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STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION, THIRD REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUEST FOR WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF PERFORMANCE CRITERIA AND FINANCING ASSURANCES REVIEW; AND SECOND REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT AND REQUEST FOR REPHASING OF ACCESS—PRESS RELEASE; STAFF REPORT; DEBT SUSTAINABILITY ANALYSIS, INFORMATION ANNEX, WORLD BANK ASSESSMENT LETTER AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR THE DEMOCRATIC REPUBLIC OF CONGO

In the context of the Staff Report for the 2026 Article IV Consultation, Third Review under the Extended Credit Facility Arrangement, Request for Waivers of Nonobservance of Performance Criteria, Modification of Performance Criteria and Financing Assurances Review; and Second Review under the Resilience and Sustainability Facility Arrangement and Request for Rephasing of Access, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board and summarizing the views of the Executive Board as expressed during its June 26, 2026, consideration of the staff report on issues related to the Article IV Consultation and the IMF arrangement.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on June 26, 2026, following discussions that ended on May 6, 2026, with the officials of the Democratic Republic of the Congo on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on June 12, 2026.
- An **Informational Annex** prepared by the IMF staff.
- A **Debt Sustainability Analysis** prepared by the staffs of the IMF and the World Bank.
- A **World Bank Assessment Letter**.

- A **Statement by the Executive Director** for the Democratic Republic of the Congo.

The documents listed below have been or will be separately released.

Selected Issues

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PRESS RELEASE

PR26/233

IMF Executive Board Concludes the 2026 Article IV Consultation and Completes the Third Review under the Extended Credit Facility Arrangement and the Second Review under the Resilience and Sustainability Facility Arrangement for the Democratic Republic of the Congo

FOR IMMEDIATE RELEASE

- *The DRC's economy remains resilient despite the challenging external and domestic environment, including from the ongoing armed conflict in the eastern part of the country, the war in the Middle East, and the Ebola outbreak.*
- *Performance under the program has been broadly satisfactory, with most quantitative targets met, and structural reforms progressing well, though an accelerated pace is necessary.*
- *Over the medium term, accelerated reforms (including in the labor market), prudent monetary policy, and the transparent and efficient use of public resources, are critical to enhance resilience, safeguard macroeconomic stability, and support inclusive growth.*
- *Completion of the ECF and RSF reviews unlocked new disbursements totaling about US$348.5 million, bringing total ECF disbursements to about US$1.03 billion.*

Washington, DC – June 26, 2026: The Executive Board of the International Monetary Fund (IMF) concluded the Article IV consultation[1] and completed the third review under the Extended Credit Facility (ECF) Arrangement and the second review under the Resilience and Sustainability Facility (RSF) Arrangement for the Democratic Republic of the Congo (DRC), both approved on January 15, 2025 (see PR 25/003). The completion of the third review of the ECF-supported program allowed for a disbursement equivalent to 190.4 million SDR (approximately US$ 258.2 million), bringing the aggregate disbursement to date to 761.3 million SDR (about US$ 1,032.4 million). The completion of the second review of the RSF allowed for a disbursement of 66.6 million SDR (approximately US$ 90.3 million).

The security situation in eastern DRC remains volatile despite the December 2025 Washington Accords, with continued fighting and recurring violations of ceasefire commitments. The humanitarian situation remains severe, with widespread food insecurity and large-scale displacement. Rising global, political, and health risks—including disruptions from the war in the Middle East, rising domestic political tensions, and the ongoing Ebola outbreak—add to uncertainty and could further constrain policy implementation.

[1] Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

Economic activity remained resilient in 2025 and the outlook is positive, with robust extractive sector activity and a strengthening non-extractive sector. The recent issuance of a Eurobond is expected to support priority investment in public infrastructure with strong economic return. The external sector strengthened in 2025 and is expected to continue improving, supported by strong mining exports, with a narrower current account deficit and continued reserve accumulation. Inflation declined sharply following the October 2025 appreciation of the Congolese franc, standing at 2.5 percent at end-April 2026. The impacts of the war in the Middle East and the Ebola outbreak are weighing on the budget, which was already under pressure from the persistent conflict in eastern DRC. Nonetheless, the public debt outlook remains stable.

Program performance under the ECF was broadly satisfactory, despite fiscal pressures stemming from the deterioration in the security situation. All end-December 2025 performance criteria (PC) were met, except for the domestic fiscal balance and the continuous PC on the non-introduction or modification of multiple currency practices. The former was missed, due to higher-than-anticipated security-related spending in the last quarter of the year, and the latter because of the modification by the Central Bank of the Congo (BCC) of the exchange rate spread applicable to FX operations between the BCC and the Treasury. Corrective actions have been taken by the authorities to address the missed performance criteria. The structural reform agenda is progressing, with most structural benchmarks met. Under the RSF, the climate screening methodology for public investment—was completed ahead of schedule, while amendments to the Forest Code were delayed due to factors outside the authorities' control.

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

"Economic activity in the DRC remains resilient, supported by robust mining sector performance. Inflation has stayed low in early 2026, and the external position has continued to strengthen, largely reflecting favorable terms of trade. The near-term outlook remains favorable, though subject to significant risks, including the security situation in eastern DRC, the recent Ebola outbreak, rising political uncertainty, and spillovers from the war in the Middle East.

