

after debt relief (in percent of GDP) 8/	-4.8	2.1	2.3	0.1	-1.1	-3.5	-4.1	-4.1	-4.7	-3.5
Gross official reserves (end of period)	22	75	75	191	157	254	272	341	382	479
Gross official reserves (weeks of non-aid-related imports of goods and nonfactor services)	1.1	3.6	3.0	8.0	5.3	9.1	8.2	10.5	10.7	12.1
External public debt										
Total stock, including IMF 9/	13,280	10,434	10,659	8,728	10,633	9,082	10,714	9,474	10,970	11,055
Net present value (NPV) of debt 10/	12,504	7,163	8,404	7,456	7,900	7,838	8,166	8,131	8,372	8,388
Scheduled debt service 8/	728	35	34	180	140	219	140	207	205	314
In percent of exports of goods and nonfactor services	76	3	3	14	10	15	9	12	12	17
In percent of government revenue	218	8	7	30	25	30	17	20	18	22
Exchange rate										
Congo francs per U.S. dollar (end of period) 11/	312	382	382	...	373
Nominal GDP (in billions of Congo francs)	1,407	1,915	1,922	2,298	2,270	2,627	2,537	2,989	2,851	3,189

Sources: Congolese authorities; and staff estimates and projections.

1/ Change in annual average. Minus sign indicates depreciation.

2/ For 2003, as of end-September.

3/ Includes interest due on external debt (including debt service on rescheduling) and, from 2003 onward, expenditure financed by resources released under the enhanced HIPC Initiative.

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

5/ Cash balance after interest rescheduling (including HIPC Initiative). Before 2002, excludes central bank operations.

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

7/ From 2003 onward, includes capital projects financed by nongovernmental organizations (NGOs).

8/ From 2003 onward, after debt relief from bilateral creditors and HIPC Initiative assistance.

9/ End-of-period debt stock, including arrears and before HIPC Initiative assistance. Current estimates do not assume an up-front reduction in the stock of debt associated with the provision of future debt relief.

10/ Estimates and projections based on end-2002 debt sustainability analysis (DSA). Before rescheduling and debt relief.

11/ For 2003, as of end-December.

Table 2A. Democratic Republic of the Congo: Monthly Treasury Cash-Flow Plan, 2003

(In millions of Congo francs, unless otherwise indicated)

