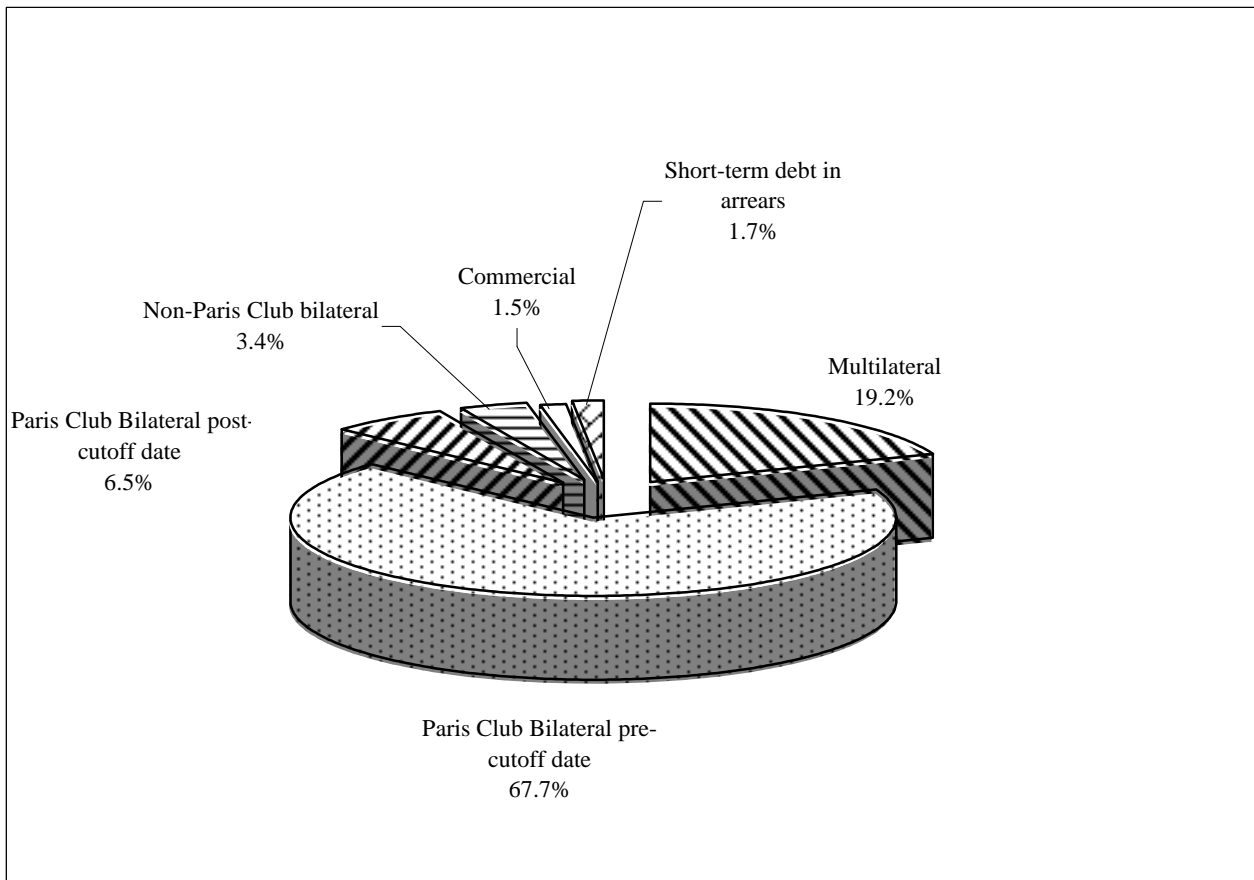
Figure 2. Democratic Republic of the Congo: Composition of Stock of External Debt at End-December 2001

After Full Use of Traditional Debt-Relief Mechanisms



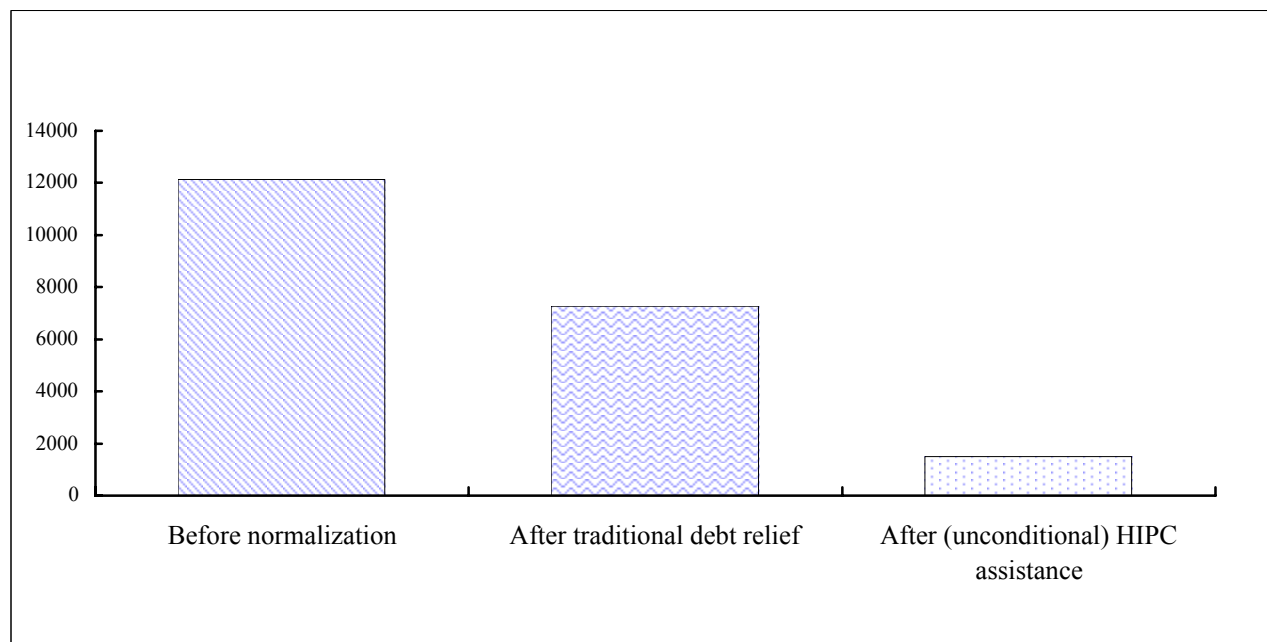
Sources: Congolese authorities; and staff estimates.

Figure 3. Democratic Republic of the Congo: Composition of External Arrears  
at End-December 2001, by Creditor type  
(In percent of total)



Sources: Congolese authorities; and staff estimates.

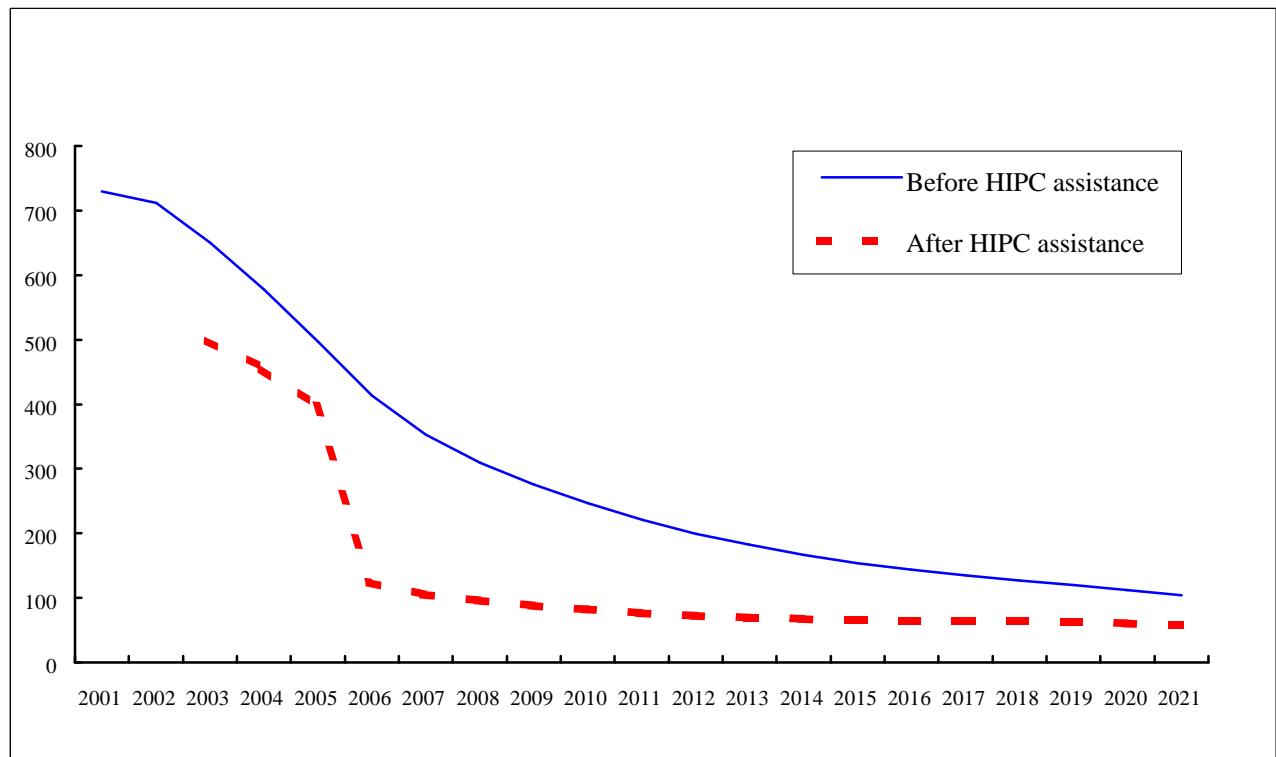
Figure 4. Democratic Republic of the Congo: Effect of Debt Relief in NPV Terms,  
End-2001  
(In millions of U.S. dollars)



Sources: Congolese authorities; and staff estimates.

Note: Net present value after traditional debt relief reflects a stock-of-debt operation on Naples terms at end-2001, and at least comparable action by either official bilateral and commercial creditors on eligible debt (pre-cutoff and non-ODA).

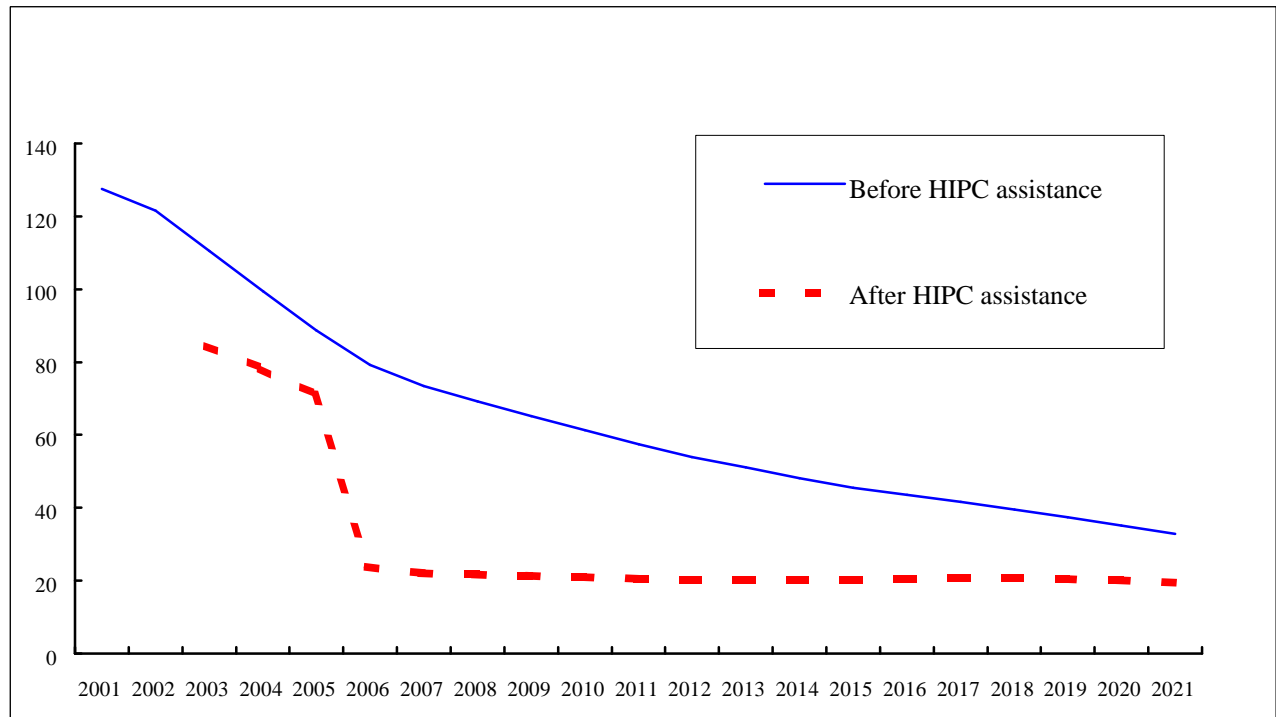
Figure 5. Democratic Republic of the Congo: External Debt Profile:  
Net Present Value of Debt-to-Exports Ratio, 2001-21  
(In percent)



Sources: Congolese authorities; and staff estimates and projections.



Figure 6. Democratic Republic of the Congo: External Debt Profile:  
Net Present Value of Debt-to-GDP Ratio, 2001-21  
(In percent)



Sources: Congolese authorities; and staff estimates and projections.

Figure 7. Democratic Republic of the Congo: Net Present Value of Debt-to-Exports Ratio:  
Alternative Scenarios, 2001-21  
(In percent)

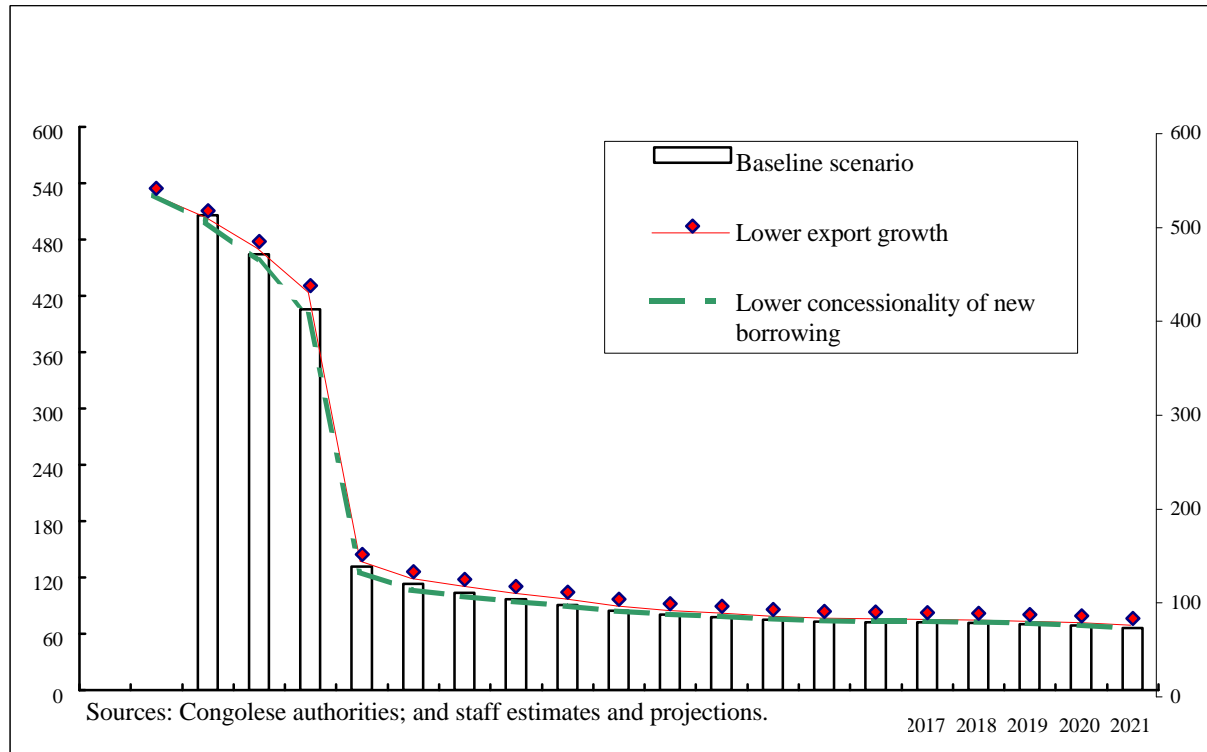


Table 1. Democratic Republic of the Congo: Selected Economic and Financial Indicators, 2000-05