"The 2026 fiscal outlook is broadly manageable. Strong revenue performance, reflecting favorable commodity prices and policy measures, largely offsets continued security-related spending pressures. However, the domestic fiscal deficit is expected to widen temporarily, reflecting the impact of the war in the Middle East and additional investment financed by the Eurobond. Over the medium term, sustained fiscal discipline, continued roll-out of the public financial management reforms agenda and efforts to boost domestic revenue mobilization will help create space for much-needed investment and priority social spending.

"The BCC has maintained an appropriately cautious monetary policy stance. Given significant uncertainty around the outlook, a pause in further easing is warranted and the BCC should stand ready to tighten monetary policy if needed. Sustained efforts to accumulate reserves, while preserving the role of the exchange rate as a shock absorber, remain essential to building external resilience.

"Implementation of the RSF reform agenda is progressing, with one reform measure delayed and another completed ahead of schedule. Further advancing reforms to improve governance and transparency, strengthening anti-corruption and AML/CFT frameworks—including progress toward exit from the FATF grey list—and enhancing the business climate remain critical for supporting private sector development and promoting diversified and inclusive growth.

"The 2026 Article IV consultation underscored the importance of consolidating the hard-won gains in macroeconomic stability through a better-balanced policy mix over the medium term. This calls for a gradual but sustained fiscal consolidation, a prudent monetary stance, the continued buildup of external buffers, and structural reforms to advance export diversification and strengthen the business climate."

Executive Board Assessment[2]

Executive Directors agreed with the thrust of the staff appraisal. They commended the authorities for their continued commitment to reforms and the broadly satisfactory program performance, including through corrective actions to address temporary deviations amid particularly challenging circumstances related to the security situation in the eastern Democratic Republic of the Congo, the recent Ebola outbreak, and the spillovers of the Middle East war. Noting elevated downside risks, Directors stressed the need for strong ownership, policy discipline, and accelerated structural reforms to consolidate macroeconomic stability and foster diversified, inclusive, and sustainable growth, supported as needed by capacity development from the Fund and development partners.

Directors called for gradual fiscal consolidation to create space for priority investment and social spending while safeguarding debt sustainability. They supported the temporary widening in the 2026 deficit, while stressing the need to step up domestic revenue mobilization and enhance transparency and efficiency of public spending. Directors emphasized the importance of strengthening expenditure controls and budget transparency, including in the use of Eurobond proceeds, and called for enhancements in public financial and debt management, including reduced reliance on emergency procedures and advances in wage bill reform and arrears prevention. They stressed the criticality of improved social spending execution for inclusive growth.

Directors agreed that a cautious, data dependent monetary policy stance remains appropriate in view of rising uncertainty, standing ready to tighten if inflation expectations become unanchored. Directors called for continued efforts to strengthen the monetary policy framework, enhance transparency in the FX market, deepen the domestic debt market, and further accumulate international reserves. Strengthening BCC safeguards, including those related to planned gold reserve accumulation, further enhancing financial supervision, and continuing AML/CFT reforms to complete the expected exit from the FATF grey list are also important priorities.

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[2] At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here: http://www.IMF.org/external/np/sec/misc/qualifiers.htm.

Directors called for accelerated structural reforms, including labor market reform and improvements in the business climate, to support diversification and inclusive growth. They underscored the importance of sustained progress in governance, transparency, and anti corruption, including the swift operationalization of the Economic and Financial Tribunal and the finalization of the anti corruption law. Directors also encourage continued efforts to improve data quality.

Directors generally welcomed continued progress under the RSF and encouraged timely delivery of the reform agenda. They emphasized that sustained efforts in coordination with development partners are needed to strengthen resilience to climate related shocks and support longer term balance of payments stability. Directors noted ongoing authorities' work with the World Health Organization on potential pandemic preparedness measures. Many Directors were open to the possibility of including pandemic preparedness reform measures in the current RSF at a future review, subject to the macro criticality of health related risks, adequate capacity, and strong collaboration with other development partners.

It is expected that the next Article IV consultation with the Democratic Republic of the Congo will be held in accordance with the Executive Board decision on consultation cycles for members with Fund arrangements.

Table 1. Democratic Republic of the Congo: Selected Economic and Financial Indicators, 2024-27