	Jan.-Mar.		Apr.-Jun.		Jan.-Jun.		Jul.-Sep.		Jan.-Sep.			Oct.-Dec.		Total 2003					
	EBS/03/98	Act.	In percent of GDP		EBS/03/98	Act.	EBS/03/98	Act.	EBS/03/98	Act.	In percent of GDP		EBS/03/98	Rev. Prog.	EBS/03/98	In percent of GDP		Rev. Prog.	percent of GDP
Total revenue and grants	46,720	49,502	2.2	45,087	48,153	91,807	97,655	74,192	52,911	165,999	7.2	150,566	6.6	83,088	78,681	249,087	10.8	229,247	10.1
Total revenue	40,954	40,954	1.8	39,754	38,854	80,708	79,808	51,964	47,287	132,672	5.8	127,095	5.6	56,915	58,761	189,587	8.3	185,856	8.2
Customs and excise (OFIDA)	14,097	14,097	0.6	14,809	13,966	28,906	28,063	25,585	22,363	54,491	2.4	50,426	2.2	30,065	26,360	84,556	3.7	76,786	3.4
Direct and indirect taxes (DGC)	11,785	11,785	0.5	10,142	9,267	21,927	21,052	14,778	13,292	36,705	1.6	34,344	1.5	15,083	16,725	51,788	2.3	51,069	2.2
DGRAD (including revenue from public enterprises)	4,631	4,631	0.2	4,405	3,943	9,036	8,574	4,088	3,813	13,124	0.6	12,387	0.5	4,200	3,106	17,324	0.8	15,493	0.7
GECAMINES	0	0	0.0	0	0	0	0	250	0	250	0.0	0	0.0	250	0	500	0.0	0	0.0
MIBA	670	670	0.0	777	334	1,447	1,004	777	0	2,223	0.1	1,004	0.0	777	2,000	3,000	0.1	3,004	0.1
Petroleum	7,823	7,823	0.3	9,077	10,765	16,900	18,588	6,291	7,650	23,192	1.0	26,238	1.2	6,390	10,470	29,582	1.3	36,708	1.6
Production	6,382	6,382	0.3	6,204	8,363	12,586	14,745	6,291	6,953	18,877	0.8	21,698	1.0	6,390	10,464	25,267	1.1	32,162	1.4
Distribution	1,441	1,441	0.1	2,874	2,403	4,315	3,844	0	697	4,315	0.2	4,541	0.2	0	6	4,315	0.2	4,547	0.2
Other	76	76	0.0	124	351	200	427	150	169	350	0.0	596	0.0	150	100	500	0.0	696	0.0
Off-budget revenue	1,872	1,872	0.1	420	228	2,292	2,100	45	0	2,337	0.1	2,100	0.1	0	0	2,337	0.1	2,100	0.1
Total grants	5,766	8,548	0.4	5,334	9,299	11,100	17,847	22,228	5,624	33,327	1.5	23,471	1.0	26,173	19,920	59,500	2.6	43,391	1.9
Project grants	5,766	8,548	0.4	5,334	9,299	11,100	17,847	16,781	5,624	27,881	1.2	23,471	1.0	21,953	6,278	49,833	2.2	29,749	1.3
HIPC debt relief	0	0	0.0	0	0	0	0	5,447	0	5,447	0.2	0	0.0	4,220	13,642	9,667	0.4	13,642	0.6
Total expenditure 1/	48,608	52,350	2.3	49,084	76,103	97,691	128,453	96,055	60,564	193,746	8.4	189,017	8.3	87,749	72,851	281,496	12.3	261,868	11.5
Current expenditure	33,352	33,352	1.5	34,881	50,246	68,233	83,598	65,044	42,143	133,277	5.8	125,741	5.5	35,150	52,540	168,427	7.3	178,281	7.9
Wages	12,169	12,169	0.5	11,469	10,225	23,638	22,394	11,786	14,153	35,425	1.5	36,547	1.6	14,532	14,964	49,957	2.2	51,511	2.3
Military and police	5,139	5,139	0.2	4,530	3,949	9,669	9,088	4,530	5,679	14,200	0.6	14,767	0.7	4,530	6,997	18,730	0.8	21,764	1.0
Civilians	7,030	7,030	0.3	6,939	6,276	13,969	13,306	7,256	8,473	21,225	0.9	21,779	1.0	10,002	7,967	31,227	1.4	29,746	1.3
Interest payments	1,038	1,038	0.0	7,419	9,482	8,457	10,520	24,675	1,943	33,132	1.4	12,463	0.5	3,359	17,410	36,490	1.6	29,873	1.3
External debt (interest payment after debt relief) 2/	861	861	0.0	7,211	9,210	8,072	10,071	24,467	1,432	32,539	1.4	11,503	0.5	3,151	17,218	35,690	1.6	28,721	1.3
Domestic debt (interest payment)	177	177	0.0	208	272	385	449	208	511	592	0.0	960	0.0	208	192	800	0.0	1,152	0.1
Other current expenditure	18,501	18,501	0.8	13,483	28,414	31,984	46,915	14,158	15,597	46,142	2.0	62,512	2.8	14,158	14,379	60,300	2.6	76,891	3.4
Institutions	5,826	5,826	0.3	3,425	10,541	9,251	16,367	3,875	5,207	13,125	0.6	21,574	1.0	3,875	4,805	17,000	0.7	26,379	1.2
Ministries	9,943	9,943	0.4	4,202	10,713	14,145	20,656	4,427	5,719	18,573	0.8	26,375	1.2	4,427	5,566	23,000	1.0	31,941	1.4
Centralized payments (utilities)	1,467	1,467	0.1	4,511	4,998	5,978	6,465	4,511	3,077	10,489	0.5	9,542	0.4	4,511	2,552	15,000	0.7	12,094	0.5
Provinces	1,265	1,265	0.1	1,345	2,161	2,610	3,426	1,345	1,594	3,955	0.2	5,020	0.2	1,345	1,456	5,300	0.2	6,476	0.3
Transfers and subsidies	1,644	1,644	0.1	2,510	2,125	4,154	3,769	14,425	10,450	18,579	0.8	14,219	0.6	3,101	5,787	21,680	0.9	20,006	0.9
MIBA and GECAMINES	0	0	0.0	0	0	0	0	11,620	8,412	11,620	0.5	8,412	0.4	0	3,148	11,620	0.5	11,560	0.5
Transfers to public agencies and budgets annexes	0	0	0.0	503	414	503	414	503	77	1,007	0.0	491	0.0	503	157	1,510	0.1	648	0.0
Retrocessions to revenue-collecting agencies	1,644	1,644	0.1	2,007	1,711	3,650	3,355	2,302	1,961	5,952	0.3	5,316	0.2	2,597	2,482	8,550	0.4	7,798	0.3
Off-budget expenditure	1,872	1,872	0.1	420	228	2,292	2,100	45	0	2,337	0.1	2,100	0.1	0	0	2,337	0.1	2,100	0.1
Capital expenditure	6,564	10,307	0.5	11,286	14,274	17,850	24,581	28,069	11,556	45,919	2.0	36,137	1.6	40,836	22,371	86,755	3.8	58,508	2.6
Foreign-financed investment	4,514	8,179	0.4	8,086	8,841	12,601	17,020	24,969	8,038	37,570	1.6	25,058	1.1	37,185	18,273	74,755	3.3	43,331	1.9
Congo-financed investment	2,050	2,129	0.1	3,200	5,433	5,250	7,562	3,100	3,518	8,350	0.4	11,080	0.5	3,651	4,098	12,000	0.5	15,177	0.7
Net lending	0	0	0.0	0	0	0	0	0	0	0	0.0	0	0.0	0	0	0	0.0	0	0.0
Other operations	33	33	0.0	156	56	189	89	156	0	344	0.0	89	0.0	156	0	500	0.0	89	0.0
HIPC-related expenditure	0	0	0.0	0	0	0	0	400	0	400	0.0	0	0.0	9,267	0	9,667	0.4	0	0.0
Repayment of arrears	2,120	2,120	0.1	563	3,560	2,683	5,680	563	1,487	3,247	0.1	7,167	0.3	563	724	3,810	0.2	7,891	0.3

Central Bank of the Congo (BCC)

treasury deficit	4,667	4,666	0.2	1,778	7,739	6,445	12,405	1,778	5,378	8,222	0.4	17,783	0.8	1,778	-2,783	10,000	0.4	15,000	0.7
Unconsolidated domestic primary balance (cash basis)	2,566	2,487	0.1	7,953	-11,187	10,519	-8,700	7,731	2,082	18,249	0.8	-6,618	-0.3	20,755	18,810	39,004	1.7	12,191	0.5
Consolidated primary balance (cash basis)	-850	-1,810	-0.1	3,423	-18,468	2,573	-20,278	2,812	-5,710	5,385	0.2	-25,988	-1.1	-1,303	23,240	4,082	0.2	-2,749	-0.1
Unconsolidated balance (cash basis)	2,779	1,818	0.1	-2,219	-20,211	561	-18,393	-20,085	-2,275	-19,525	-0.8	-20,668	-0.9	-2,884	3,047	-22,408	-1.0	-17,621	-0.8
Consolidated balance (cash basis)	-1,888	-2,848	-0.1	-3,996	-27,950	-5,884	-30,798	-21,863	-7,653	-27,747	-1.2	-38,451	-1.7	-4,661	5,830	-32,408	-1.4	-32,621	-1.4
Total financing	1,888	2,848	0.1	3,996	27,950	5,884	30,798	21,863	7,653	27,747	1.2	38,451	1.7	4,661	-5,830	32,408	1.4	32,621	1.4
Nonbank (certificates of deposit net)	-3,225	-344	0.0	960	0	-2,265	-344	960	0	-1,304	-0.1	-344	0.0	960	0	-344	0.0	-344	0.0
BCC and other banking system 3/	-6,584	-6,584	-0.3	2,680	24,634	-3,904	18,050	26,443	4,520	22,539	1.0	22,570	1.0	-22,540	-13,026	0	0.0	9,544	0.4
Foreign financing	11,697	11,697	0.5	356	10,024	12,053	21,721	-5,541	-5,894	6,512	0.3	15,827	0.7	26,241	6,484	32,753	1.4	22,311	1.0
Nondomestic nonresident bank	0	0	0.0	0	0	0	0	0	0	0	0.0	0	0.0	0	0	0	0.0	0	0.0
Amortization (net payment) 2/	-2,549	-2,549	-0.1	-9,053	-8,795	-11,602	-11,344	-25,500	-6,521	-37,102	-1.6	-17,865	-0.8	-11,414	-21,511	-48,516	-2.1	-39,376	-1.7
Additional financing	14,246	14,246	0.6	9,409	18,819	23,655	33,065	19,959	627	43,614	1.9	33,692	1.5	37,654	27,995	81,268	3.5	61,687	2.7
Project loans	3,253	3,253	0.1	2,753	0	6,006	3,253	8,188	627	14,194	0.6	3,880	0.2	10,728	11,995	24,922	1.1	15,875	0.7
Budget loans	10,993	10,993	0.5	6,656	18,819	17,649	29,812	11,771	0	29,420	1.3	29,812	1.3	26,926	16,000	56,346	2.5	45,812	2.0
Discrepancy	0	-1,921	-0.1	0	-6,708	0	-8,629	0	9027	0	0.0	398	0.0	0	712	0	0.0	1,110	0.0