|   | 2000   | 2001   | 2002  | 2003  | 2004  | 2005  |
|---|--------|--------|-------|-------|-------|-------|
|   | Est.   | Est.   | Prog. | Proj. | Proj. | Proj. |
| (Annual percentage changes, unless otherwise indicated)                                   |        |        |       |       |       |       |
| Output and prices   |        |        |       |       |       |       |
| Real GDP  | -6.2   | -4.4   | 3     | 5     | 6     | 7     |
| Nongovt. consumption per capita (in U.S. dollars)   | 77     | 92     | 97    | 101   | 107   | 115   |
| Nominal GDP per capita (in U.S. dollars)  | 94     | 107    | 109   | 116   | 125   | 137   |
| GDP deflator  | 589    | 386    | 23    | 9     | 6     | 6     |
| Consumer prices, annual average   | 554    | 357    | 25    | 9     | 6     | 5     |
| Consumer prices, end of period  | 511    | 135    | 13    | 6     | 6     | 5     |
| External sector   |        |        |       |       |       |       |
| Exports, f.o.b. (in U.S. dollar terms)  | -8     | 5      | 8     | 11    | 18    | 23    |
| Imports, f.o.b. (in U.S. dollar terms)  | 46     | 5      | 36    | 42    | 24    | 8     |
| Export volume   | -4     | 2      | 8     | 11    | 13    | 12    |
| Import volume   | 48     | 10     | 37    | 40    | 22    | 6     |
| Terms of trade  | 10     | -12    | 3     | 8     | 4     | 4     |
| Nominal effective exchange rate 1/  | -91    | -77    | ...   | ...   | ...   | ...   |
| Real effective exchange rate 1/   | -39    | 7      | ...   | ...   | ...   | ...   |
| (Annual change in percent of beginning-of-period broad money, unless otherwise indicated) |        |        |       |       |       |       |
| Money and credit  |        |        |       |       |       |       |
| Broad money   | 493    | 102    | 35    | ....  | ....  | ....  |
| Net foreign assets  | -710   | 6      | 36    | ....  | ....  | ....  |
| Net domestic credit   | 343    | 16     | 2     | ....  | ....  | ....  |
| Net credit to the government  | 272    | -11    | -6    | ....  | ....  | ....  |
| Credit to the private sector  | 61     | 25     | 7     | ....  | ....  | ....  |
| Credit to the parastatals   | 10     | 2      | 1     | ....  | ....  | ....  |
| Central bank refinance rate (level in percent) 2/   | 120    | 140    | 90    | ....  | ....  | ....  |
| (In percent of GDP)   |        |        |       |       |       |       |
| Central government finances   |        |        |       |       |       |       |
| Revenue (excluding grants)  | 4.5    | 5.9    | 7.3   | 8.4   | 9.6   | 11.1  |
| Grants (including relief aid)   | 0.0    | 0.0    | 1.2   | 4.7   | 6.4   | 5.2   |
| Expenditure 3/  | 9.8    | 6.6    | 11.0  | 18.1  | 21.1  | 18.2  |
| Domestic primary cash balance 4/  | -3.5   | 0.5    | 0.9   | 2.4   | 3.8   | 5.4   |
| Overall balance (commitment basis)  | -5.3   | -0.8   | -2.5  | -5.0  | -5.1  | -2.0  |
| Overall consolidated cash balance   | -3.6   | 0.5    | -0.4  | -1.7  | -2.3  | -1.0  |
| Investment and saving   |        |        |       |       |       |       |
| Gross national savings  | 0.4    | 2.9    | 11.0  | 15.9  | 16.9  | 16.1  |
| Government  | -4.9   | -0.7   | 2.8   | 6.9   | 8.7   | 7.8   |
| Nongovernment   | 5.3    | 3.6    | 8.3   | 9.1   | 8.2   | 8.3   |
| Gross domestic savings  | 5.6    | 6.2    | 6.8   | 8.2   | 9.9   | 11.7  |
| Government  | -3.2   | 0.6    | 1.9   | 2.7   | 4.1   | 5.7   |
| Nongovernment   | 8.8    | 5.6    | 4.9   | 5.4   | 5.8   | 6.0   |
| Investment  | 4.4    | 5.1    | 9.9   | 16.5  | 19.9  | 18.8  |
| Government 5/   | 0.4    | 0.1    | 2.9   | 8.5   | 10.9  | 8.8   |
| Nongovernment 6/  | 4.0    | 5.0    | 7.0   | 8.0   | 9.0   | 10.0  |
| (In millions of U.S. dollars, unless otherwise indicated)                                 |        |        |       |       |       |       |
| Balance of payments   |        |        |       |       |       |       |
| Exports of goods and nonfactor services   | 963    | 1016   | 1101  | 1226  | 1431  | 1741  |
| Imports of goods and nonfactor services 7/  | 905    | 953    | 1286  | 1769  | 2158  | 2322  |
| External current account, incl. grants, before debt relief (in percent of GDP) 7/         | -4.0   | -2.2   | -3.7  | -4.7  | -7.7  | -7.3  |
| External current account, excl. grants, before debt relief (in percent of GDP) 7/         | -8.1   | -6.7   | -9.1  | -12.2 | -14.9 | -11.6 |
| External current account, incl. grants, after debt relief (in percent of GDP) 7/ 8/       | -4.0   | -2.2   | 1.1   | -0.5  | -3.0  | -2.6  |
| Gross official reserves (end of period)   | 51     | 64     | 111   | 216   | 260   | 321   |
| Gross official reserves (weeks of imports)  | 3.8    | 4.7    | 6.2   | 10.0  | 9.3   | 9.6   |
| External public debt  |        |        |       |       |       |       |
| Total, including IMF 9/   | 12,609 | 12,880 | 8,890 | 9,159 | 9,415 | 9,430 |
| Of which: arrears   | 9,604  | 10,082 | 0     | 0     | 0     | 0     |
| Net present value of debt (NPV) 10/   | 11,888 | ...    | ...   | ...   | ...   | ...   |
| Scheduled debt service (incl. interest on arrears)11/                                     | 724    | 728    | 56    | 178   | 319   | 357   |
| In percent of exports of goods and nonfactor services                                     | 75     | 72     | 5     | 15    | 22    | 21    |
| In percent of government revenue  | 331    | 217    | 50    | 21    | 27    | 27    |
| Exchange rate   |        |        |       |       |       |       |
| Units of local currency per U.S. dollar (end of period)                                   | 50     | 312    | ...   | ...   | ...   | ...   |

Sources: Congolese authorities; and staff estimates and projections.

1/ Annual averages based on official rates. Minus sign indicates depreciation.

2/ For 2002, as of end-February.

3/ Including interest due on external debt and, from 2003 onward, expenditure financed by resources released under the HIPC Initiative.

4/ Revenue (excl. grants) minus expenditure (excluding interest on debt and foreign-financed expenditure).

5/ From 2003 onward, includes investment financed by resources released under the HIPC Initiative.

6/ From 2003 onward, includes capital projects financed through nongovernmental organizations.

7/ Based on revised customs data, a major downward adjustment was made for 1996-2001 imports.

8/ After possible debt relief on interest and HIPC Initiative-related resources.

9/ End-of-period debt stock, including arrears and before HIPC Initiative-related resources.

10/ The net present value of external public debt is 94 percent of the nominal value, reflecting the significant stock of arrears.

11/ From 2002 onward, after debt relief.

Table 2. Democratic Republic of the Congo: Balance of Payments Summary, 2000-21  
(In millions of U.S. dollars)

|   | 2000  | 2001 | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | Averages |         |
|---|---|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|---------|
|   |   |      |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        | 2001-11  | 2012-21 |
| Current account   | -194  | -124 | -222   | -308   | -562   | -600   | -615   | -643   | -641   | -615   | -600   | -551   | -464   | -426   | -304   | -197   | -117   | -55    | 65     | 142    | 261    | 409    | -498     | -69     |
| Merchandise trade   | 223   | 238  | 59     | -223   | -351   | -177   | -140   | -82    | 19     | 175    | 340    | 592    | 861    | 1,152  | 1,486  | 1,737  | 1,942  | 2,133  | 2,367  | 2,674  | 2,920  | 3,186  | 41       | 2,046   |
| Exports, f.o.b.   | 892   | 940  | 1,013  | 1,128  | 1,326  | 1,632  | 1,988  | 2,354  | 2,709  | 3,104  | 3,541  | 4,021  | 4,547  | 5,119  | 5,737  | 6,373  | 6,950  | 7,545  | 8,191  | 8,892  | 9,653  | 10,479 | 2,160    | 7,349   |
| Imports, f.o.b.   | -669  | -702 | -955   | -1,351 | -1,678 | -1,808 | -2,128 | -2,436 | -2,690 | -2,929 | -3,201 | -3,429 | -3,686 | -3,967 | -4,252 | -4,636 | -5,008 | -5,412 | -5,824 | -6,218 | -6,732 | -7,293 | -2,119   | -5,303  |
| <i>of which</i> : aid-related imports                       | -129  | -169 | -245   | -493   | -553   | -447   | -409   | -456   | -509   | -513   | -540   | -513   | -489   | -462   | -411   | -426   | -437   | -449   | -435   | -368   | -350   | -332   | -441     | -416    |
| Services  | -165  | -176 | -244   | -320   | -375   | -404   | -466   | -545   | -604   | -678   | -741   | -797   | -859   | -927   | -997   | -1,092 | -1,174 | -1,263 | -1,352 | -1,435 | -1,554 | -1,683 | -486     | -1,234  |
| Receipts  | 71  | 75   | 87     | 98     | 105    | 109    | 113    | 119    | 130    | 148    | 168    | 191    | 216    | 244    | 275    | 310    | 346    | 386    | 430    | 479    | 532    | 591    | 122      | 381     |
| Expenditure   | -236  | -251 | -331   | -418   | -480   | -513   | -579   | -664   | -734   | -826   | -910   | -987   | -1,075 | -1,171 | -1,272 | -1,402 | -1,521 | -1,649 | -1,782 | -1,914 | -2,086 | -2,274 | -608     | -1,615  |
| <i>of which</i> : aid-related imports                       | -64   | -79  | -104   | -153   | -151   | -137   | -111   | -119   | -129   | -130   | -137   | -130   | -124   | -117   | -104   | -108   | -111   | -114   | -110   | -93    | -89    | -84    | -125     | -105    |
| Income  | -388  | -414 | -315   | -272   | -378   | -400   | -411   | -381   | -453   | -491   | -539   | -640   | -701   | -821   | -885   | -943   | -994   | -1,043 | -1,078 | -1,096 | -1,105 | -1,093 | -427     | -976    |
| Receipts  | 17  | 18   | 20     | 21     | 21     | 20     | 18     | 18     | 19     | 21     | 23     | 25     | 27     | 30     | 33     | 36     | 38     | 42     | 45     | 49     | 52     | 57     | 21       | 41      |
| Expenditure   | -405  | -432 | -335   | -294   | -399   | -420   | -429   | -399   | -473   | -512   | -562   | -665   | -728   | -851   | -917   | -979   | -1,032 | -1,085 | -1,123 | -1,145 | -1,158 | -1,150 | -447     | -1,017  |
| <i>of which</i> : interest payments on public debt /1       | -385  | -410 | -311   | -267   | -346   | -342   | -336   | -329   | -323   | -320   | -317   | -316   | -316   | -319   | -320   | -322   | -326   | -329   | -330   | -328   | -324   | -316   | -329     | -323    |
| <i>of which</i> : interest payments on private debt         | 0   | 0    | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | -3     | -5     | -8     | -10    | -16    | -21    | -26    | -30    | -39    | -47    | -61    | 0        | -26     |
| Current unrequited transfers                                | 136   | 228  | 278    | 506    | 543    | 381    | 402    | 364    | 397    | 379    | 341    | 293    | 234    | 170    | 92     | 101    | 109    | 118    | 127    | -1     | -1     | -1     | 374      | 95      |
| <i>of which</i> : official                                  | 199   | 256  | 321    | 491    | 523    | 357    | 415    | 390    | 430    | 421    | 394    | 358    | 313    | 256    | 186    | 203    | 219    | 237    | 256    | 138    | 149    | 161    | 396      | 212     |
| Capital account   | -388  | -347 | 73     | -18    | 162    | 223    | 241    | 287    | 341    | 360    | 399    | 390    | 412    | 414    | 350    | 321    | 291    | 280    | 216    | 200    | 145    | 153    | 192      | 278     |
| Official capital  | -339  | -308 | 99     | -19    | 65     | 44     | 62     | 38     | 198    | 218    | 284    | 291    | 310    | 340    | 334    | 378    | 370    | 404    | 342    | 263    | 172    | 102    | 88       | 301     |
| Gross Disbursements /2                                      | 0   | 10   | 402    | 331    | 484    | 489    | 550    | 450    | 486    | 482    | 525    | 537    | 586    | 639    | 651    | 710    | 767    | 829    | 832    | 829    | 822    | 807    | 431      | 747     |
| Net additional disbursements                                | 0   | 10   | 70     | 331    | 484    | 489    | 550    | 450    | 486    | 482    | 525    | 537    | 586    | 639    | 651    | 710    | 767    | 829    | 832    | 829    | 822    | 807    |          |         |
| Amortization /1   | -339  | -318 | -302   | -351   | -419   | -445   | -488   | -412   | -288   | -264   | -242   | -246   | -276   | -299   | -317   | -332   | -397   | -424   | -490   | -566   | -650   | -706   | -343     | -446    |
| Private capital (net)                                       | -50   | -39  | -26    | 1      | 97     | 179    | 178    | 250    | 143    | 142    | 115    | 99     | 102    | 74     | 16     | -56    | -79    | -124   | -126   | -63    | -26    | 51     | 103      | -23     |
| <i>of which</i> :   |   |      |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |          |         |
| Gross disbursements   | 0   | 0    | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 36     | 39     | 43     | 46     | 101    | 110    | 118    | 128    | 207    | 224    | 323    | 3        | 134     |
| Amortization  | 0   | 0    | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | -9     | -19    | -29    | -41    | -57    | -75    | -94    | -114   | -141   | 0        | -58     |
| Foreign direct investment                                   | 74  | 83   | 112    | 129    | 206    | 271    | 327    | 378    | 442    | 542    | 657    | 788    | 781    | 852    | 837    | 811    | 767    | 829    | 768    | 691    | 747    | 646    | 358      | 773     |
| Errors and omissions  | -247  | -216 | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | -20      | 0       |
| Overall balance   | -829  | -686 | -148   | -327   | -400   | -377   | -374   | -356   | -300   | -256   | -201   | -161   | -52    | -12    | 46     | 124    | 174    | 226    | 281    | 342    | 406    | 561    | -326     | 210     |
| Financing   | 829   | 686  | -9,656 | -113   | -46    | -53    | -122   | -224   | -244   | -269   | -299   | -334   | -374   | -419   | -469   | -524   | -584   | -649   | -719   | -794   | -874   | -959   | -970     | -637    |
| Net change in non-Fund arrears                              | 742   | 698  | -9,579 | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | -807     | 0       |
| Net banking sector reserves (increase, -)                   | 87  | -11  | -77    | -113   | -46    | -53    | -122   | -224   | -244   | -269   | -299   | -334   | -374   | -419   | -469   | -524   | -584   | -649   | -719   | -794   | -874   | -959   | -163     | -637    |
| Net Fund credit   | 17  | 16   | 19     | 67     | 68     | 68     | 0      | -101   | -105   | -119   | -132   | -146   | -44    | -41    | -27    | -14    | 0      | 0      | 0      | 0      | 0      | 0      | -33      | -13     |
| Financing gap before possible exceptional assistance        | 0   | 0    | -9,804 | -440   | -446   | -430   | -495   | -580   | -544   | -525   | -500   | -495   | -426   | -431   | -423   | -400   | -410   | -423   | -438   | -452   | -468   | -398   | -1,296   | -427    |
| Possible exceptional assistance                             | 0   | 0    | 9,804  | 440    | 446    | 430    | 496    | 580    | 544    | 525    | 500    | 495    | 426    | 431    | 423    | 400    | 410    | 423    | 438    | 452    | 468    | 398    | 1,296    | 427     |
| Items related to arrears clearance                          | 0   | 0    | 9,391  | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 854      | 0       |
| Assistance on debt service /4                               | 0   | 0    | 413    | 440    | 446    | 430    | 496    | 580    | 544    | 525    | 500    | 495    | 426    | 431    | 423    | 400    | 410    | 423    | 438    | 452    | 468    | 398    | 443      | 427     |
| <i>of which</i> : HIPC assistance                           |   |      |        | 337    | 289    | 268    | 295    | 263    | 369    | 389    | 403    | 415    | 348    | 356    | 363    | 375    | 385    | 398    | 431    | 446    | 462    | 386    | 337      | 395     |
| Memorandum items:   |   |      |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |          |         |
|   | (In percent of GDP, unless otherwise indicated) |      |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |          |         |
| Current account balance, incl. grants, before debt relief   | -4.0  | -2.2 | -3.7   | -4.7   | -7.7   | -7.3   | -6.7   | -6.4   | -5.8   | -5.1   | -4.6   | -3.8   | -3.0   | -2.5   | -1.6   | -1.0   | -0.5   | -0.2   | 0.3    | 0.5    | 0.9    | 1.3    | -5.3     | -0.6    |
| Current account balance, incl. grants, after debt relief /5 | -4.0  | -2.2 | 1.1    | -0.5   | -3.0   | -2.6   | -1.5   | -0.8   | -1.0   | -0.8   | -0.8   | -0.4   | -0.3   | 0.0    | 0.6    | 1.0    | 1.3    | 1.5    | 1.9    | 2.1    | 2.4    | 2.5    | -1.1     | 1.3     |
| Gross official reserves (millions of U.S. dollars)          | 51  | 64   | 111    | 216    | 260    | 321    | 412    | 505    | 627    | 761    | 911    | 1,078  | 1,265  | 1,474  | 1,709  | 1,971  | 2,263  | 2,587  | 2,947  | 3,344  | 3,781  | 4,260  | 479      | 2,560   |
| In weeks of non-aid imports                                 | 3.8   | 4.7  | 6.2    | 10.0   | 9.3    | 9.6    | 9.8    | 10.4   | 11.7   | 12.7   | 13.8   | 14.8   | 15.9   | 16.8   | 17.7   | 18.6   | 19.7   | 20.7   | 21.7   | 22.7   | 23.5   | 24.2   | 10.3     | 20.1    |

Sources: Congolese authorities; and staff estimates and projections.

1/ Includes debt service on current maturities and on reschedulings following the delivery of HIPC assistance

2/ Includes a disbursement by the World Bank in 2002 to repay the bridge loan used to clear arrears.

3/ After possible debt relief on interest plus additional resources expected from 2003 related to the HIPC Initiative.

4/ Includes debt relief from bilateral and multilateral creditors, other than the IMF, to be provided in 2002 following the clearance of arrears including debt relief on the accumulation of arrears on current maturities in 2002. Paris Club and other bilateral creditors are assumed to agree to reschedule debt on Naples flow terms, including the capitalization fo moratorium interest, and to provide exceptional treatment of post-cutoff arrears. Additional debt relief is expected in 2003 related to the HIPC Initiative.

5/ Includes debt relief on interest from the rescheduling of debt on Naples flow terms and the capitalization of moratorium interest, plus the cancellation of penalty interest on arrears in 2002 plus additional resources expected from 2003 related to the HIPC Initiative.