	2024	2025		2026		2027	
	Act.	CR No. 26/02	Prel.	CR No. 26/02	Proj.	CR No. 26/02	Proj.
	(Annual percentage change, unless otherwise indicated)						
GDP and prices							
Real GDP	6.1	5.6	5.7	5.3	5.6	5.5	5.5
Extractive GDP	11.9	10.1	8.6	5.0	6.7	4.4	5.0
Non-extractive GDP	4.1	3.1	4.7	5.4	5.2	6.1	5.7
GDP deflator	19.6	7.9	8.5	3.6	6.2	6.5	6.4
Consumer prices, period average	17.7	7.7	7.4	4.4	3.5	6.4	6.4
Consumer prices, end of period	11.7	4.3	2.3	6.1	6.9	7.0	7.0
	(Annual change in percent of beginning-of-period broad money)						
Money and credit							
Net foreign assets	23.0	-0.2	-12.9	30.1	21.8	22.7	17.7
Net domestic assets	5.8	3.7	3.3	-21.0	-9.6	-10.4	-5.5
Domestic credit	15.2	7.7	1.2	7.8	14.5	7.1	13.9
Broad money	28.2	4.0	-9.6	9.1	12.1	12.3	12.2
	(Percent of GDP, unless otherwise indicated)						
Central government finance							
Revenue and grants	14.8	14.4	14.5	14.8	14.9	14.9	15.1
Expenditures	16.4	16.7	16.9	17.1	17.3	16.6	17.5
Domestic fiscal balance	-0.7	-1.3	-1.9	-1.2	-1.9	-0.7	-1.2
Investment and saving							
Gross national saving	9.7	9.7	9.3	11.7	11.9	11.2	13.0
Investment	13.8	13.3	13.0	13.9	13.8	13.9	14.4
Non-government	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Balance of payments							
Exports of goods and services	45.9	40.0	39.8	37.1	44.4	36.6	43.4
Imports of goods and services	48.0	41.5	40.8	37.4	37.7	37.0	36.7
Current account balance, incl. transfer	-4.2	-3.6	-3.7	-2.2	-1.9	-2.6	-1.4
Current account balance, excl. transfers	-5.2	-3.4	-2.8	-2.1	-1.4	-2.4	-0.7
Gross official reserves (weeks of imports)	10.1	11.7	10.6	12.9	12.0	13.5	12.8
External debt							
Debt service in percent of government revenue	6.1	6.7	6.	6.5	5.7	6.9	7.2

Sources: Congolese authorities and IMF staff estimates and projections.

INTERNATIONAL MONETARY FUND

DEMOCRATIC REPUBLIC OF THE CONGO

June 12, 2026

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION, THIRD REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUEST FOR WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF PERFORMANCE CRITERIA AND FINANCING ASSURANCES REVIEW; AND SECOND REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT AND REQUEST FOR REPHASING OF ACCESS

EXECUTIVE SUMMARY

Context. The security situation remains highly volatile in Eastern DRC, with significant humanitarian pressures. Political risks are also rising, with a newly formed opposition coalition against any term extension through either a Constitutional change or a security-motivated delay to the 2028 presidential election. The war in the Middle East and the recent Ebola outbreak are further complicating the conduct of public policy.

Economic Background. The near-term outlook remains favorable, but risks are elevated as spillovers from the war in the Middle East could weigh further on economic activity. Inflation stayed low in early 2026, following the sharp appreciation of the Congolese franc (CDF) in 2025, despite higher fuel prices. The 2026 fiscal outlook is supported by stronger revenues, driven by favorable commodity prices and policy measures, which largely offset continued spending pressures related to the security situation.

Program Performance. Program implementation has been broadly satisfactory. All end-December 2025 quantitative performance criteria were met, except for the domestic fiscal balance, which was missed due to higher-than-expected security-related spending. In addition, the standard continuous PC on the non-introduction/modification of multiple currency practices ("MCPs") was missed, due to the modification of a pre-program MCP between reviews. The authorities request approval to maintain the MCP on a temporary basis and waivers of nonobservance of these missed PCs on the basis of corrective action. The authorities are implementing several corrective measures to

address the missed performance criteria. Three out of five indicative targets were met; the targets on spending by exceptional procedures and on social spending were missed, reflecting persistently high security spending and cash constraints. All continuous structural benchmarks were met. Three out of four non-continuous structural benchmarks were met, while the fourth—on the quarterly publication of payments for investment projects executed with and without prior budget authorization—was implemented with a delay. Reforms under the RSF have also progressed, with one reform measure completed ahead of schedule and another delayed. Staff recommend completion of the 3rd ECF review and the 2nd RSF review.

Article IV Discussions. The Article IV consultation focused on the medium-term outlook and policies and how to consolidate the gains made on macroeconomic stability, most notably on the need for continued and gradual improvement of the public finances, building resilience against shocks, and maintaining the reform momentum. Specifically:

- *Analytical topics (SIP and annexes):* The selected issues paper focused on: (i) the drivers of inflation, (ii) how to strengthen the labor market, including female labor force participation, (iii) social spending, iv) managing the wage bill, and (iv) reserve accumulation, the external sector assessment, and debt sustainability.
- *Policy recommendations*: The authorities' policy framework is guided by the need to strengthen macroeconomic and financial sustainability, build fiscal and external buffers. Policy priorities center on a better-balanced policy mix: a gradual but sustained fiscal consolidation that creates space for critical social and development spending while safeguarding debt sustainability; a prudent monetary stance that helps anchor inflation and supports reserve accumulation; and structural reforms to strengthen public financial management.

Approved By
Papa N'Diaye (AFR), Lamin Y. M. Leigh (SPR)

Discussions took place during April 23-May 6, 2026, in Kinshasa. The staff team comprised C. Ahokpossi (head), R. Barbosa, L. Drissi Bourhanbour, and F. Rahim (all AFR), J. Capella-Ramos (SPR), S. von Thadden Kostopoulos (FAD), R. Tapsoba (Resident Representative), and H. Katuala and J. Senzele (local economists). Mr. J. Nsumbu Kibidikila and Ms. M. Nkusu (both OEDAC) participated in the meetings. The team met with Prime Minister Judith Suminwa Tuluka, Deputy Prime Minister and Minister of Economy Daniel Mukoko Samba, Deputy Prime Minister and Minister of Budget Adolphe Muzito, Minister of Finance Doudou Fwamba Likonde, Central Bank Governor André Wameso Nkwaluloki, and other ministers and senior officials, representatives of the private sector, CSOs, trade unions and development partners. B. Wang assisted with the data and C. Ndome-Yandun helped with document preparation.