Sources: Congolese authorities; and staff estimates and projections.

1/ Including domestic arrears and BCC operations. A surplus of the BCC appears as a minus.

2/ Includes deposits of HIPC resources at the BCC in November and December.

3/ Net banking system credit to the government plus treasury balance of the central bank. End-September numbers are based on the audited accounts of the BCC, including an amount of about CGF 1.5 billion (0.1 percent of GDP) of accounting corrections suggested by the audit and not included in the monetary survey at end-September 2003.

Table 2B. Democratic Republic of the Congo: Monthly Treasury Cash-Flow Plan, 2004

(In millions of Congo francs, unless otherwise indicated)

	Jan. Prog.	Feb. Prog.	Mar. Prog.	Jan.–Mar. Prog.	Apr. Prog.	May Prog.	Jun. Prog.	Apr.–Jun. Prog.	Jul. Prog.	Aug. Prog.	Sep. Prog.	Jul.–Sep. Prog.	Oct. Prog.	Nov. Prog.	Dec. Prog.	Oct.–Dec. Prog.	Total 2004 Prog.	In percent of GDP
Total revenue and grants	26,716	23,275	26,125	76,116	25,496	25,155	24,931	75,582	33,632	28,698	29,151	91,481	29,522	32,940	29,598	92,060	335,238	13.2
Total revenue	16,705	16,280	18,739	51,723	17,758	17,104	18,007	52,868	21,654	20,290	19,384	61,327	19,179	21,852	20,124	61,155	227,073	9.0
Customs and excise (OFIDA)	6,842	7,059	7,819	21,720	8,362	8,688	9,448	26,499	10,209	11,186	9,448	30,843	9,774	9,774	9,991	29,540	108,602	4.3
Direct and indirect taxes (DGC)	5,402	4,289	5,451	15,141	4,256	4,247	4,325	12,829	6,767	4,513	5,177	16,458	5,231	7,654	5,687	18,572	63,000	2.5
DGRAD (including revenue from public enterprises)	1,564	2,025	2,555	6,145	2,217	1,237	1,294	4,748	1,731	1,634	1,794	5,159	1,201	1,443	1,457	4,101	20,153	0.8
GECAMINES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
MIBA	417	417	417	1,250	417	417	417	1,250	417	417	417	1,250	417	417	417	1,250	5,000	0.2
Petroleum	2,481	2,489	2,497	7,467	2,506	2,514	2,522	7,542	2,531	2,539	2,547	7,617	2,556	2,564	2,572	7,692	30,319	1.2
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Total grants	10,012	6,995	7,386	24,393	7,738	8,051	6,924	22,714	11,978	8,408	9,768	30,154	10,343	11,089	9,474	30,905	108,165	4.3
Project grants	3,770	4,433	4,244	12,446	4,258	4,272	4,369	12,899	5,693	5,794	6,563	18,050	6,751	6,815	6,872	20,439	63,834	2.5
HIPC debt relief	6,242	2,562	3,142	11,946	3,480	3,779	2,555	9,815	6,285	2,614	3,205	12,104	3,591	4,273	2,602	10,466	44,331	1.7
Total expenditure 1/	30,847	29,146	32,795	92,789	32,600	33,839	34,526	100,965	36,857	34,094	37,990	108,942	35,672	36,035	37,823	109,529	412,225	16.3
Current expenditure	18,500	15,373	17,469	51,342	16,750	17,502	17,059	51,311	17,573	14,711	16,208	48,492	15,042	16,083	15,625	46,750	197,895	7.8
Wages	5,987	5,987	5,987	17,961	6,654	6,654	6,654	19,961	4,956	4,956	4,956	14,867	4,956	4,956	4,956	14,867	67,655	2.7
Military and police	2,591	2,591	2,591	7,773	2,591	2,591	2,591	7,773	1,616	1,616	1,616	4,848	1,616	1,616	1,616	4,848	25,241	1.0
Civilians	3,396	3,396	3,396	10,188	4,063	4,063	4,063	12,188	3,340	3,340	3,340	10,019	3,340	3,340	3,340	10,019	42,414	1.7
Interest payments	4,570	1,564	2,921	9,055	1,974	2,793	2,232	6,998	4,658	1,593	2,975	9,226	2,035	3,003	2,285	7,323	32,603	1.3
External debt (interest payment after debt relief) 2/	4,403	1,398	2,754	8,555	1,807	2,626	2,065	6,498	4,492	1,426	2,809	8,726	1,868	2,837	2,119	6,823	30,603	1.2
Domestic debt (interest payment)	167	167	167	500	167	167	167	500	167	167	167	500	167	167	167	500	2,000	0.1
Other current expenditure	7,003	6,928	7,666	21,598	7,078	7,078	7,278	21,435	7,016	7,016	7,204	21,236	7,016	7,129	7,129	21,273	85,542	3.4
Institutions	1,500	1,500	1,500	4,500	1,500	1,500	1,500	4,500	1,500	1,500	1,500	4,500	1,500	1,500	1,500	4,500	18,000	0.7
Ministries	2,500	2,500	2,900	7,900	2,500	2,500	2,700	7,700	2,400	2,400	2,400	7,200	2,400	2,400	2,400	7,200	30,000	1.2
Centralized payments (utilities)	2,071	2,019	2,252	6,342	2,123	2,123	2,123	6,368	2,148	2,148	2,278	6,575	2,148	2,226	2,226	6,601	25,885	1.0
Provinces	933	909	1,014	2,856	956	956	956	2,868	968	968	1,026	2,961	968	1,002	1,002	2,972	11,657	0.5
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Transfers and subsidies	940	894	895	2,728	1,044	978	896	2,917	943	1,147	1,073	3,163	1,036	995	1,255	3,287	12,095	0.5
MIBA and GECAMINES				0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Transfers to public agencies and budgets annexes	125	125	125	375	125	125	125	375	125	125	125	375	125	125	125	375	1,500	0.1
Retrocessions to revenue- collecting agencies	815	769	770	2,353	919	853	771	2,542	818	1,022	948	2,788	911	870	1,130	2,912	10,595	0.4
Capital expenditure	9,427	10,311	11,772	31,510	10,990	11,230	12,790	35,009	12,899	13,022	15,144	41,065	14,315	14,401	15,699	44,415	151,999	6.0
Foreign-financed investment	8,786	9,669	11,130	29,585	10,348	10,588	12,148	33,084	12,257	12,381	14,502	39,140	13,673	13,759	15,058	42,490	144,299	5.7
Congoese-financed investment	642	642	642	1,925	642	642	642	1,925	642	642	642	1,925	642	642	642	1,925	7,700	0.3
Net lending	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Other operations				0				0				0				0	0	0.0
HIPC-related expenditure	1,847	1,847	1,847	5,541	3,694	3,694	3,694	11,083	4,618	4,618	4,618	13,854	4,618	4,618	4,618	13,854	44,331	1.7
Repayment of arrears	0	0	0	0	0	0	0	0	333	333	333	1,000	333	333	333	1,000	2,000	0.1