Table 3. Democratic Republic of the Congo: Stock of End-2001 Arrears  
(In millions of US dollars, unless otherwise indicated)

| Creditor                           | Arrears as of End<br>2001 | Percent of Total |
|------------------------------------|---------------------------|------------------|
| Multilateral creditors             | 1,932.2                   | 19.2             |
| World Bank Group                   | 317.6                     | 3.2              |
| IBRD                               | 128.0                     | 1.3              |
| IDA                                | 189.6                     | 1.9              |
| AfDB Group                         | 942.3                     | 9.3              |
| AfDB                               | 900.5                     | 8.9              |
| AfDF                               | 41.8                      | 0.4              |
| IMF                                | 502.9                     | 5.0              |
| European Investment Bank           | 20.9                      | 0.2              |
| European Union (EU administered)   | 79.6                      | 0.8              |
| European Union (IDA administered)  | 2.3                       | 0.0              |
| IFAD                               | 9.5                       | 0.1              |
| BADEA                              | 21.5                      | 0.2              |
| OPEC Fund                          | 0.7                       | 0.0              |
| IFC                                | 29.2                      | 0.3              |
| BDEGL                              | 5.7                       | 0.1              |
| Bilateral and commercial creditors | 7,982.3                   | 79.2             |
| Paris Club                         | 7,486.4                   | 74.3             |
| Non-Paris Club                     | 346.8                     | 3.4              |
| Commercial                         | 149.1                     | 1.5              |
| Short-term debt in arrears         | 167.1                     | 1.7              |
| Multilateral--BEAC                 | 30.4                      | 0.3              |
| Bilateral and commercial           | 136.8                     | 1.4              |
| Total                              | 10,081.6                  | 100.0            |

Sources: Congolese authorities; creditor statements; and staff estimates.

Table 4. Democratic Republic of the Congo: Nominal and Net Present Value of External Debt Outstanding by Creditor Groups, End-December 2001

|                            | Nominal Debt Stock |                  | NPV of Debt  |                  | Nominal Debt Stock After Traditional Debt Relief |                  | NPV of Debt After Traditional Debt Relief 1/ |                  |
|----------------------------|--------------------|------------------|--------------|------------------|--|------------------|--|------------------|
|                            | US\$ million       | Percent of total | US\$ million | Percent of total | US\$ million                                     | Percent of total | US\$ million                                 | Percent of total |
| Total                      | 12,879.6           | 100.0            | 12,129.7     | 100.0            | 9,040.5  | 100.0            | 7,266.7                                      | 100.0            |
| Multilateral               | 3,332.1            | 25.9             | 2,760.5      | 22.8             | 3,332.1  | 36.9             | 2,760.5                                      | 38.0             |
| World Bank Group           | 1,359.7            | 10.6             | 880.5        | 7.3              | 1,359.7  | 15.0             | 880.5  | 12.1             |
| IBRD                       | 128.0              | 1.0              | 128.0        | 1.1              | 128.0  | 1.4              | 128.0  | 1.8              |
| IDA                        | 1,231.7            | 9.6              | 752.5        | 6.2              | 1,231.7  | 13.6             | 752.5  | 10.4             |
| AfDB Group                 | 1,186.3            | 9.2              | 1,141.4      | 9.4              | 1,186.3  | 13.1             | 1,141.4                                      | 15.7             |
| AfDB                       | 1,000.7            | 7.8              | 1,014.1      | 8.4              | 1,000.7  | 11.1             | 1,014.1                                      | 14.0             |
| AfDF                       | 185.6              | 1.4              | 127.2        | 1.0              | 185.6  | 2.1              | 127.2  | 1.8              |
| IMF                        | 502.9              | 3.9              | 502.9        | 4.1              | 502.9  | 5.6              | 502.9  | 6.9              |
| European Investment Bank   | 20.9               | 0.2              | 20.9         | 0.2              | 20.9   | 0.2              | 20.9   | 0.3              |
| European Union             | 168.1              | 1.3              | 135.5        | 1.1              | 168.1  | 1.9              | 135.5  | 1.9              |
| EU administered by IDA     | 11.4               | 0.1              | 7.4          | 0.1              | 11.4   | 0.1              | 7.4  | 0.1              |
| IFAD                       | 25.8               | 0.2              | 14.7         | 0.1              | 25.8   | 0.3              | 14.7   | 0.2              |
| BADEA                      | 21.5               | 0.2              | 21.5         | 0.2              | 21.5   | 0.2              | 21.5   | 0.3              |
| OPEC Fund                  | 0.7                | 0.0              | 0.7          | 0.0              | 0.7  | 0.0              | 0.7  | 0.0              |
| IFC                        | 29.2               | 0.2              | 29.2         | 0.2              | 29.2   | 0.3              | 29.2   | 0.4              |
| BDEGL                      | 5.7                | 0.0              | 5.7          | 0.0              | 5.7  | 0.1              | 5.7  | 0.1              |
| Bilateral and commercial   | 9,380.4            | 72.8             | 9,202.1      | 75.9             | 5,589.3  | 61.8             | 4,388.6                                      | 60.4             |
| Paris Club 2/              | 8,779.6            | 68.2             | 8,608.7      | 71.0             | 5,174.9  | 57.2             | 4,007.0                                      | 55.1             |
| Post-cutoff date           | 951.1              | 7.4              | 882.7        | 7.3              | 951.1  | 10.5             | 840.1  | 11.6             |
| ODA                        | 632.6              | 4.9              | 567.5        | 4.7              | 632.6  | 7.0              | 531.0  | 7.3              |
| Non-ODA                    | 318.5              | 2.5              | 315.2        | 2.6              | 318.5  | 3.5              | 309.1  | 4.3              |
| Pre-cutoff date            | 7,828.5            | 60.8             | 7,726.0      | 63.7             | 4,223.8  | 46.7             | 3,166.8                                      | 43.6             |
| ODA                        | 1,668.5            | 13.0             | 1,542.1      | 12.7             | 1,674.0  | 18.5             | 992.0  | 13.7             |
| Non-ODA                    | 6,159.9            | 47.8             | 6,184.0      | 51.0             | 2,549.9  | 28.2             | 2,174.8                                      | 29.9             |
| Austria                    | 63.4               | 0.5              | 63.1         | 0.5              | 41.1   | 0.5              | 24.6   | 0.3              |
| Belgium                    | 1,042.6            | 8.1              | 1,043.0      | 8.6              | 416.0  | 4.6              | 376.6  | 5.2              |
| Canada                     | 69.6               | 0.5              | 69.5         | 0.6              | 39.6   | 0.4              | 25.7   | 0.4              |
| France                     | 1,365.6            | 10.6             | 1,359.2      | 11.2             | 687.5  | 7.6              | 671.3  | 9.2              |
| Germany                    | 943.5              | 7.3              | 907.9        | 7.5              | 721.8  | 8.0              | 474.2  | 6.5              |
| Italy                      | 967.8              | 7.5              | 950.9        | 7.8              | 722.0  | 8.0              | 557.5  | 7.7              |
| Japan                      | 670.3              | 5.2              | 691.3        | 5.7              | 430.4  | 4.8              | 579.5  | 8.0              |
| Netherlands                | 495.0              | 3.8              | 504.4        | 4.2              | 165.0  | 1.8              | 163.6  | 2.3              |
| Norway                     | 28.2               | 0.2              | 28.0         | 0.2              | 20.9   | 0.2              | 10.3   | 0.1              |
| Spain                      | 16.1               | 0.1              | 15.7         | 0.1              | 16.1   | 0.2              | 15.5   | 0.2              |
| Sweden                     | 158.0              | 1.2              | 147.3        | 1.2              | 96.8   | 1.1              | 48.0   | 0.7              |
| Switzerland                | 17.7               | 0.1              | 17.6         | 0.1              | 14.9   | 0.2              | 9.1  | 0.1              |
| United Kingdom             | 243.5              | 1.9              | 242.5        | 2.0              | 134.0  | 1.5              | 76.4   | 1.1              |
| United States              | 2,698.4            | 21.0             | 2,568.3      | 21.2             | 1,668.8  | 18.5             | 974.9  | 13.4             |
| Other official bilateral   | 435.0              | 3.4              | 428.4        | 3.5              | 303.0  | 3.4              | 271.7  | 3.7              |
| Post-cutoff date           | 153.8              | 1.2              | 151.7        | 1.3              | 153.8  | 1.7              | 148.1  | 2.0              |
| ODA                        | 29.0               | 0.2              | 25.0         | 0.2              | 29.0   | 0.2              | 23.5   | 0.3              |
| Non-ODA                    | 124.9              | 1.0              | 126.7        | 1.0              | 124.9  | 1.4              | 124.6  | 1.7              |
| Pre-cutoff date            | 281.2              | 2.2              | 276.7        | 2.3              | 149.1  | 1.6              | 123.6  | 1.7              |
| ODA                        | 40.6               | 0.3              | 40.6         | 0.3              | 40.6   | 0.4              | 20.4   | 0.3              |
| Non-ODA                    | 240.6              | 1.9              | 236.2        | 1.9              | 108.6  | 1.2              | 103.2  | 1.4              |
| China                      | 51.8               | 0.4              | 47.8         | 0.4              | 51.8   | 0.6              | 34.9   | 0.5              |
| Egypt                      | 9.0                | 0.1              | 9.0          | 0.1              | 9.0  | 0.1              | 8.8  | 0.1              |
| Israel                     | 17.7               | 0.1              | 17.7         | 0.1              | 17.7   | 0.2              | 17.3   | 0.2              |
| Kuwait                     | 95.4               | 0.7              | 93.8         | 0.8              | 39.6   | 0.4              | 37.7   | 0.5              |
| Saudi Arabia               | 26.4               | 0.2              | 26.4         | 0.2              | 26.4   | 0.3              | 17.5   | 0.2              |
| Taiwan Province of China   | 35.2               | 0.3              | 34.1         | 0.3              | 35.2   | 0.4              | 33.7   | 0.5              |
| United Arab Emirates       | 152.4              | 1.2              | 152.5        | 1.3              | 76.2   | 0.8              | 75.5   | 1.0              |
| Yugoslavia                 | 47.1               | 0.4              | 47.1         | 0.4              | 47.1   | 0.5              | 46.1   | 0.6              |
| Commercial                 | 165.8              | 1.3              | 165.0        | 1.4              | 111.4  | 1.2              | 110.0  | 1.5              |
| Post-cutoff date           | 83.1               | 0.6              | 82.8         | 0.7              | 83.1   | 0.9              | 81.2   | 1.1              |
| Pre-cutoff date            | 82.7               | 0.6              | 82.2         | 0.7              | 28.3   | 0.3              | 28.7   | 0.4              |
| Belgium                    | 83.9               | 0.7              | 83.1         | 0.7              | 57.9   | 0.6              | 57.4   | 0.8              |
| Germany                    | 1.5                | 0.0              | 1.5          | 0.0              | 0.5  | 0.0              | 0.5  | 0.0              |
| Italy                      | 9.1                | 0.1              | 9.1          | 0.1              | 6.7  | 0.1              | 6.6  | 0.1              |
| Japan                      | 37.2               | 0.3              | 37.2         | 0.3              | 12.4   | 0.1              | 12.3   | 0.2              |
| Luxemburg                  | 0.0                | 0.0              | 0.0          | 0.0              | 0.0  | 0.0              | 0.0  | 0.0              |
| Netherlands                | 3.0                | 0.0              | 3.0          | 0.0              | 3.0  | 0.0              | 2.9  | 0.0              |
| South Africa               | 10.8               | 0.1              | 10.8         | 0.1              | 10.8   | 0.1              | 10.6   | 0.1              |
| Switzerland                | 19.9               | 0.2              | 19.9         | 0.2              | 19.9   | 0.2              | 19.5   | 0.3              |
| United States              | 0.3                | 0.0              | 0.3          | 0.0              | 0.1  | 0.0              | 0.1  | 0.0              |
| Short-term debt in arrears | 167.1              | 1.3              | 167.1        | 1.4              | 119.1  | 1.3              | 117.6  | 1.6              |
| Multilateral               | 30.4               | 0.2              | 30.4         | 0.3              | 30.4   | 0.3              | 30.4   | 0.4              |
| Bilateral and commercial   | 136.8              | 1.1              | 136.8        | 1.1              | 88.7   | 1.0              | 87.2   | 1.2              |

Sources: Congolese authorities; and staff estimates.

1/ Includes a stock-of-debt operation on Naples terms at end-2001, and at least comparable action by other official bilateral and commercial creditors on eligible debt (pre-cutoff and non-ODA).

2/ Paris Club cutoff date is June 30, 1983.

Table 5. Democratic Republic of the Congo: HIPC Initiative--Assistance Under a Proportional Burden-Sharing Approach 1/ 2/

(In millions of U.S. dollars, unless otherwise indicated)

| NPV of debt-<br>to-exports-target<br>(in percent) | Total                      | Bilateral 3/ | Multilateral 4/ | Common Reduction<br>Factor 5/<br>(Percent) |
|---|----------------------------|--------------|-----------------|--|
|   | (In NPV terms at end-2001) |              |                 |  |
| 150   | 5,773                      | 3,556        | 2,217           | 79.4                                       |
| Memorandum items:                                 |                            |              |                 |  |
| NPV of debt 6/                                    | 7,267                      | 4,476        | 2,791           |  |
| Paris Club Creditors 3/                           | 4,031                      |              |                 | 93.1                                       |
| <i>of which:</i> pre-cutoff non-ODA debt          | 2,199                      |              |                 | 115.2                                      |
| Non-Paris Club Creditors 3/                       | 445                        |              |                 | 93.1                                       |
| <i>of which:</i> pre-cutoff non-ODA debt          | 132                        |              |                 | 156.0                                      |
| Three-year average of exports 7/                  | 996                        |              |                 |  |
| Current-year exports 7/                           | 1,007                      |              |                 |  |
| NPV of debt-to-exports ratio 8/                   | 730                        |              |                 |  |

Sources: Congolese authorities; and staff estimates.

1/ The proportional burden-sharing approach is described in "HIPC Initiative--Estimated Costs and Burden-Sharing Approaches" (EBS/97/127, 7/7/97 and IDA/SEC M 97-306, 7/7/97).

2/ Includes a hypothetical stock-of-debt operation on Naples terms (December 2001) and comparable treatment by other official bilateral creditors.

3/ Includes official bilateral creditors, commercial debt and short-term debt in arrears.

4/ Includes multilateral short-term debt in arrears.

5/ Each creditor's NPV reduction in percent of its exposure at the decision point.

6/ Based on end-2001 data after full application of traditional debt-relief mechanisms.

7/ The exports in 2001 exclude service exports to MONUC.

8/ Based on the three-year export average (backward-looking average) ending in the year preceding the decision point (i.e., 1999-2001).

Table 6. Democratic Republic of the Congo: Discount and Exchange Rate Assumptions

| Currency Name          | 2001<br>Discount Rate 1/<br>(In percent) | 2001<br>Exchange Rate 2/ |
|------------------------|--|--------------------------|
| Austrian schilling     | 5.7                                      | 15.6                     |
| Belgian franc          | 5.7                                      | 45.8                     |
| Canadian dollar        | 6.4                                      | 1.6                      |
| Chinese yuan           | 5.2                                      | 8.3                      |
| Danish krone           | 5.7                                      | 8.4                      |
| Deutsche mark          | 5.7                                      | 2.2                      |
| Euro                   | 5.7                                      | 1.1                      |
| Indian rupee           | 5.2                                      | 48.2                     |
| Finnish markkaa        | 5.7                                      | 6.7                      |
| French franc           | 5.7                                      | 7.4                      |
| Great Britain sterling | 6.0                                      | 0.7                      |
| Irish pound            | 5.7                                      | 0.9                      |
| Italian lira           | 5.7                                      | 2,197.1                  |
| Japanese yen           | 1.4                                      | 131.8                    |
| Korean won             | 7.5                                      | 1,313.5                  |
| Kuwaiti dinar          | 5.2                                      | 0.3                      |
| Luxembourg franc       | 5.7                                      | 45.8                     |
| Netherlands guilder    | 5.7                                      | 2.5                      |
| Norwegian krone        | 7.9                                      | 9.0                      |
| Portuguese escudo      | 5.7                                      | 227.5                    |
| Saudi Arabian riyal    | 5.2                                      | 3.7                      |
| South African rand     | 5.2                                      | 12.1                     |
| Spanish peseta         | 5.7                                      | 188.8                    |
| Special drawing rights | 5.2                                      | 0.8                      |
| Swedish krona          | 5.8                                      | 10.7                     |
| Swiss franc            | 4.0                                      | 1.7                      |
| United States dollar   | 5.9                                      | 1.0                      |
| Memorandum item:       |  |                          |
| Paris Club cutoff date | June 30, 1983                            |                          |

Sources: OECD; and IMF, *International Financial Statistics*.

1/ The discount rates used are the average commercial interest reference rates over the six-month period prior to end-December 2001, i.e., the end of the period for which actual debt and export data are available.

2/ The exchange rates are expressed as national currency per U.S. dollar at end-December 2001.