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BACKGROUND

1. The security situation in eastern DRC remains volatile despite the Washington Accords between the DRC and Rwanda in December 2025. Just days after the agreement, the AFC/M23 rebel coalition captured Uvira—a key commercial hub near the Burundi border. Strong diplomatic pressure prompted the withdrawal of M23 and was followed by U.S. sanctions on the Rwanda Defense Force and some senior officials. Yet, fighting continues, with both sides accusing each other of violating peace commitments. The economic, social, and humanitarian impacts of the security crisis remain substantial (Annex VI).

2. The DRC and the United States signed a Strategic Partnership Agreement and an Expanded Security Partnership Memorandum of Understanding. The former aims to deepen economic cooperation, with a strong focus on critical-minerals supply chains, including by promoting secure, reliable, and mutually beneficial mineral flows, attracting U.S. and U.S.-aligned investment, and supporting transparency, traceability, and governance reforms in the sector. The agreement could help diversify investment sources and bolster reforms, but it also carries potential fiscal risks if implementation leads to excessive tax incentives or preferential treatment. The security MoU seeks to strengthen bilateral security cooperation, including support for territorial integrity and the protection of critical infrastructure.

3. Global, political and health risks are rising and could constrain policy making.

- Spillovers from the war in the Middle East are contained so far, but prolonged disruptions around the Strait of Hormuz could have significant social and economic impacts (Box 3).
- Political risks are also rising after President Tshisekedi indicated on May 6 that the 2028 elections could be delayed if insecurity persists and signaled openness to a third term that will necessitate a constitutional amendment. A new coalition ("C64") regrouping the largest opposition parties has been recently formed, to oppose any term extension through either a Constitutional change or a security-motivated delay to the 2028 presidential election.
- On May 17, 2026, the World Health Organization (WHO) declared the ongoing Ebola outbreak in DRC a global health emergency. The economic impacts of the outbreak are uncertain but could be high. The initial national response plan is estimated at about US$240 million, will be financed by donors and the authorities' budget, but has not yet opened a new financing gap for the program (Box 2).

RECENT ECONOMIC DEVELOPMENTS

4. Economic growth moderated slightly to 5.7 percent in 2025, with a slowdown in the extractive sector partially offset by stronger growth in the non-extractive sector. Growth in the extractive sector reached 8.6 percent, driven by a 10.4 percent increase in copper production, while

the suspension of cobalt exports for much of 2025 weighed moderately on production. In the non-extractive sector, growth strengthened from 4.1 to 4.7 percent. The effects of the ongoing conflict in eastern DRC on the formal sector were concentrated mainly in selected cash crops and the financial sector.[1] Meanwhile, commerce and telecommunications outperformed expectations.

5. Inflation dynamics remain dominated by the appreciation of the Congolese franc (CDF) in October 2025, which generated a sizeable one-off disinflationary shock. Following the 25 percent appreciation, year-on-year inflation plummeted from 7.6 to 2.3 percent at end-2025. Monthly inflation in early 2026 returned to its pre-appreciation level, with year-on-year inflation standing at 2.5 percent at end-April. The decline in inflation in 2025 and 2026 is estimated to reflect, in roughly equal parts, a negative demand shock and an exchange-rate-induced supply-like shock[2,3] Meanwhile, the official exchange rate has resumed a slight depreciation trend in recent months, converging toward the level of the parallel rate. Inflation is also expected to converge to the central bank (BCC)'s target of 7.0 percent by early 2027.

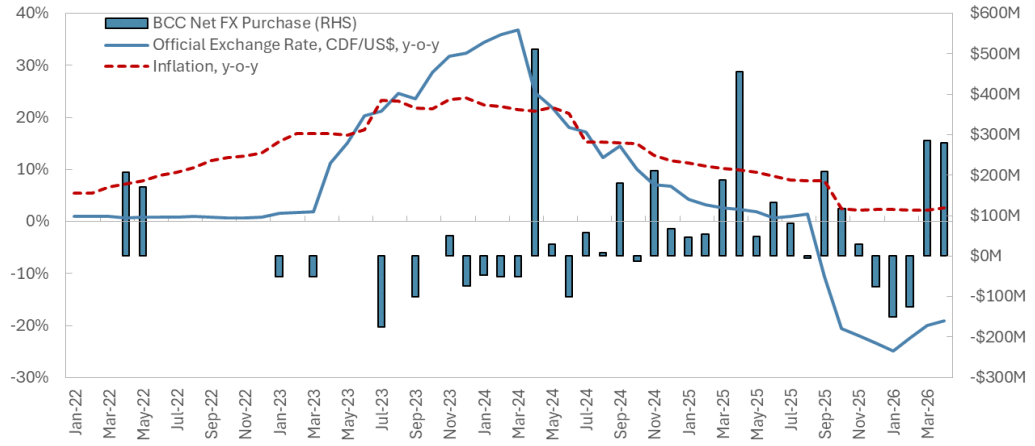
6. With inflation below target and money growth declining, the BCC continued to ease monetary policy in early 2026. After cutting the policy rate by 250 basis points to 15.0 percent in January 2026, the BCC lowered it further by 150 basis points to 13.5 percent in April. The easing followed the December 2025 reduction in reserve requirement ratios on FX demand and time deposits, from 13.0 and 12.0 percent to 11.5 and 10.5 percent, respectively, as well as on local-currency demand deposits from 12.0 to 10.5 percent. Monetary conditions have since softened, as reflected in rising excess liquidity[4] and easier interbank market conditions, though this has not resulted in exchange rate pressures as in the past. Consequently, the BCC has continued to absorb liquidity through BCC bills, with the outstanding stock reaching a record high and demand for longer maturities emerging.