Central Bank of the Congo (BCC) treasury deficit	1,073	1,615	1,708	4,396	1,166	1,413	983	3,562	1,434	1,410	1,687	4,531	1,364	600	1,548	3,511	16,000	0.6
Unconsolidated domestic primary balance (cash basis)	2,133	1,829	3,550	7,512	2,340	1,752	2,537	6,630	7,764	6,196	5,176	19,136	5,197	7,797	5,809	18,803	52,081	2.1
Consolidated primary balance (cash basis)	439	-4,307	-3,749	-7,617	-5,130	-5,891	-7,364	-18,385	1,433	-3,804	-5,864	-8,235	-4,115	-91	-5,940	-10,146	-44,384	-1.7
Unconsolidated balance (cash basis)	-3,058	-4,256	-4,962	-12,276	-5,938	-7,271	-8,612	-21,822	-1,791	-3,987	-7,152	-12,930	-4,786	-2,495	-6,677	-13,959	-60,987	-2.4
Consolidated balance (cash basis)	-4,131	-5,871	-6,670	-16,672	-7,104	-8,684	-9,595	-25,384	-3,225	-5,397	-8,839	-17,461	-6,150	-3,095	-8,225	-17,470	-76,987	-3.0
Total financing	4,131	5,871	6,670	16,672	7,104	8,684	9,595	25,384	3,225	5,397	8,839	17,461	6,150	3,095	8,225	17,470	76,987	3.0
Nonbank (certificates of deposit net)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
BCC and other banking system 3/	12,059	3,545	-19,546	-3,941	4,742	6,196	-4,922	6,015	9,783	1,779	-10,243	1,319	3,039	444	-6,876	-3,393	0	0.0
Foreign financing	-7,928	2,326	26,216	20,614	2,362	2,489	14,518	19,368	-6,558	3,618	19,082	16,142	3,111	2,651	15,101	20,862	76,987	3.0
Nondomestic nonresident bank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Amortization (net payment) 2/	-12,944	-2,910	-7,684	-23,538	-3,728	-3,827	-3,565	-11,121	-13,123	-2,968	-7,838	-23,928	-3,811	-4,293	-3,568	-11,672	-70,259	-2.8
Additional financing	5,016	5,236	33,900	44,152	6,090	6,316	18,083	30,489	6,564	6,586	26,920	40,071	6,922	6,944	18,668	32,534	147,246	5.8
Project loans	5,016	5,236	6,886	17,138	6,090	6,316	7,779	20,185	6,564	6,586	7,940	21,090	6,922	6,944	8,185	22,051	80,465	3.2
Budget loans	0	0	27,014	27,014	0	0	10,304	10,304	0	0	18,980	18,980	0	0	10,483	10,483	66,781	2.6
Discrepancy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0

Sources: Congolese authorities; and staff estimates and projections.

1/ Including domestic arrears and BCC operations. A surplus of the BCC appears as a minus.

2/ Includes deposits of HIPC resources at the BCC.

3/ Net banking system credit to the government plus treasury balance of the central bank.