Table 7. Democratic Republic of the Congo: Net Present Value of External Debt After Full Use of Traditional Debt-Relief Mechanisms, 2001-21 1/  
(In millions of U.S. dollars, unless otherwise indicated)

|  | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    | 2007     | 2008     | 2009     | 2010     | 2011     | 2012     | 2013     | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     | Averages |          |
|--|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|  |         |         |         |         |         |         |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          | 2001-11  | 2012-21  |
| NPV of total debt 2/                       | 7,266.7 | 7,282.9 | 7,226.1 | 7,241.9 | 7,287.8 | 7,267.3 | 7,437.4  | 7,648.1  | 7,854.2  | 8,058.5  | 8,231.4  | 8,437.3  | 8,702.5  | 8,949.2  | 9,229.4  | 9,550.0  | 9,859.8  | 10,110.8 | 10,322.2 | 10,487.4 | 10,609.4 | 7,527.5  | 9,625.8  |
| NPV of old debt                            | 7,266.7 | 7,237.1 | 6,983.8 | 6,734.7 | 6,482.3 | 6,227.2 | 6,194.2  | 6,160.2  | 6,125.8  | 6,089.8  | 6,044.5  | 5,989.8  | 5,924.1  | 5,845.0  | 5,751.6  | 5,643.5  | 5,517.2  | 5,351.6  | 5,164.3  | 4,950.4  | 4,705.2  | 6,504.2  | 5,484.3  |
| Official bilateral and commercial          | 4,475.9 | 4,468.2 | 4,238.2 | 4,011.0 | 3,779.6 | 3,547.4 | 3,540.9  | 3,532.3  | 3,521.0  | 3,504.7  | 3,479.6  | 3,446.1  | 3,402.3  | 3,346.0  | 3,276.0  | 3,192.2  | 3,091.3  | 2,952.1  | 2,791.4  | 2,604.8  | 2,387.6  | 3,827.2  | 3,049.0  |
| Paris Club                                 | 4,030.8 | 4,027.7 | 3,865.1 | 3,705.6 | 3,541.9 | 3,376.3 | 3,372.7  | 3,367.5  | 3,359.9  | 3,347.3  | 3,326.2  | 3,296.2  | 3,256.1  | 3,204.2  | 3,139.6  | 3,061.6  | 2,967.5  | 2,836.8  | 2,686.1  | 2,511.1  | 2,307.4  | 3,574.6  | 2,926.7  |
| Post-cutoff date                           | 840.1   | 824.8   | 649.0   | 475.4   | 299.7   | 121.7   | 105.1    | 92.5     | 83.3     | 76.2     | 68.8     | 61.3     | 53.8     | 46.1     | 38.3     | 31.8     | 25.5     | 19.5     | 16.1     | 14.4     | 12.5     | 330.6    | 31.9     |
| of which: ODA                              | 531.0   | 516.7   | 416.9   | 319.1   | 219.2   | 116.9   | 101.1    | 89.0     | 80.1     | 73.2     | 66.2     | 59.0     | 51.8     | 44.5     | 37.1     | 31.0     | 25.0     | 19.5     | 16.1     | 14.4     | 12.5     | 229.9    | 31.1     |
| Pre-cutoff date                            | 3,190.7 | 3,202.9 | 3,216.1 | 3,230.2 | 3,242.2 | 3,254.7 | 3,267.6  | 3,275.0  | 3,276.6  | 3,271.1  | 3,257.4  | 3,234.9  | 3,202.3  | 3,158.1  | 3,101.3  | 3,029.7  | 2,942.0  | 2,817.3  | 2,670.0  | 2,496.7  | 2,294.9  | 3,244.1  | 2,894.7  |
| of which: ODA                              | 992.0   | 997.7   | 1,003.9 | 1,010.6 | 1,017.9 | 1,025.9 | 1,034.4  | 1,043.7  | 1,053.7  | 1,064.5  | 1,076.0  | 1,088.5  | 1,101.9  | 1,116.3  | 1,131.8  | 1,148.3  | 1,166.0  | 1,166.9  | 1,166.6  | 1,164.9  | 1,161.8  | 1,029.1  | 1,141.3  |
| Other official bilateral                   | 276.1   | 272.9   | 240.6   | 208.0   | 175.3   | 142.4   | 139.5    | 136.2    | 132.8    | 129.5    | 125.8    | 122.9    | 120.1    | 116.5    | 112.3    | 107.9    | 102.7    | 96.0     | 88.2     | 79.1     | 68.6     | 179.9    | 101.4    |
| Post-cutoff date                           | 152.5   | 149.1   | 116.5   | 83.7    | 50.8    | 17.6    | 14.5     | 11.2     | 8.2      | 5.6      | 3.1      | 2.0      | 1.3      | 0.7      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 55.7     | 0.4      |
| of which: ODA                              | 23.5    | 22.4    | 18.5    | 14.5    | 10.2    | 5.8     | 4.4      | 3.0      | 1.8      | 1.1      | 0.5      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 0.0      | 9.6      | 0.0      |
| Pre-cutoff date                            | 123.6   | 123.8   | 124.1   | 124.3   | 124.5   | 124.8   | 125.1    | 125.0    | 124.7    | 123.9    | 122.7    | 121.0    | 118.7    | 115.8    | 112.3    | 107.9    | 102.7    | 96.0     | 88.2     | 79.1     | 68.6     | 124.2    | 101.0    |
| of which: ODA                              | 20.4    | 20.7    | 20.9    | 21.2    | 21.5    | 21.8    | 22.2     | 22.5     | 22.9     | 23.3     | 23.7     | 24.1     | 24.6     | 25.0     | 25.5     | 26.1     | 26.6     | 26.8     | 26.9     | 26.9     | 27.0     | 21.9     | 26.0     |
| Commercial                                 | 169.0   | 167.6   | 132.5   | 97.4    | 62.4    | 28.7    | 28.6     | 28.5     | 28.3     | 28.0     | 27.5     | 27.0     | 26.2     | 25.3     | 24.1     | 22.8     | 21.2     | 19.3     | 17.1     | 14.5     | 11.6     | 72.6     | 20.9     |
| Post-cutoff date                           | 169.0   | 167.6   | 132.5   | 97.4    | 62.4    | 28.7    | 28.6     | 28.5     | 28.3     | 28.0     | 27.5     | 27.0     | 26.2     | 25.3     | 24.1     | 22.8     | 21.2     | 19.3     | 17.1     | 14.5     | 11.6     | 72.6     | 20.9     |
| Multilateral                               | 2,790.8 | 2,768.9 | 2,745.6 | 2,723.7 | 2,702.7 | 2,679.9 | 2,653.3  | 2,627.9  | 2,604.8  | 2,585.1  | 2,564.8  | 2,543.7  | 2,521.8  | 2,499.0  | 2,475.6  | 2,451.2  | 2,425.9  | 2,399.5  | 2,372.9  | 2,345.6  | 2,317.6  | 2,677.0  | 2,435.3  |
| World Bank Group                           | 880.5   | 882.2   | 882.0   | 880.7   | 877.7   | 871.6   | 861.5    | 848.8    | 834.9    | 820.0    | 804.3    | 787.9    | 771.0    | 753.4    | 735.2    | 716.2    | 696.6    | 676.1    | 655.0    | 633.3    | 611.0    | 858.6    | 703.6    |
| AfDB/AfDB Group                            | 1,141.4 | 1,119.2 | 1,097.6 | 1,078.6 | 1,062.3 | 1,047.8 | 1,033.7  | 1,023.5  | 1,017.0  | 1,015.0  | 1,012.9  | 1,010.8  | 1,008.6  | 1,006.4  | 1,004.2  | 1,001.8  | 999.5    | 997.0    | 994.5    | 991.9    | 989.3    | 1,059.0  | 1,000.4  |
| IMF  | 502.9   | 502.9   | 502.9   | 502.9   | 502.9   | 502.9   | 502.9    | 502.9    | 502.9    | 502.9    | 502.9    | 502.9    | 502.9    | 502.9    | 502.9    | 502.9    | 502.9    | 502.9    | 502.9    | 502.9    | 502.9    | 502.9    | 502.9    |
| Others                                     | 266.0   | 264.6   | 263.1   | 261.5   | 259.7   | 257.5   | 255.2    | 252.6    | 250.0    | 247.3    | 244.7    | 242.1    | 239.3    | 236.3    | 233.3    | 230.2    | 227.0    | 223.5    | 220.5    | 217.5    | 214.4    | 256.6    | 228.4    |
| NPV of new debt 3/                         | ...     | 45.7    | 242.4   | 507.1   | 805.6   | 1,040.0 | 1,243.2  | 1,487.9  | 1,728.4  | 1,968.6  | 2,186.9  | 2,447.5  | 2,778.4  | 3,104.1  | 3,477.8  | 3,906.5  | 4,342.5  | 4,759.2  | 5,157.9  | 5,537.0  | 5,904.2  | 1,023.3  | 4,141.5  |
| NPV of debt-to-exports ratio 4/            | 729.6   | 712.1   | 650.3   | 578.1   | 497.1   | 413.5   | 353.3    | 309.5    | 275.1    | 246.7    | 221.0    | 199.6    | 182.1    | 166.4    | 153.3    | 143.3    | 135.0    | 127.2    | 119.5    | 111.7    | 103.9    | 453.3    | 144.2    |
| NPV of debt-to-revenue ratio 5/            | 2,169.1 | 1,668.4 | 1,319.9 | 1,031.4 | 802.7   | 678.9   | 615.3    | 552.5    | 496.1    | 445.5    | 399.5    | 359.5    | 327.3    | 297.5    | 270.9    | 252.9    | 237.5    | 222.5    | 207.5    | 192.6    | 178.0    | 925.4    | 254.6    |
| Memorandum items:                          |         |         |         |         |         |         |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| Exports of goods and nonfactor services 6/ | 1,006.7 | 1,100.6 | 1,226.3 | 1,431.4 | 1,740.7 | 2,101.0 | 2,473.4  | 2,839.1  | 3,251.9  | 3,708.8  | 4,212.0  | 4,763.0  | 5,363.0  | 6,012.7  | 6,683.4  | 7,296.7  | 7,931.3  | 8,620.9  | 9,370.4  | 10,184.9 | 11,070.0 | 2,281.1  | 7,729.6  |
| Three-year export average                  | 996.0   | 1,022.7 | 1,111.2 | 1,252.8 | 1,466.1 | 1,757.7 | 2,105.0  | 2,471.2  | 2,854.8  | 3,266.6  | 3,724.2  | 4,227.9  | 4,779.3  | 5,379.6  | 6,019.7  | 6,664.3  | 7,303.8  | 7,949.6  | 8,640.8  | 9,392.0  | 10,208.4 | 2,002.6  | 7,056.5  |
| Government revenues 7/                     | 335.0   | 436.5   | 547.5   | 702.2   | 907.9   | 1,070.4 | 1,208.8  | 1,384.2  | 1,583.0  | 1,808.9  | 2,060.6  | 2,347.0  | 2,658.5  | 3,008.0  | 3,407.0  | 3,775.9  | 4,151.7  | 4,544.3  | 4,974.1  | 5,444.6  | 5,959.5  | 1,095.0  | 4,027.1  |
| GDP  | 5,699.2 | 5,992.9 | 6,543.4 | 7,290.3 | 8,210.6 | 9,182.3 | 10,119.5 | 11,038.2 | 12,040.2 | 13,133.1 | 14,325.3 | 15,625.7 | 17,044.2 | 18,591.4 | 20,279.0 | 21,913.2 | 23,679.0 | 25,587.1 | 27,649.0 | 29,877.0 | 32,284.6 | 9,415.9  | 23,253.0 |

Sources: Congolese authorities; and staff estimates and projections.

- 1/ Refers to public and publicly guaranteed external debt only, and assumes full use of traditional debt-relief mechanisms, i.e., a hypothetical Paris Club stock-of-debt operation on Naples terms (67 percent NPV reduction) at end-2001, and at least comparable action by other official bilateral and commercial creditors. This is before any debt relief under the HIPC Initiative.
- 2/ Discounted on the basis of the average commercial interest reference rate for the respective currency, derived over the six-month period prior to the latest date for which actual data are available, i.e., end-2001. Currency-specific NPVs are converted to U.S. dollars for all years at the end-2001 exchange rate.
- 3/ Reflects the borrowing needed to close the gap.
- 4/ NPV of debt in percent of three-year average of exports of goods and nonfactor services.
- 5/ NPV of debt in percent of central government revenues, excluding grants.
- 6/ As defined in IMF, *Balance of Payments Manual*, 5th edition, 1993. 2001 figure excludes service exports to MONUC.
- 7/ Revenues are defined as central government revenues, excluding grants.