7. The external sector strengthened further in 2025, although the external position remained moderately weaker than implied by fundamentals and desirable policies (Annex III. External Sector Assessment)**.** The current account deficit narrowed to 3.7 percent of GDP (from 4.2 percent in 2024), supported by robust mining exports (driven by strong copper volumes and favorable prices) and a marked improvement in the services balance. Despite these gains, the trade surplus narrowed relative to 2024, as goods imports grew faster than exports. The services balance improved significantly, reflecting lower transport- and insurance-related imports, while the primary income balance widened due to higher dividend repatriation amid strong mining sector profitability. At the same time, official development assistance (ODA) flows declined by about 0.7 percent of GDP

[1] See Annex VI for a detailed account of the macroeconomic impacts of the conflict in Eastern DRC.
[2] The appreciation was triggered by the BCC's revised valuation of legacy CDF-denominated reserve requirements on foreign-currency deposits, which forced banks to sell U.S. dollars to purchase Congolese francs (IMF Country Report No. 26/2).
[3] The decomposition of inflation into supply and demand shocks is based on a Bayesian SVAR model with sign restrictions, following Bergholt et al. (2023), using annual data on inflation and real GDP growth.
[4] Following the reduction in the reserve requirement ratio on U.S. dollar deposits, the BCC released only CDF liquidity, reducing total frozen reserves from USD 984.8 million to USD 767.4 million.

relative to 2024, weighing on secondary income. Overall, improved current account dynamics supported reserve accumulation.

Text Figure 1. Inflation, FX intervention and Exchange Rate Developments, 2022-26



Sources: Congolese authorities and IMF staff estimates.

8. The domestic fiscal deficit exceeded the program target of 1.3 percent of GDP by 0.6 percentage points in 2025, and budget execution in early 2026 was constrained. With revenues on track, this slippage reflects spending overruns, mostly related to the deterioration of the security situation in December. In the leadup and following the fall of Uvira, intensified diplomatic efforts, as well as broader initiatives to mobilize political support and prevent further territorial expansion by the rebel groups, resulted in higher spending on goods and services (security-related and diplomatic spending, including travels, intelligence operations, outreach, and transfers to frontline provinces). In this context, higher than planned bonuses were paid to revenue collecting agencies and additional VAT arrears were repaid (about 0.05 percent of GDP), suggesting potential policy slippages, rather than an exogenous impact of the security shock. However, the authorities noted that these actions were taken to support revenue collection efforts in the face of acute social and security pressures. The wider deficit was financed through increased T-bill issuance, complemented by a drawdown of cash reserves. Overall, reliance on the domestic public securities market increased. Budget execution in 2026-Q1 was characterized by lower-than-expected revenue and higher spending pressure which has eased since end-April, with a robust first installment of corporate income tax (CIT). On April 9, the authorities also issued their inaugural Eurobond (USD1.25 billion), to finance high-priority investment projects in 2026 and 2027 (see Box 1 for details).

Text Table 1. Fiscal Outcome in 2025

	Second review	Updated estimates
Domestic revenue	11.4	11.5
Central government spending	12.6	13.3
Wages	4.9	4.9
Domestic interest payment	0.2	0.2
Goods and services	1.6	2.1
Transfers and subsidies	1.2	1.4
Capital spending (exc. SICOMINES)	1.2	1.2
Exceptional spending	3.5	3.5
Exceptional security spending	3.4	3.5
Other exceptional spending	0.1	0.0
Arrears repayment	0.1	0.2
Domestic fiscal balance (program target)	**-1.3**	**-1.9**
Overall balance	-2.4	-2.9
Financing	2.4	2.9
Net domestic financing	0.4	1.0
Accumulation of deposits*	-0.4	-0.2
T-Bills	0.9	1.2
Net foreign financing	1.9	1.8

9. Public debt remained contained in 2025. The appreciation of the CDF helped reduce the debt-to-GDP ratio to about 18 percent of GDP, reflecting valuation effects on GDP and the large share of foreign-currency-denominated debt. While concessional flows increased in 2025, external financing was predominantly provided on semi-concessional terms—primarily from multilateral and bilateral creditors—with a smaller share on commercial terms. The DRC remains at moderate risk of external and overall debt distress, with some space to absorb shocks (2026 Debt Sustainability Analysis (DSA)).