Table 3A. Democratic Republic of the Congo: Progress in Implementing the Central Bank of the Congo Action Plan

Measures	Status
Bank supervision	
Clarification of the responsibilities of BCC staff engaged in bank supervision and restructuring functions.	Completed. The units involved in bank supervision and restructuring were merged into the Directorate of Supervision of Financial Institutions (DSIF) and an organizational chart was adopted for this directorate by senior management.
Thorough reexamination of the nature and composition of prudential ratios, taking account of the situation of institutions, relevant international standards, and in accordance with regional initiatives (Southern African Development Community—SADC and the Common Market for Eastern and Southern Africa—COMESA).	Completed. The new prudential ratios were published in July 2003.
Definition of a precise framework for preparation of periodic statements to provide the supervisory authorities with the information they require, in cooperation with the Congolese Banking Association.	Related to reform of the chart of accounts for banks and to implementation of a framework for supervision in conformity with regional initiatives. Adoption of the chart of accounts for banks is expected by end-March 2004 and of periodic statements by end-May 2004.
Inventory of cooperatives and other financial institutions presently not covered by bank supervision.	Partially completed. A partial inventory of microfinance institutions in Kinshasa and Bas-Congo was conducted. Search for financing to continue the inventory in the other provinces, including the reunified provinces.
Formalization of the process of preparing the on-site supervision program (statement of purposes and order of priority, depending on the risks incurred).	Process formalized; implementation of the on-site supervision program for 2004.
Formalization of the mode of operation for off-site supervision and implementation of a standardized permanent record framework. Strengthening of on-site supervision and undertaking of general purpose missions.	Partially completed. Full completion linked to implementation of the on-site supervision program.

Combating money laundering and the financing of terrorism

Raising of the awareness of the Congolese Banking Association so that it can define the rules of vigilance and good conduct applicable to all of its members.

Completed. A joint seminar was organized by BCC and the IMF in April 2003. An anti-money-laundering unit was created within the BCC and a national committee was created to fight terrorism (CNLCT) and transnational organized crime. A BCC instruction on standards related to the CNLCT was published on March 4, 2003.

Law on combating money laundering and transnational organized crime.

In early 2003, the BCC established a study group on money laundering (GREB) under the authority of the director of the DSIF, and comprising officers from different directorates of the BCC, as well as external individuals. A draft law in line with international standards was prepared for adoption by parliament by end-January 2004. Implementing legislation should be established for the anti-money-laundering law, guaranteeing, inter alia, the independence of the financial information unit and the absolute confidentiality of data transmitted to it.

Accounting and internal audit

Establishment of methods for bookkeeping and account reconciliation with the IMF.

Partially completed. The procedures manual was finalized in June 2003 and is pending approval by the Governor.

Production of financial statements at December 31, 2002 according to accounting rules meeting international accounting standards (IAS)/international financial reporting standards (IFRS).

Requires intervention of the CPCC (Conseil Permanent de la Comptabilité Congolais), which should integrate the IAS reference framework into the national accounting regulations.

Completion of the audit for fiscal-year 2002 and publication of the audited accounts

Completed. Publication in the official gazette is expected by end-December 2003.

Strengthening of the role of the Accounting Directorate in respect of the accounting units of directorates.

Completed. Accounting documents are now validated by the Accounting Directorate.

Appointment of the BCC board and auditors.

Completed. The board was appointed in May 2003 and its first meeting was held on May 24, 2003. Auditors will be selected by end-November 2003.

Adoption by the board of internal regulations providing for the (i) establishment of an Audit Committee; (ii) adoption of international audit standards; and (iii) systematic audits in accordance with international audit standards after fiscal-year 2002.

Completed. Decision adopted by the board on July 12, 2003.

Publication of a legal instrument providing that, in addition to their own findings, the auditors rely on an audit report prepared by an internationally reputed audit firm.	Publication planned no later than end-December 2003.
Adoption by presidential decree of the agreement between the BCC and the government cashier.	Partially completed. The new agreement was signed on March 20, 2003 by the Minister of Finance and Budget and the Governor of the BCC. It will be adopted by presidential decree before end-December 2003.
Production by the BCC of financial statements reflecting all adjustments resulting from audits of the 2000 and 2001 fiscal years, including the settlement of pending accounts.	Completed. Statements were produced and will be published in the official gazette by December 2003.
Follow-up and systematic resolution of issues mentioned in audit reports, including discrepancies with treasury accounts or between other accounts, elimination of accounts not provisioned or uncollectible, and settlement of all interim accounts, including the miscellaneous item in the integrated monetary survey.	Completed.
Adjustment and correction of data related to the program (stocks and flows) at September 2002 and December 2001, and of errors observed in connection with the external audit of fiscal-year 2001 and by the Internal Audit Directorate (DAI).	Completed.
Involvement of the DAI in the review of program-related data through its participation in the semiannual audit entrusted to an international audit firm, and quarterly reviews of program performance indicators. The DAI will be required to produce reports on these audits.	Completed.
Follow-up of the settlement of accounts and review of outflows and adjustments of the balance sheet in coordination with the committee established to that end. Production of a final report on these adjustments.	Completed.
Completion of an internal audit on exchange reserves management.	Completed.
Preparation of manuals on monitoring payments in domestic and foreign currencies, specifically establishing the division of labor between the staff involved, describing payment orders, and providing for regular reconciliation with correspondent banks.	Completed.

Adoption of procedures for reconciling monthly data on assets and liabilities denominated in foreign exchange with statements prepared by correspondent banks.	Completed.
Reduction in the number of correspondent banks locally and abroad.	Completed. The number of correspondents was reduced from 30 to 20, 9 of which are local. The number of accounts was reduced from 60 to 30, 12 of which are local.
Adoption by the board of guidelines for foreign exchange reserves management.	Partially completed. Preparatory work in progress. Directives will be adopted by end-December 2003.
Definition of the duties of the Audit Committee.	Completed. Decision of the Board of Directors of July 12, 2003.
Monetary and exchange operations	
Preparation of a monetary program on flows of notes in Congo francs and foreign exchange.	Completed.
Preparation of a reorganization plan for the Treasury Directorate.	In progress.
Conversion of free reserves of banks into cash and reimbursement of outstanding certificates of deposit.	Completed.
Establishment of a new deposit facility.	Completed. Launch of BCC bills (<i>billets de trésorerie</i>) in December 2002.
Drafting of the initial versions of procedural guide for the two subdirectorates of the Foreign Services Directorate (DSE).	Partially completed. The outline of the draft procedural guide for the SDO has been prepared.
Approval by senior management of the plan to restructure the DSE into two subdirectorates: the Operations Subdirectorate (SDO) and Support Subdirectorate (SDA).	Completed. The two subdirectorates have been operational since March 2003.
Adoption by senior management of procedural guides for the DSE.	Reform linked to the general accounting reform. The procedural guide prepared by the DSE (which also addresses accounting in respect of DSE operations) should be reviewed by an expert to ensure conformity with the international standards in the area of reserves management. To be finalized by end-March 2004.
Approval by senior management of the accounting reform on operations of the DSE.	
Installation of computer and telecommunications facilities for the DSE operations room.	Access software and recruitment of an information technology (IT) specialist were completed. Delays in financing led to postponement of the modernization of IT services and telecommunications; implementation is scheduled for June 2004.