Table 8. Democratic Republic of the Congo: External Debt Service, 2002–21 1/

|   | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | Averages |         |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------|---------|
|   |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       | 2002-11  | 2012-21 |
| Before arrears clearance and traditional debt relief                      |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |          |         |
| Total debt service obligations including projected interest on arrears 2/ | 702.1 | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...      |         |
| Total scheduled debt service  | 357.3 | 281.3 | 212.4 | 209.0 | 201.0 | 222.1 | 219.9 | 225.5 | 239.6 | 257.2 | 281.6 | 293.6 | 288.8 | 280.1 | 322.7 | 339.0 | 390.8 | 451.4 | 514.4 | 577.3 | 229.8    | 374.0   |
| Existing debt 3/  | 355.6 | 275.4 | 201.3 | 189.9 | 180.7 | 171.3 | 160.6 | 147.3 | 135.8 | 129.6 | 124.3 | 118.8 | 101.0 | 65.0  | 60.3  | 59.5  | 58.4  | 55.0  | 52.1  | 51.1  | 176.9    | 74.6    |
| Multilateral  | 62.7  | 63.4  | 61.1  | 59.4  | 60.4  | 63.2  | 61.2  | 57.6  | 53.1  | 53.0  | 52.5  | 52.1  | 51.8  | 51.5  | 51.0  | 50.7  | 50.4  | 49.9  | 48.8  | 47.9  | 59.2     | 50.7    |
| World Bank Group  | 28.1  | 30.1  | 31.1  | 32.7  | 35.6  | 39.3  | 41.4  | 42.0  | 42.1  | 42.1  | 42.0  | 41.7  | 41.4  | 41.1  | 40.9  | 40.6  | 40.3  | 39.8  | 39.4  | 38.8  | 37.4     | 40.6    |
| IMF   | 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   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0      | 0.0     |
| AfDF/AfDB Group   | 29.5  | 28.1  | 24.9  | 21.5  | 19.2  | 18.3  | 13.9  | 9.9   | 5.2   | 5.1   | 5.1   | 5.1   | 5.0   | 5.0   | 5.0   | 4.9   | 4.9   | 4.9   | 4.9   | 4.8   | 16.2     | 5.0     |
| Others  | 5.2   | 5.2   | 5.2   | 5.2   | 5.6   | 5.6   | 5.8   | 5.8   | 5.8   | 5.8   | 5.4   | 5.4   | 5.4   | 5.4   | 5.2   | 5.2   | 5.2   | 5.2   | 5.4   | 4.3   | 5.5      | 5.1     |
| Official bilateral  | 286.6 | 205.9 | 136.4 | 129.0 | 120.3 | 108.1 | 99.4  | 89.6  | 82.7  | 76.5  | 71.9  | 66.7  | 49.2  | 13.5  | 9.3   | 8.8   | 8.0   | 5.1   | 3.3   | 3.3   | 116.4    | 23.9    |
| Paris Club  | 268.5 | 188.6 | 119.8 | 113.0 | 110.0 | 104.0 | 95.4  | 86.0  | 79.6  | 73.8  | 70.5  | 66.0  | 48.5  | 12.8  | 9.3   | 8.8   | 8.0   | 5.1   | 3.3   | 3.3   | 107.8    | 23.5    |
| Non-Paris Club  | 18.1  | 17.3  | 16.6  | 15.9  | 10.4  | 4.1   | 4.0   | 3.7   | 3.0   | 2.7   | 1.3   | 0.7   | 0.7   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 8.6      | 0.4     |
| Commercial  | 6.3   | 6.1   | 3.8   | 1.5   | 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   | 0.0   | 0.0   | 0.0   | 1.3      | 0.0     |
| New debt  | 1.7   | 5.9   | 11.1  | 19.1  | 20.3  | 50.8  | 59.4  | 78.3  | 103.9 | 127.7 | 157.3 | 174.7 | 187.8 | 215.1 | 262.4 | 279.5 | 332.4 | 396.4 | 462.3 | 526.2 | 52.9     | 299.4   |
| Interest on arrears 2/  | 344.8 | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...      |         |
| Debt service-to-exports ratio (including arrears)                         | 63.8  | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...      |         |
| Debt service-to-exports ratio (excluding arrears)                         | 32.5  | 22.9  | 14.8  | 12.0  | 9.6   | 9.0   | 7.7   | 6.9   | 6.5   | 6.1   | 5.9   | 5.5   | 4.8   | 4.2   | 4.4   | 4.3   | 4.5   | 4.8   | 5.1   | 5.2   | 12.8     | 4.9     |
| Debt service-to-revenue ratio (including arrears)                         | 100.0 | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...   | ...      |         |
| Debt service-to-revenue ratio (excluding arrears)                         | 81.9  | 51.4  | 30.2  | 23.0  | 18.8  | 18.4  | 15.9  | 14.2  | 13.2  | 12.5  | 12.0  | 11.0  | 9.6   | 8.2   | 8.5   | 8.2   | 8.6   | 9.1   | 9.4   | 9.7   | 28.0     | 9.4     |
| After arrears clearance 4/  |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |          |         |
| Total   | 56.0  | 228.1 | 463.0 | 698.1 | 894.7 | 932.1 | 747.2 | 659.7 | 635.7 | 662.4 | 587.3 | 606.0 | 607.4 | 608.0 | 659.2 | 685.5 | 747.2 | 818.3 | 892.1 | 943.9 | 597.7    | 715.5   |
| Existing debt   | 54.3  | 222.2 | 451.9 | 679.0 | 874.4 | 881.4 | 687.9 | 581.5 | 531.9 | 534.7 | 430.1 | 431.3 | 419.6 | 393.0 | 396.8 | 406.0 | 414.8 | 421.9 | 429.8 | 417.7 | 549.9    | 416.1   |
| Multilateral  | 31.3  | 46.8  | 149.8 | 166.6 | 175.8 | 286.5 | 292.4 | 296.5 | 293.4 | 295.6 | 188.7 | 187.3 | 184.6 | 184.9 | 183.5 | 182.6 | 181.2 | 179.0 | 175.6 | 133.9 | 203.5    | 178.1   |
| IMF/Multilateral  | 21.4  | 35.1  | 36.1  | 37.7  | 40.6  | 145.7 | 147.4 | 147.0 | 146.5 | 51.0  | 50.7  | 50.4  | 50.0  | 49.7  | 49.4  | 49.1  | 48.6  | 48.1  | 47.4  | 47.4  | 90.5     | 49.9    |
| Other multilaterals   | 9.9   | 11.7  | 113.7 | 128.9 | 135.2 | 140.8 | 145.1 | 149.1 | 146.4 | 149.0 | 137.7 | 136.7 | 134.2 | 134.9 | 133.7 | 133.2 | 132.1 | 130.4 | 127.5 | 86.5  | 113.0    | 128.7   |
| Official bilateral  | 21.4  | 156.3 | 265.5 | 471.2 | 653.0 | 567.1 | 388.2 | 281.6 | 236.8 | 237.4 | 239.5 | 242.0 | 232.9 | 205.9 | 211.0 | 220.9 | 231.0 | 240.2 | 251.3 | 280.7 | 327.8    | 235.5   |
| Paris Club  | 19.9  | 135.0 | 227.9 | 422.7 | 592.9 | 528.1 | 368.7 | 268.5 | 227.5 | 228.1 | 231.3 | 234.0 | 224.5 | 197.1 | 202.5 | 212.0 | 221.5 | 230.2 | 240.6 | 268.9 | 301.9    | 226.2   |
| Non-Paris Club  | 1.5   | 21.3  | 37.5  | 48.5  | 60.1  | 39.0  | 19.5  | 13.1  | 9.3   | 9.3   | 8.2   | 8.0   | 8.4   | 8.8   | 8.5   | 9.0   | 9.5   | 10.1  | 10.7  | 11.8  | 25.9     | 9.3     |
| Commercial  | 1.6   | 19.2  | 36.7  | 41.3  | 45.6  | 27.8  | 7.2   | 3.4   | 1.7   | 1.8   | 1.9   | 2.0   | 2.1   | 2.2   | 2.3   | 2.5   | 2.6   | 2.8   | 2.9   | 3.1   | 18.6     | 2.9     |
| New debt  | 1.7   | 5.9   | 11.1  | 19.1  | 20.3  | 50.8  | 59.4  | 78.3  | 103.9 | 127.7 | 157.3 | 174.7 | 187.8 | 215.1 | 262.4 | 279.5 | 332.4 | 396.4 | 462.3 | 526.2 | 47.8     | 299.4   |
| Debt service-to-exports ratio (percent)                                   | 5.1   | 18.6  | 32.3  | 40.1  | 42.6  | 37.7  | 26.3  | 20.3  | 17.1  | 15.7  | 12.3  | 11.3  | 10.1  | 9.1   | 9.0   | 8.6   | 8.7   | 8.7   | 8.8   | 8.5   | 25.6     | 9.5     |
| Debt service-to-revenue ratio (percent)                                   | 12.8  | 41.7  | 65.9  | 76.9  | 83.6  | 77.1  | 54.0  | 41.7  | 35.1  | 32.1  | 25.0  | 22.8  | 20.2  | 17.8  | 17.5  | 16.5  | 16.4  | 16.5  | 16.4  | 15.8  | 52.1     | 18.5    |
| After traditional debt relief 5/  |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |          |         |
| Total   | 305.4 | 532.4 | 519.5 | 517.4 | 507.3 | 301.8 | 310.3 | 328.2 | 353.9 | 385.8 | 422.1 | 447.9 | 471.1 | 508.9 | 565.9 | 595.5 | 681.1 | 758.8 | 841.1 | 924.6 | 406.2    | 621.7   |
| Existing debt   | 603.7 | 526.5 | 508.4 | 498.3 | 487.0 | 251.1 | 250.9 | 249.9 | 250.1 | 258.1 | 264.8 | 273.2 | 283.3 | 293.8 | 303.5 | 316.0 | 348.7 | 362.4 | 378.7 | 398.4 | 358.4    | 322.3   |
| Multilateral  | 32.7  | 63.4  | 61.1  | 59.4  | 60.4  | 63.2  | 61.2  | 57.6  | 53.1  | 53.0  | 52.5  | 52.1  | 51.8  | 51.5  | 51.0  | 50.7  | 50.4  | 49.9  | 48.8  | 47.9  | 59.5     | 50.7    |
| World Bank Group  | 28.1  | 30.1  | 31.1  | 32.7  | 35.6  | 39.3  | 41.4  | 42.0  | 42.1  | 42.1  | 42.0  | 41.7  | 41.4  | 41.1  | 40.9  | 40.6  | 40.3  | 39.8  | 39.4  | 38.8  | 36.4     | 40.6    |
| IMF   | 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   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0      | 0.0     |
| AfDF/AfDB Group   | 29.5  | 28.1  | 24.9  | 21.5  | 19.2  | 18.3  | 13.9  | 9.9   | 5.2   | 5.1   | 5.1   | 5.1   | 5.0   | 5.0   | 5.0   | 4.9   | 4.9   | 4.9   | 4.9   | 4.8   | 17.6     | 5.0     |
| Others  | 5.2   | 5.2   | 5.2   | 5.2   | 5.6   | 5.6   | 5.8   | 5.8   | 5.8   | 5.8   | 5.4   | 5.4   | 5.4   | 5.4   | 5.2   | 5.2   | 5.2   | 5.2   | 5.4   | 4.3   | 5.5      | 5.1     |
| Official bilateral  | 229.8 | 418.4 | 404.6 | 398.2 | 389.3 | 186.2 | 188.0 | 190.4 | 195.0 | 203.0 | 210.2 | 218.8 | 229.0 | 239.7 | 249.7 | 262.4 | 295.2 | 309.2 | 326.4 | 346.8 | 280.3    | 268.7   |
| Paris Club  | 211.5 | 371.1 | 358.9 | 354.1 | 347.0 | 175.7 | 177.7 | 179.7 | 184.6 | 192.5 | 200.6 | 209.3 | 219.1 | 229.3 | 239.5 | 251.5 | 283.1 | 296.3 | 312.7 | 332.1 | 255.2    | 250.5   |
| Non-Paris Club  | 18.3  | 47.4  | 45.7  | 44.0  | 42.4  | 10.4  | 10.7  | 10.7  | 10.4  | 10.5  | 9.5   | 9.4   | 9.9   | 10.4  | 10.3  | 10.9  | 12.1  | 12.9  | 13.8  | 14.7  | 25.1     | 11.4    |
| Commercial  | 11.1  | 44.7  | 42.7  | 40.6  | 37.3  | 1.7   | 1.8   | 1.8   | 2.0   | 2.1   | 2.2   | 2.3   | 2.4   | 2.6   | 2.7   | 2.9   | 3.1   | 3.3   | 3.5   | 3.8   | 18.6     | 2.9     |
| New debt  | 1.7   | 5.9   | 11.1  | 19.1  | 20.3  | 50.8  | 59.4  | 78.3  | 103.9 | 127.7 | 157.3 | 174.7 | 187.8 | 215.1 | 262.4 | 279.5 | 332.4 | 396.4 | 462.3 | 526.2 | 47.8     | 299.4   |
| Debt service-to-exports ratio (percent)                                   | 27.7  | 43.4  | 36.3  | 29.7  | 24.1  | 12.2  | 10.9  | 10.1  | 9.5   | 9.2   | 8.9   | 8.4   | 7.8   | 7.6   | 7.8   | 7.5   | 7.9   | 8.1   | 8.3   | 8.4   | 21.3     | 8.1     |
| Debt service-to-revenue ratio (percent)                                   | 70.0  | 97.2  | 74.0  | 57.0  | 47.4  | 25.0  | 22.4  | 20.7  | 19.6  | 18.7  | 18.0  | 16.8  | 15.7  | 14.9  | 15.0  | 14.3  | 15.0  | 15.3  | 15.4  | 15.5  | 45.2     | 15.6    |
| After HIPC assistance 6/  |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |          |         |
| Total   | 56.0  | 178.3 | 319.0 | 357.0 | 327.8 | 262.5 | 172.3 | 177.6 | 191.1 | 212.9 | 210.3 | 227.6 | 240.6 | 267.6 | 313.0 | 329.5 | 381.3 | 442.0 | 505.6 | 624.3 | 225.5    | 354.2   |
| Existing debt   | 54.3  | 172.4 | 307.9 | 337.9 | 307.5 | 211.8 | 113.0 | 99.3  | 87.2  | 85.2  | 53.0  | 52.9  | 52.8  | 52.6  | 50.5  | 50.0  | 48.9  | 45.7  | 43.2  | 98.1  | 177.6    | 54.8    |
| Multilateral  | 31.3  | 11.2  | 29.7  | 33.9  | 30.3  | 61.8  | 62.7  | 63.4  | 62.2  | 62.7  | 30.7  | 30.9  | 31.1  | 31.3  | 30.9  | 30.8  | 30.6  | 30.2  | 29.5  | 84.4  | 44.9     | 36.1    |
| World Bank Group  | 18.8  | 3.6   | 1.0   | 1.0   | 1.1   | 1.2   | 1.2   | 1.3   | 1.3   | 1.3   | 1.4   | 1.4   | 1.4   | 1.4   | 1.4   | 1.4   | 1.4   | 1.4   | 1.4   | 1.3   | 3.2      | 1.4     |
| IMF   | 2.5   | 0.9   | 0.8   | 0.8   | 0.8   | 30.9  | 30.7  | 30.6  | 30.4  | 30.3  | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 15.9     | 0.0     |
| AfDF/AfDB Group   | 4.4   | 1.3   | 19.9  | 21.4  | 22.6  | 23.8  | 24.8  | 25.8  | 26.6  | 27.2  | 27.7  | 28.1  | 28.4  | 28.5  | 28.5  | 28.4  | 28.2  | 27.8  | 27.3  | 82.3  | 19.8     | 33.5    |
| Others  | 5.5   | 5.5   | 8.0   | 10.8  | 5.8   | 5.9   | 5.9   | 5.8   | 4.0   | 3.9   | 1.5   | 1.4   | 1.3   | 1.3   | 1.0   | 1.0   | 1.0   | 0.9   | 0.8   | 6.1   | 1.1      |         |
| Official bilateral  | 21.4  | 142.1 | 241.8 | 265.3 | 251.1 | 150.0 | 50.3  | 35.9  | 25.0  | 22.5  | 22.2  | 21.9  | 21.6  | 21.3  | 19.6  | 19.2  | 18.4  | 15.5  | 13.7  | 13.7  | 120.5    | 18.7    |
| Paris Club  | 19.9  | 121.3 | 205.1 | 226.0 | 238.2 | 150.0 | 50.3  | 35.9  | 25.0  | 22.5  | 22.2  | 21.9  | 21.6  | 21.3  | 19.6  | 19.2  | 18.4  | 15.5  | 13.7  | 13.7  | 109.4    | 18.7    |
| Non-Paris Club  | 1.5   | 20.8  | 36.7  | 39.2  | 12.9  | 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   | 0.0   | 0.0   | 11.1     | 0.0     |
| Commercial  | 1.6   | 19.0  | 36.5  | 38.7  | 26.1  | 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   | 0.0   | 0.0   | 12.2     | 0.0     |
| New debt  | 1.7   | 5.9   | 11.1  | 19.1  | 20.3  | 50.8  | 59.4  | 78.3  | 103.9 | 127.7 | 157.3 | 174.7 | 187.8 | 215.1 | 262.4 | 279.5 | 332.4 | 396.4 | 462.3 | 526.2 | 47.8     | 299.4   |
| Debt service-to-exports ratio (percent)                                   | 5.1   | 14.5  | 22.3  | 20.5  | 15.6  | 10.6  | 6.1   | 5.5   | 5.2   | 5.1   | 4.4   | 4.2   | 4.0   | 4.0   | 4.3   | 4.2   | 4.4   | 4.7   | 5.0   | 5.6   | 11.0     | 4.5     |
| Debt service-to-revenue ratio (percent)                                   | 12.8  | 32.6  | 45.4  | 39.3  | 30.6  | 21.7  | 12.4  | 11.2  | 10.6  | 10.3  | 9.0   | 8.6   | 8.0   | 7.9   | 8.3   | 7.9   | 8.4   | 8.9   | 9.3   | 10.5  | 22.7     | 8.7     |
| Reduction in debt service as a result of                                  |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |          |         |
| HIPC Initiative assistance 7/   | 337.5 | 289.1 | 267.5 | 294.9 | 262.6 | 369.2 | 389.4 | 403.2 | 415.4 | 348.1 | 35    |       |       |       |       |       |       |       |       |       |          |         |

Sources: Congolese authorities; and staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed (PPG) debt and are defined after rescheduling, unless otherwise indicated.

2/ Interest on arrears is only projected for 2002.

3/ Includes only scheduled debt service on current maturities and does not include projected interest on arrears

4/ Arrears to multilaterals are expected to be cleared through a bridge loan to a successor arrangement or to be rescheduled. Paris Club creditors are expected to provide a comprehensive rescheduling of debt on Naples flow terms, including the capitalization of moratorium interest during the consolidation period. Post-cutoff arrears are assumed to be deferred for one year and with repayments scheduled over five years at market interest rates. Other bilateral and commercial creditors are expected to provide debt relief on comparable terms.

<sup>5/</sup> Assumes a hypothetical stock-of-debt operation by the Paris Club creditors on Naples stock terms and comparable treatment from other bilateral and commercial creditors; excludes multilateral arrears clearance.

<sup>16</sup> Creditors are generally assumed to start providing HIPC assistance through the interim period and to provide the balance of their assistance at the completion point expected in early 2006. Specifically, the IMF, World Bank, ADB and EU are expected to start providing assistance during the interim period, while the remaining multilaterals are assumed to provide their assistance at the completion point. Paris Club creditors are assumed to provide a Cologne flow rescheduling on eligible debt during the interim period and to provide a stock of debt operation on Cologne terms at the completion point. Other bilateral and commercial creditors are assumed to provide assistance on comparable terms.

<sup>7/</sup> For Paris Club and other bilateral and commercial creditors, HIPC assistance is measured by the debt service reduction between the projected debt service after

HIPC assistance is measured by the debt service reduction between the debt service following arrears c

<sup>8</sup>/ As defined in IMF, Balance of Payments Manual, 5th edition, 1993. Re

<sup>9</sup>/ Revenues are defined as central government revenues, excluding grants.

Table 9. Democratic Republic of the Congo: Net Present Value of External Debt After HIPC Assistance, 2001-21  
(In millions of U.S. dollars, unless otherwise indicated)