Box 1. Investment, Financing Needs and Eurobond

On April 9, 2026, the DRC government issued its maiden Eurobond. The issuance amounted to US$1.25 billion (1.0 percent of GDP), consisting of tranches of 5-year, US$600 million note and 10-year, US$650 million note, priced at 8.75 percent and 9.50 percent respectively. Demand was strong, with final orders exceeding US$5.0 billion.

The proceeds of the Eurobond are earmarked for some high-priority projects. These projects are a subset of a broader group of important projects that the authorities are pursuing as part of their National Development Plan. Some of the projects have started and others are ready to start, supported by feasibility studies.

The Eurobond is expected to have positive spillovers on the economy, but proceeds should be used carefully and transparently. The terms of the Eurobond are favorable relative to domestic borrowing conditions. Since the issuance of the Eurobond, government borrowing costs in the domestic market have declined, with lower rates and slightly longer maturities. To ensure effective and transparent use of the proceed of the Eurobond, the authorities plan to follow appropriate PFM and reporting standards for the implementation of the targeted projects (more details in ¶22).

10. The banking sector has been resilient to the appreciation of the CDF. The CDF appreciation prompted a modest shift in the currency composition of deposits: growth in CDF-denominated deposits accelerated to 35 percent, while growth in USD-denominated deposits slowed to 10 percent in USD terms, compared with 5 percent and 22 percent, respectively, a year earlier. As a result, deposit dollarization declined from 92 to 87 percent. The appreciation also generated revaluation effects on reported capital, as some capital items are denominated in USD but reported in CDF. Banks also reduced their long net open FX positions rapidly, from 7.6 percent of capital before the appreciation episode to around 0.2 percent, helping contain appreciation-related valuation losses. Yet, capital buffers remained above regulatory requirements, despite the decline of capital adequacy ratio from 16.2 percent to 14.8 percent between end-June and end-December 2025. Profitability remained high, with ROA at 3.8 percent and ROE at 22.5 percent. Asset quality improved, as non-performing loans to total loans declined from 6.5 to 4.9 percent.

OUTLOOK AND RISKS

11. The outlook for growth and the external sector remains favorable. Real GDP growth is projected at 5.6 percent in 2026, reflecting slower activity in the extractive sector—partly due to

lower copper production at a major mine[5]—offset by stronger performance in the non-extractive sector, including in the agriculture, manufacturing, and construction sectors. Over the medium term, growth is expected to stabilize at around 5.5 percent. The external position is expected to strengthen in 2026, supported by favorable terms of trade (higher copper and cobalt prices and cobalt volume), more than offsetting the impact of higher import prices, including increased oil-related costs associated with the Middle East conflict. At the same time, rising dividend outflows—reflecting sustained profitability in the mining sector—are projected to widen the primary income deficit, partly offsetting improvements in the trade balance. Overall, the current account deficit is expected to narrow significantly, to below 2 percent of GDP in 2026 and beyond.

Text Table 2. Medium-Term Macroeconomic Framework, 2024-31

	2024	2025		2026		2027	2028	2029	2030	2031
	Prel.	CR No. 26/02	Est.	CR No. 26/02	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Real GDP (percent change)	6.1	5.6	5.7	5.3	5.6	5.5	5.5	5.5	5.5	5.5
of which: extractive	11.9	10.1	8.6	5.0	6.7	5.0	4.3	3.9	3.6	3.4
GDP deflator (percent change)	19.6	7.9	8.5	3.6	6.2	6.4	6.5	6.3	6.4	6.8
CPI inflation, average (percent)	17.7	7.7	7.4	4.4	3.5	6.4	7.0	7.0	7.0	7.0
CPI inflation, eop (percent)	11.7	4.3	2.3	6.1	6.9	7.0	7.0	7.0	7.0	7.0
Domestic fiscal balance (% GDP), cash basis	-0.8	-1.3	-1.9	-1.2	-1.9	-1.2	-0.7	-0.8	-0.7	-0.7
External public debt (% GDP)	14.1	11.8	10.1	14.0	13.3	13.9	13.4	12.9	12.2	11.0
Current account balance (% GDP)	-4.2	-3.6	-3.7	-2.2	-1.9	-1.4	-1.2	-1.1	-1.4	-1.9
Gross international reserves (weeks of imports)	10.0	11.7	10.6	12.9	12.0	12.8	13.7	14.3	14.4	15.0

Sources: Congolese authorities and IMF staff estimates and projections.

12. The fiscal outlook remains broadly manageable, supported by strong revenue performance, but significant spending pressures persist. Revenue is expected to continue growing, supported by strong extractive sector performance, and tax policy and revenue administration measures (see ¶ 21, 23). Consequently, domestic revenue would increase from 11.5 percent of GDP in 2025 to 13.2 percent over the medium term. Spending pressures are likely to remain elevated due to the security crisis in eastern DRC and the authorities' response to the war in the Middle East. Investment in critical infrastructure is expected to accelerate, partially financed by the proceeds of the Eurobond (Box 1 and ¶21). Strong execution of SICOMINES-financed investment projects is also expected to support public investment. Overall, the fiscal deficit is projected to remain moderate, and public debt contained around 20 percent of GDP.