Beginning of technical assistance concerning operations to upgrade the back office of the DSE.	Completed. An IMF technical assistance mission took place in April 2003.
Definitive fine-tuning of reserves and exchange management operations of the DSE front office.	In progress.

Table 3B. Democratic Republic of the Congo: Updated Action Plan for Modernizing the Central Bank of the Congo

Measures	Objectives	Implementation
BCC accounting information system		
Submit analyses prepared by the external auditors and the mission to the CPCC (Conseil Permanent de la Comptabilité Congolais) to enable the latter to begin the work of incorporating the international accounting standards (IAS) into the national regulations.	Allow for migration of BCC accounting to IAS standards.	Immediate
Establish a charter defining the division of roles and responsibilities among the various players in accounting production, and ensure its dissemination to all BCC units.	Strengthen efficacy of the accounting information system.	December 2003
Adoption by senior management of the accounting application, focusing on a solution entailing a “single accounting application with decentralized input.”	Maximize the cost-effectiveness ratio of the accounting and financial information system.	December 2003
Enable BCC offices to directly access the future accounting application at headquarters and to upload their entries, rather than providing balances that are difficult to reconcile and generate pending items.		
Establish a steering committee and team for the accounting software replacement project.	Implement the new computerized accounting system.	December 2003
Strengthening of financial intermediation		
Irrevocably commit to guaranteeing the convertibility of banks’ free reserves into currency and launch an information campaign in this connection.	Establish normal operation of banks’ accounts with the BCC as an initial condition for development of financial intermediation.	Ongoing
Establish a strategy for communication and dialogue with private transactors.	Encourage private initiative, reduce the uncertainty that private operators face, and increase acceptance of the authorities’ decisions.	Ongoing
Conduct self-assessment of compliance with the Code of Good Practices on Transparency in Monetary and Financial Policies.	Identify weaknesses in the procedures to ensure transparency in monetary policy.	June 2004
Financial system		
Explicitly assign bank supervision staff to one of	Improve professionalism and the	December 2003

the two functions (off-site supervision or on-site supervision).	acquisition of specialized experience.	
Continue the work of preparing the new system for generating periodic statements, reflecting the reform of the chart of accounts for banks by the CPCC as part of the project to implement the computerized Bank Supervision Application (BSA).	Provide the supervision authorities with reliable, relevant, and timely information.	September 2004
Conduct on-site supervision mission with the assistance of MFD expert.	Enhance the level of competence of the inspectors.	During 2004
Formalize the operating mechanism for off-site supervision and implement a normalized framework for permanent files.	Ensure continuous monitoring of banks and facilitate the detection of irregularities, so that corrective measures can be taken.	June 2004
Implement a formalized procedure for addressing irregularities detected in the situation of credit institutions.	Ensure that penalties are applied consistently and that the application of corrective measures is monitored.	March 2004
Establish a BSA steering committee and project team.	Ensure that the timetable for BSA deployment is followed.	December 2003
Establish an RMA (Réseau Multi Applications) steering committee and project team.	Manage the increase in remote transmissions of periodic statements.	December 2003
Establish a joint working group with the BCC, CPCC, banks, and Congolese accounting firms to prepare the new chart of accounts applicable to banks.	Provide the banking system with a chart of accounts that guarantees reliable financial information.	December 2003
Monetary policy and liquidity management		
Complete a study on restructuring the BCC balance sheet to assess the remuneration of government securities and to ensure recurrent revenues, with a view to ensuring sustainability of the operating account.	Strengthen the BCC's operational autonomy.	December 2003
Purchase Congo francs banknotes and inputs through requests for competitive bids from several suppliers.	Reduce printing costs.	Immediate
Ensure preparation by the Research Directorate of Table 7, "Monitoring Liquidity in CGF".	Facilitate implementation of liquidity forecasting.	Immediate
Abolish the ceiling on refinancing allocated to each bank	The ratio is no longer relevant.	Simultaneously with the reform of guarantees
Accept only foreign exchange as collateral to BCC refinance credit.	Improve the BCC's protection against counterparty risk.	March 2004
Consolidate into a single 24-hour call money window the current "call money" and "advances"	Improve the quality of guarantees for refinancing purposes.	March 2004

refinancing windows. Accept only foreign exchange as collateral. In the exceptional case when loans are not guaranteed with foreign exchange (debit balance at close of business), charge a higher/deterrent rate.

Replace the rediscount window with a permanent foreign exchange swap facility not to exceed seven days. Foreign exchange would initially be delivered in cash.

Improve the BCC's protection against counterparty risk.

December 2003

Reserve management and exchange operations

Fine-tune the methodology used to compile statistics on the exchange market.

Eliminate double counting and make a distinction between customer and interbank operations.

December 2003

Reduce the number of local banks with which foreign exchange accounts are opened from nine to three.

Reduce the costs of bookkeeping and the workload.

March 2004

Sell foreign exchange through single-rate competitive auctions.

Improve transparency and ensure equal treatment for counterparties.

December 2003

Finalize the trading room procedures manual.

Comply with best practices

March 2004

Establish a steering committee and project team for the trading room application (front/back offices).

Effectively coordinate implementation of the trading room application.

End-November 2003

Implement the information technology (IT) infrastructure (hardware) for the trading room.

Ensure that implementation will permit application of the trading room procedures manual.

First half of 2004

Information technology and project management

Establish project teams and a project steering committee to supervise them.

Improve project management and systematize relations between users and computer specialists.