|  | 2001     | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018     | 2019     | 2020     | 2021     | Averages |         |
|--|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|---------|
|  |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |          |          |          | 2001-11  | 2012-21 |
| I. After traditional debt-relief 1/                                      |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |          |          |          |          |         |
| NPV of total debt  | 7,266.7  | 7,282.9 | 7,226.1 | 7,241.9 | 7,287.8 | 7,267.3 | 7,437.4 | 7,648.1 | 7,854.2 | 8,058.5 | 8,231.4 | 8,437.3 | 8,702.5 | 8,949.2 | 9,229.4 | 9,550.0 | 9,859.8 | 10,110.8 | 10,322.2 | 10,487.4 | 10,609.4 | 7,527.5  | 9,625.8 |
| NPV of outstanding debt  | 7,266.7  | 7,237.1 | 6,983.8 | 6,734.7 | 6,482.3 | 6,227.2 | 6,194.2 | 6,160.2 | 6,125.8 | 6,089.8 | 6,044.5 | 5,989.8 | 5,924.1 | 5,845.0 | 5,751.6 | 5,643.5 | 5,517.2 | 5,351.6  | 5,164.3  | 4,950.4  | 4,705.2  | 6,504.2  | 5,484.3 |
| Official bilateral and commercial  | 4,475.9  | 4,468.2 | 4,238.2 | 4,011.0 | 3,779.6 | 3,547.4 | 3,540.9 | 3,532.3 | 3,521.0 | 3,504.7 | 3,479.6 | 3,446.1 | 3,402.3 | 3,346.0 | 3,276.0 | 3,192.2 | 3,091.3 | 2,952.1  | 2,791.4  | 2,604.8  | 2,387.6  | 3,827.2  | 3,049.0 |
| Paris Club   | 4,030.8  | 4,027.7 | 3,865.1 | 3,705.6 | 3,541.9 | 3,376.3 | 3,372.7 | 3,367.5 | 3,359.9 | 3,347.3 | 3,326.2 | 3,296.2 | 3,256.1 | 3,204.2 | 3,139.6 | 3,061.6 | 2,967.5 | 2,836.8  | 2,686.1  | 2,511.1  | 2,307.4  | 3,574.6  | 2,926.7 |
| Other official bilateral   | 276.1    | 272.9   | 240.6   | 208.0   | 175.3   | 142.4   | 139.5   | 136.2   | 132.8   | 129.5   | 125.8   | 122.9   | 120.1   | 116.5   | 112.3   | 107.9   | 102.7   | 96.0     | 88.2     | 79.1     | 68.6     | 179.9    | 101.4   |
| Commercial   | 169.0    | 167.6   | 132.5   | 97.4    | 62.4    | 28.7    | 28.6    | 28.5    | 28.3    | 28.0    | 27.5    | 27.0    | 26.2    | 25.3    | 24.1    | 22.8    | 21.2    | 19.3     | 17.1     | 14.5     | 11.6     | 72.6     | 20.9    |
| Multilateral   | 2,790.8  | 2,768.9 | 2,745.6 | 2,723.7 | 2,702.7 | 2,679.9 | 2,653.3 | 2,627.9 | 2,604.8 | 2,585.1 | 2,564.8 | 2,543.7 | 2,521.8 | 2,499.0 | 2,475.6 | 2,451.2 | 2,425.9 | 2,399.5  | 2,372.9  | 2,345.6  | 2,317.6  | 2,677.0  | 2,435.3 |
| NPV of new borrowing   | ...      | 45.7    | 242.4   | 507.1   | 805.6   | 1,040.0 | 1,243.2 | 1,487.9 | 1,728.4 | 1,968.6 | 2,186.9 | 2,447.5 | 2,778.4 | 3,104.1 | 3,477.8 | 3,906.5 | 4,342.5 | 4,759.2  | 5,157.9  | 5,537.0  | 5,904.2  | 1,023.3  | 4,141.5 |
| Memorandum items:  |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |          |          |          |          |         |
| NPV of debt-to-exports ratio (percent) 2/                                |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |          |          |          |          |         |
| Total debt   | 729.6    | 712.1   | 650.3   | 578.1   | 497.1   | 413.5   | 353.3   | 309.5   | 275.1   | 246.7   | 221.0   | 199.6   | 182.1   | 166.4   | 153.3   | 143.3   | 135.0   | 127.2    | 119.5    | 111.7    | 103.9    | 453.3    | 144.2   |
| Outstanding debt   | 729.6    | 707.6   | 628.5   | 537.6   | 442.1   | 354.3   | 294.3   | 249.3   | 214.6   | 186.4   | 162.3   | 141.7   | 124.0   | 108.7   | 95.5    | 84.7    | 75.5    | 67.3     | 59.8     | 52.7     | 46.1     | 409.7    | 85.6    |
| NPV of debt-to-revenue ratio (percent)                                   |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |          |          |          |          |         |
| Total debt   | 2,169.1  | 1,668.4 | 1,319.9 | 1,031.4 | 802.7   | 678.9   | 615.3   | 552.5   | 496.1   | 445.5   | 399.5   | 359.5   | 327.3   | 297.5   | 270.9   | 252.9   | 237.5   | 222.5    | 207.5    | 192.6    | 178.0    | 925.4    | 254.6   |
| Outstanding debt   | 2,169.1  | 1,657.9 | 1,275.6 | 959.2   | 714.0   | 581.7   | 512.4   | 445.0   | 387.0   | 336.7   | 293.3   | 255.2   | 222.8   | 194.3   | 168.8   | 149.5   | 132.9   | 117.8    | 103.8    | 90.9     | 79.0     | 848.4    | 151.5   |
| II. After enhanced HIPC assistance 3/                                    |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |          |          |          |          |         |
| NPV of total debt  | 12,129.7 | 5,467.0 | 5,624.7 | 5,816.2 | 5,950.5 | 2,318.1 | 2,376.4 | 2,563.5 | 2,757.1 | 2,960.1 | 3,141.2 | 3,394.9 | 3,718.9 | 4,037.4 | 4,403.8 | 4,826.9 | 5,257.7 | 5,669.9  | 6,067.4  | 6,447.7  | 6,761.4  | 4,645.9  | 5,058.6 |
| NPV of outstanding debt  | 12,129.7 | 5,421.2 | 5,382.3 | 5,309.1 | 5,145.0 | 1,278.1 | 1,133.2 | 1,075.7 | 1,028.7 | 991.4   | 954.2   | 947.4   | 940.5   | 933.3   | 926.0   | 920.4   | 915.1   | 910.8    | 909.5    | 910.7    | 857.2    | 3,622.6  | 917.1   |
| Official bilateral and commercial  | 9,338.9  | 4,713.7 | 4,649.3 | 4,567.9 | 4,405.4 | 572.8   | 453.2   | 423.2   | 405.9   | 398.6   | 393.4   | 388.4   | 383.5   | 378.6   | 373.9   | 370.7   | 367.9   | 365.8    | 366.5    | 369.2    | 372.1    | 2,756.6  | 373.7   |
| Paris Club   | 8,680.8  | 4,253.2 | 4,226.7 | 4,202.1 | 4,103.0 | 572.8   | 453.2   | 423.2   | 405.9   | 398.6   | 393.4   | 388.4   | 383.5   | 378.6   | 373.9   | 370.7   | 367.9   | 365.8    | 366.5    | 369.2    | 372.1    | 2,555.7  | 373.7   |
| Other official bilateral   | 432.9    | 291.0   | 270.7   | 240.6   | 206.7   | 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      | 0.0      | 0.0      | 0.0      | 131.1    | 0.0     |
| Commercial   | 225.1    | 169.5   | 152.0   | 125.2   | 95.7    | 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      | 0.0      | 0.0      | 0.0      | 69.8     | 0.0     |
| Multilateral   | 2,790.8  | 707.6   | 733.0   | 741.2   | 739.6   | 705.2   | 680.0   | 652.5   | 622.8   | 592.8   | 560.8   | 559.1   | 557.0   | 554.7   | 552.1   | 549.7   | 547.2   | 545.0    | 543.0    | 541.5    | 485.0    | 866.0    | 543.4   |
| NPV of new borrowing   | ...      | 45.7    | 242.4   | 507.1   | 805.6   | 1,040.0 | 1,243.2 | 1,487.9 | 1,728.4 | 1,968.6 | 2,186.9 | 2,447.5 | 2,778.4 | 3,104.1 | 3,477.8 | 3,906.5 | 4,342.5 | 4,759.2  | 5,157.9  | 5,537.0  | 5,904.2  | 1,023.3  | 4,141.5 |
| Memorandum items:  |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |          |          |          |          |         |
| NPV of debt-to-exports ratio (percent) 2/                                |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |          |          |          |          |         |
| Total debt   | 1,217.8  | 534.6   | 506.2   | 464.3   | 405.9   | 131.9   | 112.9   | 103.7   | 96.6    | 90.6    | 84.3    | 80.3    | 77.8    | 75.1    | 73.2    | 72.4    | 72.0    | 71.3     | 70.2     | 68.7     | 66.2     | 340.8    | 72.7    |
| Outstanding debt   | 1,217.8  | 530.1   | 484.4   | 423.8   | 350.9   | 72.7    | 53.8    | 43.5    | 36.0    | 30.4    | 25.6    | 22.4    | 19.7    | 17.3    | 15.4    | 13.8    | 12.5    | 11.5     | 10.5     | 9.7      | 8.4      | 297.2    | 14.1    |
| NPV of debt-to-revenue ratio (percent)                                   |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |          |          |          |          |         |
| Total debt   | 3,620.8  | 1,252.4 | 1,027.4 | 828.3   | 655.4   | 216.6   | 196.6   | 185.2   | 174.2   | 163.6   | 152.4   | 144.6   | 139.9   | 134.2   | 129.3   | 127.8   | 126.6   | 124.8    | 122.0    | 118.4    | 113.5    | 770.3    | 128.1   |
| Outstanding debt   | 3,620.8  | 1,241.9 | 983.1   | 756.1   | 566.7   | 119.4   | 93.7    | 77.7    | 65.0    | 54.8    | 46.3    | 40.4    | 35.4    | 31.0    | 27.2    | 24.4    | 22.0    | 20.0     | 18.3     | 16.7     | 14.4     | 693.2    | 25.0    |
| III. After enhanced HIPC assistance assumed committed unconditionally 4/ |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |          |          |          |          |         |
| NPV of total debt  | 1,494.0  | 1,569.8 | 1,772.5 | 2,014.6 | 2,251.4 | 2,318.1 | 2,376.4 | 2,563.5 | 2,757.1 | 2,960.1 | 3,141.2 | 3,394.9 | 3,718.9 | 4,037.4 | 4,403.8 | 4,826.9 | 5,257.7 | 5,669.9  | 6,067.4  | 6,447.7  | 6,761.4  | 2,292.6  | 5,058.6 |
| NPV of outstanding debt  | 1,494.0  | 1,524.1 | 1,530.2 | 1,507.5 | 1,445.9 | 1,278.1 | 1,133.2 | 1,075.7 | 1,028.7 | 991.4   | 954.2   | 947.4   | 940.5   | 933.3   | 926.0   | 920.4   | 915.1   | 910.8    | 909.5    | 910.7    | 857.2    | 1,269.4  | 917.1   |
| Official bilateral and commercial  | 920.2    | 850.8   | 833.4   | 804.4   | 746.5   | 572.8   | 453.2   | 423.2   | 405.9   | 398.6   | 393.4   | 388.4   | 383.5   | 378.6   | 373.9   | 370.7   | 367.9   | 365.8    | 366.5    | 369.2    | 372.1    | 618.4    | 373.7   |
| Paris Club   | 828.7    | 777.6   | 764.8   | 743.4   | 700.8   | 572.8   | 453.2   | 423.2   | 405.9   | 398.6   | 393.4   | 388.4   | 383.5   | 378.6   | 373.9   | 370.7   | 367.9   | 365.8    | 366.5    | 369.2    | 372.1    | 587.5    | 373.7   |
| Other official bilateral   | 56.8     | 45.4    | 42.6    | 37.8    | 28.4    | 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      | 0.0      | 0.0      | 0.0      | 19.2     | 0.0     |
| Commercial   | 34.7     | 27.8    | 26.1    | 23.2    | 17.4    | 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      | 0.0      | 0.0      | 0.0      | 11.7     | 0.0     |
| Multilateral   | 573.8    | 673.3   | 696.8   | 703.0   | 699.3   | 705.2   | 680.0   | 652.5   | 622.8   | 592.8   | 560.8   | 559.1   | 557.0   | 554.7   | 552.1   | 549.7   | 547.2   | 545.0    | 543.0    | 541.5    | 485.0    | 650.9    | 543.4   |
| NPV of new borrowing   | ...      | 45.7    | 242.4   | 507.1   | 805.6   | 1,040.0 | 1,243.2 | 1,487.9 | 1,728.4 | 1,968.6 | 2,186.9 | 2,447.5 | 2,778.4 | 3,104.1 | 3,477.8 | 3,906.5 | 4,342.5 | 4,759.2  | 5,157.9  | 5,537.0  | 5,904.2  | 1,023.3  | 4,141.5 |
| Memorandum items:  |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |          |          |          |          |         |
| NPV of debt-to-exports ratio (percent) 2/                                |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |          |          |          |          |         |
| Total debt   | 150.0    | 153.5   | 159.5   | 160.8   | 153.6   | 131.9   | 112.9   | 103.7   | 96.6    | 90.6    | 84.3    | 80.3    | 77.8    | 75.1    | 73.2    | 72.4    | 72.0    | 71.3     | 70.2     | 68.7     | 66.2     | 127.0    | 72.7    |
| Outstanding debt   | 150.0    | 149.0   | 137.7   | 120.3   | 98.6    | 72.7    | 53.8    | 43.5    | 36.0    | 30.4    | 25.6    | 22.4    | 19.7    | 17.3    | 15.4    | 13.8    | 12.5    | 11.5     | 10.5     | 9.7      | 8.4      | 83.4     | 14.1    |
| NPV of debt-to-revenue ratio (percent)                                   |          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |          |          |          |          |         |
| Total debt   | 446.0    | 359.6   | 323.8   | 286.9   | 248.0   | 216.6   | 196.6   | 185.2   | 174.2   | 163.6   | 152.4   | 144.6   | 139.9   | 134.2   | 129.3   | 127.8   | 126.6   | 124.8    | 122.0    | 118.4    | 113.5    | 250.3    | 128.1   |
| Outstanding debt   | 446.0    | 349.1   | 279.5   | 214.7   | 159.3   | 119.4   | 93.7    | 77.7    | 65.0    | 54.8    | 46.3    | 40.4    | 35.4    | 31.0    | 27.2    | 24.4    | 22.0    | 20.0     | 18.3     | 16.7     | 14.4     | 173.2    | 25.0    |

Sources: Congolese authorities; and staff estimates and projections.

1/ Shows the external debt situation after the full use of traditional debt-relief mechanisms, and assuming at least comparable treatment from official bilateral creditors.

2/ In terms of simple historical three-year average of exports of goods and nonfactor services. 2001 exports excludes MONUC service receipts.

3/ Assumes interim relief under the enhanced initiative in February 2003-January 2006 and full delivery of assistance from February 2006. For the assumptions, see footnote 6 of Table 8.

4/ NPV of debt shows the results of the (hypothetical) unconditional commitment and delivery of enhanced HIPC assistance at end-2001.

Table 10. Democratic Republic of the Congo: External Debt Indicators and Sensitivity Analysis, 2001-21 1  
(In percent, unless otherwise indicated)

|   | 2001   | 2002     | 2003    | 2004   | 2005  | 2006  | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | Averages |         |
|---|--------|----------|---------|--------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|---------|
|   | Actual | Estimate |         |        |       |       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        | 2002-11  | 2012-21 |
| After traditional debt relief                                       |        |          |         |        |       |       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |          |         |
| NPV of debt-to-GDP ratio  | 127.5  | 121.5    | 110.4   | 99.3   | 88.8  | 79.1  | 73.5   | 69.3   | 65.2   | 61.4   | 57.5   | 54.0   | 51.1   | 48.1   | 45.5   | 43.6   | 41.6   | 39.5   | 37.3   | 35.1   | 32.9   | 82.6     | 42.9    |
| NPV of debt-to-exports ratio 2/ 3/                                  | 729.6  | 712.1    | 650.3   | 578.1  | 497.1 | 413.5 | 353.3  | 309.5  | 275.1  | 246.7  | 221.0  | 199.6  | 182.1  | 166.4  | 153.3  | 143.3  | 135.0  | 127.2  | 119.5  | 111.7  | 103.9  | 425.7    | 144.2   |
| NPV of debt-to-revenue ratio 4/                                     | 2169.1 | 1668.4   | 1319.9  | 1031.4 | 802.7 | 678.9 | 615.3  | 552.5  | 496.1  | 445.5  | 399.5  | 359.5  | 327.3  | 297.5  | 270.9  | 252.9  | 237.5  | 222.5  | 207.5  | 192.6  | 178.0  | 801.0    | 254.6   |
| Debt service ratio 5/   | ...    | 27.7     | 43.4    | 36.3   | 29.7  | 24.1  | 12.2   | 10.9   | 10.1   | 9.5    | 9.2    | 8.9    | 8.4    | 7.8    | 7.6    | 7.8    | 7.5    | 7.9    | 8.1    | 8.3    | 8.4    | 21.3     | 8.1     |
| Debt service-to-revenue ratio 4/                                    | ...    | 70.0     | 97.2    | 74.0   | 57.0  | 47.4  | 25.0   | 22.4   | 20.7   | 19.6   | 18.7   | 18.0   | 16.8   | 15.7   | 14.9   | 15.0   | 14.3   | 15.0   | 15.3   | 15.4   | 15.5   | 45.2     | 15.6    |
| After enhanced HIPC assistance                                      |        |          |         |        |       |       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |          |         |
| NPV of debt-to-GDP ratio  | ...    | ...      | 86.0    | 79.8   | 72.5  | 25.2  | 23.5   | 23.2   | 22.9   | 22.5   | 21.9   | 21.7   | 21.8   | 21.7   | 21.7   | 22.0   | 22.2   | 22.2   | 21.9   | 21.6   | 20.9   | 41.9     | 21.8    |
| NPV of debt-to-exports ratio 2/ 3/                                  | ...    | ...      | 506.2   | 464.3  | 405.9 | 131.9 | 112.9  | 103.7  | 96.6   | 90.6   | 84.3   | 80.3   | 77.8   | 75.1   | 73.2   | 72.4   | 72.0   | 71.3   | 70.2   | 68.7   | 66.2   | 221.8    | 72.7    |
| NPV of debt-to-exports ratio (existing debt only)                   | ...    | ...      | 484.4   | 423.8  | 350.9 | 72.7  | 53.8   | 43.5   | 36.0   | 30.4   | 25.6   | 22.4   | 19.7   | 17.3   | 15.4   | 13.8   | 12.5   | 11.5   | 10.5   | 9.7    | 8.4    | 169.0    | 14.1    |
| NPV of debt-to-revenue ratio 4/                                     | ...    | ...      | 1,027.4 | 828.3  | 655.4 | 216.6 | 196.6  | 185.2  | 174.2  | 163.6  | 152.4  | 144.6  | 139.9  | 134.2  | 129.3  | 127.8  | 126.6  | 124.8  | 122.0  | 118.4  | 113.5  | 400.0    | 128.1   |
| Debt service ratio 5/   | ...    | ...      | 14.5    | 22.3   | 20.5  | 15.6  | 10.6   | 6.1    | 5.5    | 5.2    | 5.1    | 4.4    | 4.2    | 4.0    | 4.0    | 4.3    | 4.2    | 4.4    | 4.7    | 5.0    | 5.6    | 11.7     | 4.5     |
| Debt service-to-revenue ratio 4/                                    | ...    | ...      | 32.6    | 45.4   | 39.3  | 30.6  | 21.7   | 12.4   | 11.2   | 10.6   | 10.3   | 9.0    | 8.6    | 8.0    | 7.9    | 8.3    | 7.9    | 8.4    | 8.9    | 9.3    | 10.5   | 23.8     | 8.7     |
| After enhanced HIPC assistance assumed committed unconditionally 6/ |        |          |         |        |       |       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |          |         |
| NPV of debt-to-GDP ratio  | 26.2   | 26.2     | 27.1    | 27.6   | 27.4  | 25.2  | 23.5   | 23.2   | 22.9   | 22.5   | 21.9   | 21.7   | 21.8   | 21.7   | 21.7   | 22.0   | 22.2   | 22.2   | 21.9   | 21.6   | 20.9   | 24.8     | 21.8    |
| NPV of debt-to-exports ratio 2/ 3/                                  | 150.0  | 153.5    | 159.5   | 160.8  | 153.6 | 131.9 | 112.9  | 103.7  | 96.6   | 90.6   | 84.3   | 80.3   | 77.8   | 75.1   | 73.2   | 72.4   | 72.0   | 71.3   | 70.2   | 68.7   | 66.2   | 124.7    | 72.7    |
| NPV of debt-to-revenue ratio 4/                                     | 446.0  | 359.6    | 323.8   | 286.9  | 248.0 | 216.6 | 196.6  | 185.2  | 174.2  | 163.6  | 152.4  | 144.6  | 139.9  | 134.2  | 129.3  | 127.8  | 126.6  | 124.8  | 122.0  | 118.4  | 113.5  | 230.7    | 128.1   |
| Sensitivity analysis  |        |          |         |        |       |       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |          |         |
| Lower exports growth scenario 7/                                    |        |          |         |        |       |       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |          |         |
| NPV of debt-to-exports ratio  | ...    | 534.6    | 510.8   | 478.3  | 431.1 | 144.3 | 126.4  | 118.0  | 110.7  | 104.1  | 96.9   | 92.3   | 89.4   | 86.2   | 84.1   | 83.2   | 82.7   | 81.9   | 80.7   | 78.8   | 76.1   | 265.5    | 83.5    |
| Debt service ratio 5/   | ...    | 5.1      | 14.9    | 23.6   | 22.4  | 17.5  | 12.1   | 7.0    | 6.3    | 5.9    | 5.8    | 5.1    | 4.9    | 4.6    | 4.6    | 4.9    | 4.8    | 5.1    | 5.4    | 5.7    | 6.5    | 12.1     | 5.2     |
| Debt service-to-revenue ratio 4/                                    | ...    | 12.8     | 32.7    | 46.5   | 40.6  | 31.6  | 22.5   | 13.0   | 11.7   | 11.0   | 10.7   | 9.3    | 8.9    | 8.3    | 8.2    | 8.6    | 8.3    | 8.7    | 9.2    | 9.7    | 10.9   | 23.3     | 9.0     |
| Lower concessionality of new borrowing scenario 8/                  |        |          |         |        |       |       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |          |         |
| NPV of debt-to-exports ratio  | ...    | 534.6    | 506.5   | 465.0  | 407.2 | 132.9 | 113.6  | 106.9  | 101.3  | 96.6   | 91.2   | 87.8   | 85.7   | 83.1   | 81.3   | 80.6   | 80.3   | 79.6   | 78.3   | 76.5   | 73.7   | 255.6    | 80.7    |
| Debt service ratio 5/   | ...    | 5.1      | 14.5    | 22.3   | 20.5  | 15.6  | 10.6   | 6.2    | 5.8    | 5.6    | 5.5    | 5.0    | 4.8    | 4.6    | 4.7    | 5.0    | 4.9    | 5.2    | 5.5    | 5.7    | 6.4    | 11.2     | 5.2     |
| Debt service-to-revenue ratio 4/                                    | ...    | 12.8     | 32.6    | 45.4   | 39.3  | 30.6  | 21.7   | 12.8   | 11.8   | 11.4   | 11.3   | 10.1   | 9.8    | 9.3    | 9.2    | 9.6    | 9.3    | 9.8    | 10.3   | 10.7   | 11.9   | 23.0     | 10.0    |
| Memorandum items:   |        |          |         |        |       |       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |          |         |
| (in millions of U.S. dollars)                                       |        |          |         |        |       |       |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |          |         |
| NPV of debt after traditional debt relief                           | 7,267  | 7,283    | 7,226   | 7,242  | 7,288 | 7,267 | 7,437  | 7,648  | 7,854  | 8,058  | 8,231  | 8,437  | 8,703  | 8,949  | 9,229  | 9,550  | 9,860  | 10,111 | 10,322 | 10,487 | 10,609 | 7,554    | 9,626   |
| Debt service after traditional debt relief                          | ...    | 305      | 532     | 519    | 517   | 507   | 302    | 310    | 328    | 354    | 386    | 422    | 448    | 471    | 509    | 566    | 596    | 681    | 759    | 841    | 925    | 406      | 622     |
| NPV of debt after HIPC assistance                                   | ...    | ...      | 5,625   | 5,816  | 5,951 | 2,318 | 2,376  | 2,564  | 2,757  | 2,960  | 3,141  | 3,395  | 3,719  | 4,037  | 4,404  | 4,827  | 5,258  | 5,670  | 6,067  | 6,448  | 6,761  | 3,723    | 5,059   |
| Debt service after HIPC assistance                                  | ...    | ...      | 178     | 319    | 357   | 328   | 263    | 172    | 178    | 191    | 213    | 210    | 228    | 241    | 268    | 313    | 329    | 381    | 442    | 506    | 624    | 244      | 354     |
| GDP   | 5,699  | 5,993    | 6,543   | 7,290  | 8,211 | 9,182 | 10,120 | 11,038 | 12,040 | 13,133 | 14,325 | 15,626 | 17,044 | 18,591 | 20,279 | 21,913 | 23,679 | 25,587 | 27,649 | 29,877 | 32,285 | 9,788    | 23,253  |
| Exports of goods and services 2/                                    | 1,007  | 1,101    | 1,226   | 1,431  | 1,741 | 2,101 | 2,473  | 2,839  | 3,252  | 3,709  | 4,212  | 4,763  | 5,363  | 6,013  | 6,683  | 7,297  | 7,931  | 8,621  | 9,370  | 10,185 | 11,070 | 2,409    | 7,730   |
| Exports of goods and services (three-year mvg. avg.) 2/             | 996    | 1,023    | 1,111   | 1,253  | 1,466 | 1,758 | 2,105  | 2,471  | 2,855  | 3,267  | 3,724  | 4,228  | 4,779  | 5,380  | 6,020  | 6,664  | 7,304  | 7,950  | 8,641  | 9,392  | 10,208 | 2,103    | 7,057   |
| Government revenue 4/   | 335    | 437      | 547     | 702    | 908   | 1,070 | 1,209  | 1,384  | 1,583  | 1,809  | 2,061  | 2,347  | 2,659  | 3,008  | 3,407  | 3,776  | 4,152  | 4,544  | 4,974  | 5,445  | 5,960  | 1,171    | 4,027   |