13. The outlook remains subject to significant external and domestic downside risks (Annex I). Although impacts have so far been limited, a protracted conflict in the Middle East could lead to shortages of key inputs—including fuel, fertilizer, and sulfuric acid (critical for mineral extraction)—with adverse implications for growth, inflation, and public finances (see Box 3). A correction in copper prices, which remain at historically elevated levels, could also have significant fiscal and balance-of-payments implications. A sharp downward correction in copper prices could materially reduce export receipts and FX inflows, slow reserve accumulation and weaken fiscal

[5] Ivanhoe Mines revised downward its 2026 production guidance for the Kamoa-Kakula copper complex in early 2026, reflecting the lingering impact of a seismic event in 2025 that led to underground flooding and disruptions to mining operations.

revenues through lower mining-related receipts. Deeper and more persistent cuts in ODA flows pose an additional risk, while renewed fuel and food price pressures could weigh on inflation and vulnerable households. On the domestic side, continued security-related uncertainties and potential shortfall planned revenue mobilization could further strain public finances. Finally, the Ebola outbreak, if prolonged, could negatively impact the budget, trade, and the growth outlook (Box 2).

Authorities' Views

14. The authorities broadly concurred with staff's assessment of recent economic developments and risks, while noting that a more optimistic growth outlook cannot be ruled out. They acknowledged that spillovers from the Middle East conflict could weigh on growth, particularly if disruptions to key mining inputs—especially sulfuric acid and fuel—become severe. Over the medium term, they underscored that the launch of new mining projects, alongside increased investment in electricity, construction, and manufacturing, could support stronger and more diversified growth. They reiterated their commitment to advancing the structural reform agenda, continuing to build foreign exchange reserves, and maintaining fiscal discipline.

Box 2. 2026 Ebola Outbreak: Fiscal Costs and Macroeconomic Risks

A new Ebola virus disease outbreak was declared in mid-May 2026 and subsequently designated a global health emergency by the WHO. The outbreak, caused by the Bundibugyo strain, for which no licensed vaccine or targeted treatment exists, is concentrated in densely populated, conflict-affected eastern DRC (notably Ituri, North and South Kivu), with cross-border cases reported in neighboring countries. As of May 26, there were about 1,077 suspected cases and 238 suspected deaths, with risks that the outbreak is larger than currently detected due to surveillance gaps and delayed detection.

The DRC authorities have announced a national response plan estimated at around US$240 million, with US$50 million spending from the budget so far and a significant financing gap yet to be filled. While past outbreaks generated fiscal costs of about 0.1–0.2 percent of GDP, with external partners filling most of the financing needs, budget outlays this time are likely to be higher given detection delays, logistical constraints, and reduced external health and humanitarian support.

Under a rapid containment scenario, the macroeconomic impact should remain manageable, but a more protracted outbreak could weigh on growth, reduce trade and mining revenues, and increase fiscal spending pressures. The outbreak could generate localized economic disruptions in a region with high cross-border mobility and proximity to key mining and trade corridors. Transport, trade, retail activity, mining logistics, agricultural production, and market access could be affected, with potential spillovers through trade networks if containment is delayed.

PROGRAM PERFORMANCE

15. All end-December 2025 QPCs have been met, except for the domestic fiscal balance (MEFP Table 1) and the continuous PC on the non-introduction/modification of MCPs. The former was missed, due to higher-than-anticipated spending in Q4. The latter was missed because of the modification by the BCC of the exchange rate spread applicable to FX operations between the BCC and the Treasury which resulted in impermissible spreads last observed on April 30, 2026.

Monetary QPCs were also met as confirmed by the external auditors. The floor on changes in net international reserves of the BCC and other QPCs were met. Of the five indicative targets (ITs), three were met: the ITs on spending by exceptional procedure and on social spending were not met, due to persistently high security spending for the former, and cash constraints for the latter, notwithstanding progress in protecting social spending (85 percent of programmed spending was executed in 2025–much higher than in previous years).

16. Implementation of structural reforms under the ECF remains strong. All three continuous structural benchmarks (SBs) were met. Three out of four non-continuous SBs were also met while the fourth – on the quarterly publication of payments for investment projects executed with and without prior budget approval – was implemented with a delay.

17. The only RSF reform measure due at the second RSF review has been delayed, while another RM has been finalized ahead of schedule, thereby not affecting the initial disbursement schedule. RM1, on the adoption of amendments to the Forest Code to define the process to allocate concessions, has not been completed. Missed deadlines by external partners resulted in delays in the adoption of the Forest Policy, which is a prerequisite for the revision of the Forest Code – have prevented the timely finalization of the latter. RM10, on the adoption of a methodology for climate change impact screening, has been achieved ahead of schedule.

POLICY DISCUSSIONS

The combined 2026 Article IV consultation and reviews under the ECF and RSF arrangements provide an opportunity to take stock of recent progress and remaining challenges. A credible medium-term plan, building on program objectives, is needed to anchor progress and address remaining vulnerabilities. Policy discussions focused on a policy mix that preserves domestic and external stability in the context of a moderately weaker external position relative to medium-term fundamentals and desired policies (ESA/EBA-lite). Given current conditions and medium-term challenges, staff's recommended policy mix includes i) fiscal policy that makes space for critical social and development needs, with enhanced PFM reforms, while maintaining debt at moderate risk of distress; this implies a tighter fiscal stance over the medium term; ii) monetary policy that stays put in the near term, while monitoring inflation dynamics and standing ready to tighten policy if inflation expectations accelerate; iii) structural reforms that strengthen the effectiveness of monetary policy, improve the business climate and boost inclusive growth (labor market and female participation reforms, social spending).