Beginning December 2003, for all computer applications

Establish an IT Committee.

Prepare and manage the IT strategy.

December 2003

Standardize computer hardware and software to the extent possible.

Facilitate IT management.

Ongoing

Provide adequate training for IT specialists and users.

Optimize the implementation and use of IT.

Ongoing

Table 4A. Democratic Republic of the Congo: Quarterly Quantitative Performance Criteria and Indicative Targets, 2002–03 1/

(In millions of Congo francs, unless otherwise indicated)

	Stock End-December 2002	Cumulative Changes 2/								
		End-June 2003 indicative targets			End-September 2003 performance criteria				End-December 2003 indicative targets	
		Prog.	Prog. Adj.	Act.	Prog.	Prog. Adj.	Act.	Act. Adj. 3/	Prog.	Rev. Prog.
Floor on net foreign assets of the Central Bank of the Congo (BCC) (in millions of U.S. dollars) 4/ 5/	-609	31	44	-22	-72	-20	-69	-54	0	-39
Ceiling on net domestic assets of the BCC 4/ 5/	250,692	-4,393	-8,503	17,037	30,586	14,198	29,747	24,594	10,625	16,777
Ceiling on net bank credit to the government 5/	2,328	-3,904	-8,014	18,050	22,539	6,150	23,059	24,509	0	12,544
Ceiling on BCC credit to nonfinancial public sector enterprises	0	0	0	0	0	0	0	0	0	0
Ceiling on BCC credit to nonfinancial private sector	1,146	0	0	0	0	0	0	0	0	0
Ceiling on the contracting or guaranteeing of new nonconcessional external debt with original maturity of more than one year by the government or the BCC 6/	0	0	0	0	0	0	0	0	0	0
Ceiling on the contracting or guaranteeing of new nonconcessional external debt with original maturity of less than one year by the government or the BCC 7/	0	0	0	0	0	0	0	0	0	0
Ceiling on wage arrears	0	0	0	0	0	0	0	0	0	0
No accumulation of external debt arrears 8/ (in millions of U.S. dollars)	0	0	0	0	0	0	0	0	0	0
The BCC will make no payment of expenditure of the government that has not been authorized in advance by the Minister of Finance 9/	0	0	0	0	0	0	0	0	0	0
The BCC will make no purchase of Congo franc notes or foreign currency in the market at a discount rate against payment in deposit money 9/	0	0	0	0	0	0	0	0	0	0
Memorandum item: Base money	52,376	5,277	5,277	9,749	7,915	7,915	8,876	8,256	10,553	13,838

Source: Congolese authorities.

Note: Until the expiration of the three-year arrangement under the Poverty Reduction and Growth Facility (PRGF) in June 2005, the observance of the first five performance criteria will be audited by an international firm.

1/ Quantitative performance criteria and benchmarks, as well as the procedures for their monitoring, are defined in the attached technical memorandum of understanding.

2/ Cumulative changes are calculated from end-December 2002 onward.

3/ Based on the audited accounts of the BCC at end-September 2003, including an amount of about CGF 1.5 billion (0.1 percent of GDP) of accounting corrections suggested by the external auditors, and not included in the monetary survey at end-September 2003.

4/ The stock of net foreign assets and net domestic assets of the BCC are valued at the program exchange rates (SDR 1 = US\$1.26537; US\$1 = CGF 313.6; and €1 = CGF 357.62).

5/ Fifty percent of any surplus (shortfall) over (under) the programmed amount of external budgetary assistance (excluding project assistance), net of debt service and including external debt-service rescheduling, that has not been used to finance poverty reduction expenditure, public enterprise restructuring, and domestic debt repayment (including cross arrears to be certified in cooperation with World Bank staff) will be used to reduce (increase) net banking system credit to the government, and the corresponding performance criterion will be adjusted downward (upward) accordingly. The criteria on net foreign assets and net domestic assets will be adjusted upward (downward) or downward (upward), respectively, by the same amount. However, the criterion regarding net foreign assets will be adjusted downward, without letting the stock of net foreign assets fall below the level achieved at end-December 2002. This adjustment does not apply to HIPC resources, which will be deposited in a special account at the BCC.

6/ This performance criterion applies not only to debt as defined in item No. 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt, adopted on August 24, 2000, but also to commitments contracted or guaranteed for which value has not been received. Excluded from this performance criterion are rescheduling arrangements and purchases from the Fund. For purposes of this performance criterion, the term "nonconcessional" means that the debt has a grant element of less than 35 percent, calculated using currency-specific discount rates that are based on the OECD commercial interest reference rates (CIRRs).

7/ This performance criterion applies not only to debt as defined in item No. 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt, adopted on August 24, 2000, but also to commitments contracted or guaranteed for which value has not been received. Excluded from this performance criterion are rescheduling arrangements, purchases from the Fund, and normal import-related credits other than for petroleum imports. For purposes of this performance criterion, the term "nonconcessional" means that the debt has a grant element of less than 35 percent, calculated using currency-specific discount rates that are based on the OECD CIRRs.

8/ This is a continuous performance criterion.

9/ These are continuous performance criterias as of March 24, 2003 (the completion date of the first review of the PRGF arrangement).

Table 4B. Democratic Republic of the Congo: Quarterly Quantitative Performance Criteria and Indicative Targets, 2003–04 1/

(In millions of Congo francs, unless otherwise indicated)