Sources: Congolese authorities; and staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed (PPG) debt and are defined after rescheduling, unless otherwise indicated.

2/ As defined in IMF, *Balance of Payments Manual*, 5th edition, 1993. 2001 excludes service exports to MONUC.

3/ Based on a three-year average of exports on the previous year (e.g., export average over 1999-2001 for NPV of debt-to-exports ratio in 2001).

4/ Revenue is defined as central government revenue, excluding grants.

5/ In percent of exports of goods and nonfactorservices (current year).

6/ Entire assistance assumed to be delivered unconditionally in 2001.

7/ Assumes that merchandise export volume growth is 3, 4, and 4 percentage points lower than in the base case in 2003, 2004, and 2005 respectively and is thereafter the same.

8/ Assumes that the interest rate on debt is 1 percentage point higher than in the base case for bilateral debt from 2003 and for all debt from 2008 onwards.

Table 11. Democratic Republic of the Congo: External Resource Transfer, 2002–21  
(in millions of U.S. dollars, unless otherwise indicated)

|   | 2002 | 2003 | 2004  | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017  | 2018  | 2019 | 2020 | 2021 | Averages |         |
|---|------|------|-------|------|------|------|------|------|------|------|------|------|------|------|------|-------|-------|------|------|------|----------|---------|
|   |      |      |       |      |      |      |      |      |      |      |      |      |      |      |      |       |       |      |      |      | 2002-11  | 2012-21 |
| <b>Debt service on existing debt</b>  |      |      |       |      |      |      |      |      |      |      |      |      |      |      |      |       |       |      |      |      |          |         |
| Total obligations, incl. penalty interest on arrears                                | 700  | ...  | ...   | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...   | ...   | ...  | ...  | ...  |          |         |
| Scheduled debt service before traditional debt relief 1/                            | 356  | 275  | 201   | 190  | 181  | 171  | 161  | 147  | 136  | 130  | 124  | 119  | 101  | 65   | 60   | 60    | 58    | 55   | 52   | 51   | 195      | 75      |
| Multilateral creditors  | 63   | 63   | 61    | 59   | 60   | 63   | 61   | 58   | 53   | 53   | 52   | 52   | 52   | 52   | 51   | 51    | 50    | 50   | 49   | 48   | 60       | 51      |
| Paris Club creditors  | 268  | 189  | 120   | 113  | 110  | 104  | 95   | 86   | 80   | 74   | 71   | 66   | 48   | 13   | 9    | 9     | 8     | 5    | 3    | 3    | 124      | 24      |
| Other bilateral creditors   | 18   | 17   | 17    | 16   | 10   | 4    | 4    | 4    | 3    | 3    | 1    | 1    | 1    | 1    | 0    | 0     | 0     | 0    | 0    | 0    | 10       | 0       |
| Commercial creditors  | 6    | 6    | 4     | 2    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0     | 0     | 0    | 0    | 0    | 2        | 0       |
| Interest on arrears   | 345  | ...  | ...   | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...  | ...   | ...   | ...  | ...  | ...  |          |         |
| Scheduled debt service after arrears clearance 2/                                   | 54   | 222  | 452   | 679  | 874  | 881  | 688  | 581  | 532  | 535  | 430  | 431  | 420  | 393  | 397  | 406   | 415   | 422  | 430  | 418  | 550      | 416     |
| Multilateral creditors  | 31   | 47   | 150   | 167  | 176  | 286  | 292  | 296  | 293  | 296  | 189  | 187  | 185  | 185  | 183  | 183   | 181   | 179  | 176  | 134  | 203      | 178     |
| Paris Club creditors  | 20   | 135  | 228   | 423  | 593  | 528  | 369  | 269  | 227  | 228  | 231  | 234  | 225  | 197  | 203  | 212   | 222   | 230  | 241  | 269  | 302      | 226     |
| Other bilateral creditors   | 2    | 21   | 38    | 48   | 60   | 39   | 19   | 13   | 9    | 8    | 8    | 8    | 8    | 9    | 8    | 9     | 9     | 10   | 11   | 12   | 26       | 9       |
| Commercial creditors  | 2    | 19   | 37    | 41   | 46   | 28   | 7    | 3    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2     | 3     | 3    | 3    | 3    | 19       | 2       |
| Scheduled debt service after traditional debt relief 3/                             | 304  | 526  | 508   | 498  | 487  | 251  | 251  | 250  | 250  | 258  | 265  | 273  | 283  | 294  | 303  | 316   | 349   | 362  | 379  | 398  | 358      | 322     |
| Multilateral creditors  | 63   | 63   | 61    | 59   | 60   | 63   | 61   | 58   | 53   | 53   | 52   | 52   | 52   | 52   | 51   | 51    | 50    | 50   | 49   | 48   | 60       | 51      |
| Paris Club creditors  | 211  | 371  | 359   | 354  | 347  | 176  | 177  | 180  | 185  | 193  | 201  | 209  | 219  | 229  | 239  | 251   | 283   | 296  | 313  | 332  | 255      | 257     |
| Other bilateral creditors   | 18   | 47   | 46    | 44   | 42   | 10   | 11   | 11   | 10   | 10   | 10   | 9    | 10   | 10   | 10   | 11    | 12    | 13   | 14   | 15   | 25       | 11      |
| Commercial creditors  | 11   | 45   | 43    | 41   | 37   | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 3    | 3    | 3     | 3     | 3    | 4    | 4    | 19       | 3       |
| Scheduled debt service after enhanced HIPC assistance 4/                            |      | 172  | 308   | 338  | 307  | 212  | 113  | 99   | 87   | 85   | 53   | 53   | 53   | 53   | 51   | 50    | 49    | 46   | 43   | 98   | 191      | 55      |
| Multilateral creditors  |      | 11   | 30    | 34   | 30   | 62   | 63   | 63   | 62   | 63   | 31   | 31   | 31   | 31   | 31   | 31    | 31    | 30   | 30   | 84   | 46       | 36      |
| Paris Club creditors  |      | 121  | 205   | 226  | 238  | 150  | 50   | 36   | 25   | 23   | 22   | 22   | 22   | 21   | 20   | 19    | 18    | 15   | 14   | 14   | 119      | 19      |
| Other bilateral creditors   |      | 21   | 37    | 39   | 13   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0     | 0     | 0    | 0    | 0    | 12       | 0       |
| Commercial creditors  |      | 19   | 36    | 39   | 26   | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0     | 0     | 0    | 0    | 0    | 13       | 0       |
| Debt service on new borrowing   | 2    | 6    | 11    | 19   | 20   | 51   | 59   | 78   | 104  | 128  | 157  | 175  | 188  | 215  | 262  | 280   | 332   | 396  | 462  | 526  | 48       | 299     |
| Total debt service (cash basis) 5/  | 2    | 178  | 319   | 357  | 328  | 263  | 172  | 178  | 191  | 213  | 210  | 228  | 241  | 268  | 313  | 329   | 381   | 442  | 506  | 624  | 220      | 354     |
| Total external resource inflows   | 411  | 890  | 1,074 | 914  | 965  | 840  | 916  | 903  | 919  | 895  | 898  | 895  | 837  | 913  | 986  | 1,066 | 1,087 | 968  | 971  | 969  | 873      | 959     |
| Grant disbursements   | 321  | 491  | 523   | 357  | 415  | 390  | 430  | 421  | 394  | 358  | 313  | 256  | 186  | 203  | 219  | 237   | 256   | 138  | 149  | 161  | 410      | 212     |
| Loan disbursements  | 90   | 399  | 552   | 557  | 550  | 450  | 486  | 482  | 525  | 537  | 586  | 639  | 651  | 710  | 767  | 829   | 832   | 829  | 822  | 807  | 463      | 747     |
| Net inflows of resources 6/   | 409  | 711  | 755   | 557  | 637  | 577  | 744  | 725  | 728  | 682  | 688  | 667  | 596  | 645  | 673  | 736   | 706   | 526  | 465  | 344  | 653      | 605     |
| Percent of GDP  | 6.8  | 10.9 | 10.4  | 6.8  | 6.9  | 5.7  | 6.7  | 6.0  | 5.5  | 4.8  | 4.4  | 3.9  | 3.2  | 3.2  | 3.1  | 3.1   | 2.8   | 1.9  | 1.6  | 1.1  | 7.1      | 2.8     |
| Aid related imports of goods and services   | 350  | 645  | 703   | 583  | 520  | 576  | 637  | 643  | 677  | 643  | 613  | 580  | 515  | 533  | 548  | 562   | 545   | 461  | 439  | 416  | 597.7    | 521.2   |
| Net balance of payments support (net inflows of resources less aid related imports) | 60   | 66   | 52    | -27  | 118  | 2    | 106  | 82   | 51   | 40   | 76   | 88   | 81   | 111  | 125  | 174   | 161   | 65   | 26   | -72  | 55.0     | 83.5    |
| Percent of GDP  | 1.0  | 1.0  | 0.7   | -0.3 | 1.3  | 0.0  | 1.0  | 0.7  | 0.4  | 0.3  | 0.5  | 0.5  | 0.4  | 0.5  | 0.6  | 0.7   | 0.6   | 0.2  | 0.1  | -0.2 | 0.6      | 0.4     |

Sources: Congolese authorities; and staff estimates and projections.

1/ Includes only scheduled debt service on current maturities and does not include projected penalty interest on arrears.

2/ Arrears clearance reflects a Naples flow operation with special treatment in the form of capitalization of moratorium interest for Paris Club creditors and comparable treatment by non-Paris Club bilateral creditors, and rescheduling of arrears by multilateral creditors.

3/ Assumes a hypothetical stock-of-debt operation on Naples terms and comparable treatment from other bilateral creditors, and multilateral arrears clearance.

4/ Assumes the repayment of arrears accumulated at end-December 2001 over five years with market interest rates. Paris Club and commercial creditors are assumed to deliver their share of relief as of the completion point (beginning February 2006). Non-Paris Club creditors are assumed to provide a Cologne flow rescheduling on eligible debt, and the remaining of the required HIPC assistance is to be delivered at the completion point through a stock-of-debt operation. Multilateral creditors are also assumed to provide HIPC debt relief as of the completion point, except for the IMF, the World Bank and the AIDB, for which the delivery would start as of the decision point (January 2003).

5/ Includes debt service after arrears clearance and after HIPC assistance and, from 2002 on, debt service on new borrowing.

6/ After the projected assistance under the enhanced HIPC Initiative.

Table 12. Democratic Republic of the Congo: Long-Term Macroeconomic Assumptions, 2001-21