	Stock End-Sep.2003	Cumulative Changes 2/				End-Dec. 2004 indicative targets
		End-Dec. 2003 indicative targets	End-Mar. 2004 performance criteria	End-Jun. 2004 indicative targets	End-Sep. 2004 indicative targets	
Floor on net foreign assets of the Central Bank of the Congo (BCC) (in millions of U.S. dollars) 3/ 4/	-678	60	75	78	86	109
Ceiling on net domestic assets of the BCC 3/ 4/	280,439	-12,970	-12,768	-8,881	-6,554	-8,939
Ceiling on net bank credit to the government 4/	23,447	-11,575	-12,381	-9,501	-8,182	-11,575
Ceiling on BCC credit to nonfinancial public sector enterprises	0	0	0	0	0	0
Ceiling on BCC credit to nonfinancial private sector	1,146	0	0	0	0	0
Ceiling on the contracting or guaranteeing of new nonconcessional external debt with an original maturity of more than one year by the government or the BCC 5/	0	0	0	0	0	0
Ceiling on the contracting or guaranteeing of new nonconcessional external debt with original maturity of less than one year by the government or the BCC 6/	0	0	0	0	0	0
Ceiling on wage arrears	0	0	0	0	0	0
No accumulation of external debt arrears 7/ (in millions of U.S. dollars)	0	0	0	0	0	0
The BCC will make no payment of expenditure of the government that has not been authorized in advance by the Minister of Finance 8/	0	0	0	0	0	0
The BCC will make no purchase of Congo franc notes or foreign currency in the market at a discount rate against payment in deposit money 8/	0	0	0	0	0	0
Memorandum item:						
Base money	61,252	4,962	9,781	14,600	19,419	24,238

Source: Congolese authorities.

Note: Until the expiration of the three-year arrangement under the Poverty Reduction and Growth Facility (PRGF) in June 2005, the observance of the first five performance criteria will be audited by an international firm.

1/ Quantitative performance criteria and benchmarks, as well as the procedures for their monitoring, are defined in the attached technical memorandum of understanding.

2/ Cumulative changes are calculated from end-September 2003 onward.

3/ The stock of net foreign assets and net domestic assets of the BCC are valued at the program exchange rates (SDR 1 = US\$1.26537; US\$1 = CGF 313.6; and €1 = 357.62).

4/ Fifty percent of any surplus (shortfall) over (under) the programmed amount of external budgetary assistance (excluding project assistance), net of debt-service and including external debt-service rescheduling, that has not been used to finance poverty reduction expenditure, public enterprise restructuring, and domestic debt repayment (including cross arrears to be certified in cooperation with World Bank staff) will be used to reduce (increase) net banking system credit to the government, and the corresponding performance criterion will be adjusted downward (upward) accordingly. The criteria on net foreign assets and net domestic assets will be adjusted upward (downward) or downward (upward), respectively, by the same amount. However, the criterion regarding net foreign assets will be adjusted downward, without letting the stock of net foreign assets fall below the level achieved at end-December 2002. This adjustment does not apply to HIPC resources, which will be deposited in a special account at the BCC.

5/ This performance criterion applies not only to debt as defined in item No. 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt, adopted on August 24, 2000, but also to commitments contracted or guaranteed for which value has not been received. Excluded from this performance criterion are rescheduling arrangements and purchases from the Fund. For purposes of this performance criterion, the term "nonconcessional" means that the debt has a grant element of less than 35 percent, calculated using currency-specific discount rates that are based on the OECD commercial interest reference rates (CIRRs).

6/ This performance criterion applies not only to debt as defined in item No. 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt, adopted on August 24, 2000, but also to commitments contracted or guaranteed for which value has not been received. Excluded from this performance criterion are rescheduling arrangements, purchases from the Fund, and normal import-related credits other than for petroleum imports. For purposes of this performance criterion, the term "nonconcessional" means that the debt has a grant element of less than 35 percent, calculated using currency-specific discount rates that are based on the OECD CIRRs.

7/ This is a continuous performance criterion.

8/ These are continuous performance criteria as of March 24, 2003 (the completion date of the first review of the PRGF arrangement).

Table 5A. Democratic Republic of the Congo: Structural Performance Criteria and Benchmarks, 2003

Measures	Timetable	Progress
Structural performance criteria		
Completion of the audits of five commercial banks: BCD, Citibank, BIAC, Banque Congolaise, and First Banking Corporation.	End-September	Completed.
Structural benchmarks		
Preparation of a draft reunification and pro-poor budget for 2004.	End-September	Completed.
Effective implementation of the new government expenditure procedures, restoring and streamlining the entire expenditure chain, including commitment, verification, payment order, and payment.	End-September	To be completed with a delay in February 2004.
Elimination of identified “ghost workers” from the government payroll.	End-September	Completed.
Adoption of a circular stipulating that external debt contracted without the approval and signature of the Minister of Finance will not be guaranteed by the government.	End-September	Completed.
Finalization of the plans for reorganizing the banks considered viable on the basis of external audits.	End-December	To be completed with with a short delay in January 2004.
Preparation of a reorganization plan for COHYDRO.	End-December	Ongoing.
Adoption by parliament of the Law on Corruption, Money Laundering, and Transnational Organized Crime.	End-December	Adoption expected by end-January 2004.
Submission to parliament of the General Accounting Office’s audit of the execution of the 2001 and 2002 budgets.	End-December	The 2001 audit submitted in December, 2003. The 2002 audit to follow by end-January 2004.

Table 5B. Democratic Republic of the Congo: Prior Actions and Structural Performance Criteria and Benchmarks, 2004

Measures	Timetable
Prior action	
Submission to parliament of the draft 2004 budget law, reflecting the policy thrusts defined with IMF staff and presented using the new nomenclature.	January 2004
Structural performance criteria	
Adoption by the Central Bank of the Congo of the list of commercial banks to be liquidated and reorganized.	March 2004
Structural benchmarks	
Submission to parliament of the draft law on the harmonized classification system rationalizing the number of taxes collected by the General Directorate of Administration and State Revenues (DGRAD).	February 2004
Effective implementation of the new expenditure procedures, from commitment through payment.	February 2004
Submission to parliament of the new customs code.	March 2004
Selection of an international firm to conduct the external audit of MIBA.	March 2004
Finalization of the plans for reorganizing commercial banks considered viable and putting into liquidation nonviable commercial banks.	June 2004
Finalization of the COHYDRO reorganization plan.	June 2004
Completion of the strategic audit of the Public Enterprises Council (Conseil Supérieur du Portefeuille).	June 2004
Adoption of a double entry government accounting framework.	June 2004
Finalization of the Law Governing Public Institutions and of the Law Governing Divestment by the State of Public Enterprises.	December 2004
Reorganization of the procedures for paying civil servants based on the recommendations of the external audit of the payroll system.	December 2004