|  | 2001  | 2002  | 2003  | 2004  | 2005  | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | Averages |         |
|--|-------|-------|-------|-------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|---------|
|  |       |       |       |       |       |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         | 2002-11  | 2012-21 |
| (In units indicated)   |       |       |       |       |       |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |         |
| Real GDP growth (percent change)                                     | -4.4  | 3.0   | 5.0   | 6.0   | 7.0   | 7.0     | 7.0     | 7.0     | 7.0     | 7.0     | 7.0     | 7.0     | 7.0     | 7.0     | 7.0     | 6.0     | 6.0     | 6.0     | 6.0     | 6.0     | 6.0     | 6.3      | 6.4     |
| Nominal GDP (millions of U.S. dollars)                               | 5,699 | 5,993 | 6,543 | 7,290 | 8,211 | 9,182   | 10,120  | 11,038  | 12,040  | 13,133  | 14,325  | 15,626  | 17,044  | 18,591  | 20,279  | 21,913  | 23,679  | 25,587  | 27,649  | 29,877  | 32,285  | 9,788    | 23,253  |
| Percent change   | 17.5  | 5.2   | 9.2   | 11.4  | 12.6  | 11.8    | 10.2    | 9.1     | 9.1     | 9.1     | 9.1     | 9.1     | 9.1     | 9.1     | 9.1     | 8.1     | 8.1     | 8.1     | 8.1     | 8.1     | 8.1     | 9.7      | 8.5     |
| Exports of goods and non-factor services (millions of U.S. dollars)  | 1,016 | 1,101 | 1,226 | 1,431 | 1,741 | 2,101   | 2,473   | 2,839   | 3,252   | 3,709   | 4,212   | 4,763   | 5,363   | 6,013   | 6,683   | 7,297   | 7,931   | 8,621   | 9,370   | 10,185  | 11,070  | 2,409    | 7,730   |
| Percent change   | 5.4   | 8.4   | 11.4  | 16.7  | 21.6  | 20.7    | 17.7    | 14.8    | 14.5    | 14.1    | 13.6    | 13.1    | 12.6    | 12.1    | 11.2    | 9.2     | 8.7     | 8.7     | 8.7     | 8.7     | 8.7     | 15.3     | 10.2    |
| Imports of goods and non-factor services (millions of U.S. dollars)  | 953   | 1,286 | 1,769 | 2,158 | 2,322 | 2,707   | 3,100   | 3,424   | 3,755   | 4,110   | 4,417   | 4,760   | 5,138   | 5,524   | 6,038   | 6,529   | 7,061   | 7,606   | 8,132   | 8,818   | 9,567.2 | 2,905    | 6,917   |
| Percent change   | 5.3   | 34.9  | 37.6  | 22.0  | 7.6   | 16.6    | 14.5    | 10.5    | 9.7     | 9.5     | 7.4     | 7.8     | 7.9     | 7.5     | 9.3     | 8.1     | 8.1     | 7.7     | 6.9     | 8.4     | 8.5     | 17.0     | 8.0     |
| Fiscal revenues, excluding grants (millions of U.S. dollars)         | 335.0 | 436.5 | 547.5 | 702.2 | 907.9 | 1,070.4 | 1,208.8 | 1,384.2 | 1,583.0 | 1,808.9 | 2,060.6 | 2,347.0 | 2,658.5 | 3,008.0 | 3,407.0 | 3,775.9 | 4,151.7 | 4,544.3 | 4,974.1 | 5,444.6 | 5,959.5 | 1,171    | 4,027   |
| Percent change   | 53.3  | 30.3  | 25.4  | 28.3  | 29.3  | 17.9    | 12.9    | 14.5    | 14.4    | 14.3    | 13.9    | 13.9    | 13.3    | 13.1    | 13.3    | 10.8    | 10.0    | 9.5     | 9.5     | 9.5     | 9.5     | 20.1     | 11.2    |
| GDP per capita (U.S. dollars)  | 106.7 | 109.0 | 115.5 | 124.9 | 136.6 | 148.3   | 158.7   | 168.1   | 178.0   | 188.5   | 199.6   | 211.4   | 223.9   | 237.1   | 251.1   | 263.4   | 276.3   | 289.9   | 304.1   | 319.1   | 334.8   | 152.7    | 271.1   |
| Percent change   | 14.1  | 2.1   | 6.0   | 8.2   | 9.3   | 8.6     | 7.0     | 5.9     | 5.9     | 5.9     | 5.9     | 5.9     | 5.9     | 5.9     | 5.9     | 4.9     | 4.9     | 4.9     | 4.9     | 4.9     | 4.9     | 6.5      | 5.3     |
| Population (millions)  | 53.4  | 55.0  | 56.7  | 58.3  | 60.1  | 61.9    | 63.8    | 65.7    | 67.6    | 69.7    | 71.8    | 73.9    | 76.1    | 78.4    | 80.8    | 83.2    | 85.7    | 88.3    | 90.9    | 93.6    | 96.4    | 63.1     | 84.7    |
| Percent change   | 3.0   | 3.0   | 3.0   | 3.0   | 3.0   | 3.0     | 3.0     | 3.0     | 3.0     | 3.0     | 3.0     | 3.0     | 3.0     | 3.0     | 3.0     | 3.0     | 3.0     | 3.0     | 3.0     | 3.0     | 3.0     | 3.0      | 3.0     |
| Units of local currency per U.S. dollar (period average)             | 273.0 | 329.8 | 346.9 | 350.6 | 352.4 | 357.7   | 368.4   | 379.4   | 390.8   | 402.5   | 414.6   | 427.1   | 439.9   | 453.1   | 466.7   | 480.7   | 495.1   | 509.9   | 525.2   | 541.0   | 557.2   | 369.3    | 489.6   |
| GDP deflator (percent change)  | 386.0 | 23.3  | 9.4   | 6.2   | 5.8   | 6.1     | 6.1     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 7.7      | 5.0     |
| CPI index (percent change)   | 356.7 | 24.7  | 9.1   | 6.0   | 5.0   | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 5.0     | 7.5      | 5.0     |
| (In percent of GDP)  |       |       |       |       |       |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |         |
| Composition of nominal GDP   | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0   | 100.0    | 100.0   |
| Consumption  | 93.8  | 93.2  | 91.8  | 90.1  | 88.3  | 86.7    | 85.5    | 83.5    | 82.2    | 80.4    | 78.6    | 76.8    | 75.1    | 73.6    | 72.2    | 71.3    | 70.6    | 70.2    | 70.1    | 69.4    | 68.8    | 86.0     | 71.8    |
| Government   | 4.7   | 4.3   | 4.5   | 4.4   | 4.4   | 4.4     | 4.4     | 5.0     | 5.3     | 5.5     | 5.6     | 5.8     | 6.0     | 6.1     | 6.3     | 6.5     | 6.7     | 7.0     | 7.2     | 7.5     | 7.8     | 4.8      | 6.7     |
| Nongovernment  | 89.1  | 88.9  | 87.4  | 85.7  | 83.9  | 82.4    | 81.1    | 78.4    | 76.8    | 74.9    | 72.9    | 71.0    | 69.1    | 67.5    | 65.9    | 64.9    | 63.9    | 63.2    | 62.9    | 61.9    | 61.1    | 81.2     | 65.1    |
| Gross investment   | 5.1   | 9.9   | 16.5  | 19.9  | 18.8  | 19.9    | 20.7    | 21.8    | 22.0    | 22.6    | 22.8    | 23.2    | 23.6    | 23.7    | 24.6    | 25.2    | 25.7    | 25.8    | 25.4    | 26.0    | 26.5    | 19.5     | 25.0    |
| Government   | 0.1   | 2.9   | 8.5   | 10.9  | 8.8   | 12.4    | 12.7    | 13.3    | 13.0    | 13.1    | 12.8    | 12.7    | 12.6    | 12.2    | 12.6    | 12.7    | 12.7    | 12.3    | 10.4    | 10.0    | 9.5     | 10.8     | 11.8    |
| Nongovernment  | 5.0   | 7.0   | 8.0   | 9.0   | 10.0  | 7.5     | 8.0     | 8.5     | 9.0     | 9.5     | 10.0    | 10.5    | 11.0    | 11.5    | 12.0    | 12.5    | 13.0    | 13.5    | 15.0    | 16.0    | 17.0    | 8.7      | 13.2    |
| Net exports of goods and nonfactor services                          | 1.1   | -3.1  | -8.3  | -10.0 | -7.1  | -6.6    | -6.2    | -5.3    | -4.2    | -3.1    | -1.4    | 0.0     | 1.3     | 2.6     | 3.2     | 3.5     | 3.7     | 4.0     | 4.5     | 4.6     | 4.7     | -5.5     | 3.2     |
| Exports of goods and nonfactor services                              | 17.8  | 18.4  | 18.7  | 19.6  | 21.2  | 22.9    | 24.4    | 25.7    | 27.0    | 28.2    | 29.4    | 30.5    | 31.5    | 32.3    | 33.0    | 33.3    | 33.5    | 33.7    | 33.9    | 34.1    | 34.3    | 23.6     | 33.0    |
| Imports of goods and nonfactor services                              | -16.7 | -21.5 | -27.0 | -29.6 | -28.3 | -29.5   | -30.6   | -31.0   | -31.2   | -31.3   | -30.8   | -30.5   | -30.1   | -29.7   | -29.8   | -29.8   | -29.8   | -29.7   | -29.4   | -29.5   | -29.6   | -29.1    | -29.8   |
| Aid related imports of goods and nonfactor services                  | -4.3  | -5.8  | -9.9  | -9.6  | -7.1  | -5.7    | -5.7    | -5.8    | -5.3    | -5.2    | -4.5    | -3.9    | -3.4    | -2.8    | -2.6    | -2.5    | -2.4    | -2.1    | -1.7    | -1.5    | -1.3    | -6.5     | -2.4    |
| External current account balance, incl. grants, before debt relief   | -2.2  | -3.7  | -4.7  | -7.7  | -7.3  | -6.7    | -6.4    | -5.8    | -5.1    | -4.6    | -3.8    | -3.0    | -2.5    | -1.6    | -1.0    | -0.5    | -0.2    | 0.3     | 0.5     | 0.9     | 1.3     | -5.6     | -0.6    |
| External current account balance, incl. grants, after debt relief 1/ | -2.2  | 1.1   | -0.5  | -3.0  | -2.6  | -1.5    | -0.8    | -1.0    | -0.8    | -0.8    | -0.4    | -0.3    | 0.0     | 0.6     | 1.0     | 1.3     | 1.5     | 1.9     | 2.1     | 2.4     | 2.5     | -1.0     | 1.3     |
| Gross investment   | 5.1   | 9.9   | 16.5  | 19.9  | 18.8  | 19.9    | 20.7    | 21.8    | 22.0    | 22.6    | 22.8    | 23.2    | 23.6    | 23.7    | 24.6    | 25.2    | 25.7    | 25.8    | 25.4    | 26.0    | 26.5    | 19.5     | 25.0    |
| Gross national savings   | 2.9   | 11.0  | 15.9  | 16.9  | 16.1  | 18.4    | 19.9    | 20.9    | 21.2    | 21.8    | 22.4    | 22.9    | 23.6    | 24.3    | 25.6    | 26.5    | 27.3    | 27.8    | 27.5    | 28.4    | 29.0    | 18.5     | 26.3    |
| Net official external financing                                      | 4.7   | 11.8  | 11.1  | 10.9  | 7.4   | 7.5     | 6.3     | 7.3     | 6.5     | 6.0     | 5.3     | 4.9     | 4.4     | 3.7     | 3.7     | 3.6     | 3.7     | 3.3     | 2.5     | 2.1     | 1.6     | 8.0      | 3.4     |
| Gross official external financing                                    | 4.7   | 12.4  | 13.6  | 14.7  | 11.1  | 10.5    | 8.3     | 8.3     | 7.5     | 7.0     | 6.3     | 5.8     | 5.3     | 4.5     | 4.5     | 4.5     | 4.5     | 4.3     | 3.5     | 3.3     | 3.0     | 10.0     | 4.3     |
| Grants   | 4.5   | 5.4   | 7.5   | 7.2   | 4.3   | 4.5     | 3.9     | 3.9     | 3.5     | 3.0     | 2.5     | 2.0     | 1.5     | 1.0     | 1.0     | 1.0     | 1.0     | 1.0     | 0.5     | 0.5     | 0.5     | 4.6      | 1.0     |
| Loans  | 0.2   | 6.5   | 3.6   | 3.8   | 3.1   | 3.0     | 2.4     | 3.4     | 3.0     | 3.0     | 2.8     | 2.9     | 2.9     | 2.7     | 2.7     | 2.6     | 2.7     | 2.3     | 2.0     | 1.6     | 1.1     | 3.5      | 2.4     |
| Disbursements  | 0.2   | 7.0   | 6.1   | 7.6   | 6.8   | 6.0     | 4.4     | 4.4     | 4.0     | 4.0     | 3.8     | 3.8     | 3.8     | 3.5     | 3.5     | 3.5     | 3.5     | 3.3     | 3.0     | 2.8     | 2.5     | 5.4      | 3.3     |
| Amortization   | 0.0   | -0.5  | -2.5  | -3.8  | -3.7  | -3.0    | -2.0    | -1.0    | -1.0    | -1.0    | -1.0    | -0.9    | -0.8    | -0.8    | -0.8    | -0.9    | -0.8    | -0.9    | -1.0    | -1.1    | -1.4    | -1.9     | -0.9    |
| Overall fiscal balance   | -0.8  | -2.5  | -5.0  | -5.1  | -2.0  | 0.0     | -0.7    | -1.4    | -1.5    | -1.8    | -1.7    | -1.7    | -1.8    | -1.6    | -1.7    | -1.5    | -1.6    | -1.2    | -0.9    | -0.5    | -0.3    | -2.2     | -1.3    |
| Total revenue and grants   | 5.9   | 8.5   | 13.1  | 16.0  | 16.2  | 21.3    | 20.7    | 20.6    | 20.3    | 20.0    | 19.8    | 19.7    | 19.6    | 19.4    | 19.7    | 20.0    | 20.2    | 20.4    | 19.0    | 19.2    | 19.1    | 17.7     | 19.6    |
| Revenues, excluding grants   | 5.9   | 7.3   | 8.4   | 9.6   | 11.1  | 11.7    | 11.9    | 12.5    | 13.1    | 13.8    | 14.4    | 15.0    | 15.6    | 16.2    | 16.8    | 17.2    | 17.5    | 17.8    | 18.0    | 18.2    | 18.5    | 11.4     | 17.1    |
| Total expenditures   | -6.6  | -11.0 | -18.1 | -21.1 | -18.2 | -21.3   | -21.4   | -22.0   | -21.8   | -21.8   | -21.5   | -21.4   | -21.3   | -21.0   | -21.4   | -21.6   | -21.8   | -21.6   | -19.9   | -19.7   | -19.4   | -19.8    | -20.9   |

Sources: Congolese authorities; and staff estimates and projections.

1/ After possible debt relief on interest and HIPC Initiative-related resources.

Table 13. HIPC Initiative: Status of Country Cases Considered Under the Initiative, May 2, 2002

| Country   | Decision Point | Completion Point | Target          |              | Assistance Levels 1/                         |           |               |             |            | Percentage Reduction in NPV of Debt 2/ | Estimated Total Nominal Debt Service Relief (In millions of U.S. dollars) |
|---|----------------|------------------|-----------------|--------------|--|-----------|---------------|-------------|------------|--|---|
|   |                |                  | NPV of Debt-to- |              | (In millions of U.S. dollars, present value) |           |               |             |            |  |   |
|   |                |                  | Export          | Gov. revenue | Total  | Bilateral | Multi-lateral | IMF         | World Bank |  |   |
|   |                |                  |                 |              |  |           |               |             |            |  |   |
| Completion point reached under enhanced framework |                |                  |                 |              |  |           |               |             |            |  |   |
| Bolivia   |                |                  |                 |              | 1302   | 425       | 876           | 84.30276734 | 193.5      |  | 2,060   |
| original framework                                | Sep. 97        | Sep. 98          | 225             |              | 448  | 157       | 291           | 29          | 54         | 14                                     | 760   |
| enhanced framework                                | Feb. 00        | Jun. 01          | 150             |              | 854  | 268       | 585           | 55          | 140        | 30                                     | 1,300   |
| Burkina Faso                                      |                |                  |                 |              | 553  | 83        | 469           | 58          | 231        |  | 930   |
| original framework                                | Sep. 97        | Jul. 00          | 205             |              | 229  | 32        | 196           | 22          | 91         | 27                                     | 400   |
| enhanced framework                                | Jul. 00        | Apr. 02          | 150             |              | 195  | 35        | 161           | 22          | 79         | 30                                     | 300   |
| topping up  |                | Apr. 02          | 150             |              | 129  | 16        | 112           | 14          | 61         |  | 230   |
| Mozambique  |                |                  |                 |              | 2,023  | 1,270     | 753           | 143         | 443        |  | 4,300   |
| original framework                                | Apr. 98        | Jun. 99          | 200             |              | 1,717  | 1,076     | 641           | 125         | 381        | 63                                     | 3,700   |
| enhanced framework                                | Apr. 00        | Sep. 01          | 150             |              | 306  | 194       | 112           | 18          | 62         | 27                                     | 600   |
| Tanzania  | Apr. 00        | Nov. 01          | 150             |              | 2,026  | 1,006     | 1,020         | 120         | 695        | 54                                     | 3,000   |
| Uganda  |                |                  |                 |              | 1,003  | 183       | 820           | 160         | 517        |  | 1,950   |
| original framework                                | Apr. 97        | Apr. 98          | 202             |              | 347  | 73        | 274           | 69          | 160        | 20                                     | 650   |
| enhanced framework                                | Feb. 00        | May 00           | 150             |              | 656  | 110       | 546           | 91          | 357        | 37                                     | 1,300   |
| Decision point reached under enhanced framework   |                |                  |                 |              |  |           |               |             |            |  |   |
| Benin   | Jul. 00        | Floating         | 150             |              | 265  | 77        | 189           | 24          | 84         | 31                                     | 460   |
| Cameroon  | Oct. 00        | Floating         | 150             |              | 1,260  | 874       | 324           | 37          | 179        | 27                                     | 2,000   |
| Chad  | May. 01        | Floating         | 150             |              | 170  | 35        | 134           | 18          | 68         | 30                                     | 260   |
| Ethiopia  | Nov. 01        | Floating         | 150             |              | 1,275  | 482       | 763           | 34          | 463        | 47                                     | 1,930   |
| Gambia, The                                       | Dec. 00        | Floating         | 150             |              | 67   | 17        | 49            | 2           | 22         | 27                                     | 90  |
| Ghana   | Feb. 02        | Floating         | 69              | 250          | 2,186  | 1,084     | 1,102         | 112         | 781        | 56                                     | 3,700   |
| Guinea  | Dec. 00        | Floating         | 150             |              | 545  | 215       | 328           | 31          | 152        | 32                                     | 800   |
| Guinea-Bissau                                     | Dec. 00        | Floating         | 150             |              | 416  | 212       | 204           | 12          | 93         | 85                                     | 790   |
| Guyana  |                |                  |                 |              | 585  | 220       | 365           | 74          | 68         |  | 1,030   |
| original framework                                | Dec. 97        | May 99           | 107             | 280          | 256  | 91        | 165           | 35          | 27         | 24                                     | 440   |
| enhanced framework                                | Nov. 00        | Floating         | 150             | 250          | 329  | 129       | 200           | 40          | 41         | 40                                     | 590   |
| Honduras  | Jul. 00        | Floating         | 110             | 250          | 556  | 215       | 340           | 30          | 98         | 18                                     | 900   |
| Madagascar  | Dec. 00        | Floating         | 150             |              | 814  | 457       | 357           | 22          | 252        | 40                                     | 1,500   |
| Malawi  | Dec. 00        | Floating         | 150             |              | 643  | 163       | 480           | 30          | 331        | 44                                     | 1,000   |
| Mali  |                |                  |                 |              | 523  | 162       | 361           | 58          | 182        |  | 870   |
| original framework                                | Sep. 98        | Sep. 00          | 200             |              | 121  | 37        | 84            | 14          | 44         | 9                                      | 220   |
| enhanced framework                                | Sep. 00        | Floating         | 150             |              | 401  | 124       | 277           | 44          | 138        | 28                                     | 650   |
| Mauritania  | Feb. 00        | Floating         | 137             | 250          | 622  | 261       | 361           | 47          | 100        | 50                                     | 1,100   |
| Nicaragua   | Dec. 00        | Floating         | 150             |              | 3,267  | 2,145     | 1,123         | 82          | 189        | 72                                     | 4,500   |
| Niger   | Dec. 00        | Floating         | 150             |              | 521  | 211       | 309           | 28          | 170        | 54                                     | 900   |
| Rwanda  | Dec. 00        | Floating         | 150             |              | 452  | 56        | 397           | 44          | 228        | 71                                     | 800   |
| São Tomé and Príncipe                             | Dec. 00        | Floating         | 150             |              | 97   | 29        | 68            | -           | 24         | 83                                     | 200   |
| Senegal   | Jun. 00        | Floating         | 133             | 250          | 488  | 193       | 259           | 45          | 124        | 19                                     | 850   |
| Sierra Leone                                      | Mar. 02        | Floating         | 150             |              | 600  | 268       | 332           | 123         | 122        | 80                                     | 950   |
| Zambia  | Dec. 00        | Floating         | 150             |              | 2,499  | 1,168     | 1,331         | 602         | 493        | 63                                     | 3,850   |
| Decision point reached under original framework   |                |                  |                 |              |  |           |               |             |            |  |   |
| Côte d'Ivoire                                     | Mar. 98        | ...              | 141             | 280          | 345  | 163       | 182           | 23          | 91         | 6 3/                                   | 800   |
| Total assistance provided/committed               |                |                  |                 |              | 25,102                                       | 11,675    | 13,296        | 2,043 4/    | 6,394      |  | 41,520  |

Sources: IMF and World Bank Board decisions, completion point documents, decision point documents, preliminary HIPC documents; and staff calculations.

1/ Assistance levels are at countries' respective decision or completion points, as applicable.

2/ In percent of the net present value of debt at the decision or completion point (as applicable), after the full use of traditional debt-relief mechanisms.

3/ Nonreschedulable debt to non-Paris Club official bilateral creditors and the London Club, which was already subject to a highly concessional restructuring, is excluded from the NPV of debt at the completion point in the calculation of this ratio.

4/ Equivalent to SDR 1,643 million at an SDR/USD exchange rate of 0.8039, of May 1, 2002.