18. Progress in implementing the key recommendations of the 2024 Article IV consultation has helped maintain macroeconomic stability (Annex II). Despite a challenging security environment, the authorities stepped up revenue mobilization efforts (Text table 3), supported in part by favorable commodity prices. They also made notable progress in PFM (¶24-32). Coordination between fiscal and monetary policies has improved while the authorities have continued to refrain from monetary financing. Monetary policy remained tight during 2024–25, contributing to the sustained deceleration of inflation. Efforts to build FX reserves have also

continued, supported by strong commodity exports. However, progress has been slower in strengthening public investment management and the BCC safeguard reforms.

A. Fiscal Policy and Budget Priorities

Short-Term Policies

19. The authorities' ambition of scaling up public investment has been increasingly constrained by the deteriorating security situation. Successive program reviews have reflected a pronounced reallocation of fiscal resources toward security needs (Text Table 3): exceptional security spending in 2025 was revised upward from 0.6 percent of GDP at the time of the 2024 Article IV consultation to 3.4 percent of GDP by the second ECF review in December 2025. Over the same period, domestically financed public investment for 2025 was revised downward, from 2.1 percent to 1.2 percent of GDP. Efforts to contain other expenditure categories were more than offset by rising conflict-related outlays in 2025. Overall, the compression of capital expenditure covered roughly 40 percent of the increase in security-related spending. To partially restore public investment toward levels originally envisaged under the program, the authorities are accelerating the implementation of the SICOMINES-financed investment projects and have earmarked the proceeds of the Eurobond for the financing of critical infrastructure projects.

Text Table 3. Fiscal Revisions 2024-2026*

	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
	Domestic revenue			Domestic investment (ex. SICOMINES)			Exceptional security spending			Other spending			Domestic fiscal balance		
	percent of GDP														
Art IV 2004 (July 2024)	11.3	10.1	10.7	1.7	2.1	2.5	1.9	0.6	0.7	8.2	7.7	7.9	-0.5	-0.4	-0.4
ECF/FSR approval (Jan 2025)	11.8	11.2	12.1	1.2	2.0	2.8	1.9	1.4	1.3	8.9	8.5	8.7	-0.3	-0.8	-0.8
1st review ECF (June 2025)	12.0	11.3	12.2	1.4	1.7	2.4	2.3	2.2	2.0	9.1	8.6	8.6	-0.8	-1.2	-0.8
2nd review ECF (Dec 2025)	12.0	11.4	12.0	1.4	1.2	1.5	2.3	3.4	3.0	9.1	8.1	8.7	-0.8	-1.3	-1.2
Current estimates	12.0	11.5		1.4	1.2		2.3	3.5		9.1	8.7		-0.8	-1.9	

*Normalized at current GDP estimates

20. To address the missed QPC on the domestic fiscal balance, the authorities have taken corrective actions. They have submitted to Parliament a revised 2026 budget aligned with program objectives and macroeconomic framework underpinning the current review (prior action). They have completed an audit of the wage bill, with a view of identifying and eliminating inefficiencies, irregularities, and abuses in the payroll system. In addition, they have installed automatic weighbridges in Kasumbalesa, a key customs entry point, to strengthen the monitoring of imports and exports. Efforts to recover outstanding tax liabilities from mining companies have also intensified, with collections amounting to 0.1 percent of GDP already secured. The authorities are undertaking a comprehensive cleanup of the taxpayer registry to strengthen tax compliance and are operationalizing a National Tax Mediation Commission, expected to become effective in July 2026.

21. The draft revised 2026 budget law is underpinned by several domestic revenue mobilization measures, additional expenditures to accelerate the implementation of high-priority projects and accommodate the impacts of the war in the Middle East, while continuing to assess the impact of the Ebola outbreak (Boxes 2 & 3).

Text Table 4. Revenue Mobilization Measures

	% of GDP
Domestic revenue in 2025	**11.50**
Tax policy measures	**0.50**
Restoring VAT on selected goods	0.10
Increase in excise duties on selected goods	0.10
Customs modernization and weighbridges	0.20
Strengthened collection of past tax liabilities	0.10
Other factors	**0.22**
Resumption of cobalt exports	0.12
CIT performance and superprofits taxation	0.10
Domestic revenue in 2026 - baseline	**12.22**

- Revenue measures include restoring the VAT rate on selected basic consumption goods to 8 percent, increasing excise taxes on vehicles, and removing implicit fuel subsidy for selected sectors, following the successful elimination of such subsidy to the mining sector in 2025. Together with the corrective measures described above, these policies are expected to boost revenue by about 0.5 percentage point of GDP in 2026. Additional gains of around 0.2 percentage point of GDP are expected from higher cobalt export, and exceptional performance of CIT in 2026 resulting from high copper prices. Further improvements in the recovery of tax liabilities, including through the newly established Tax Mediation Commission, constitute an upside risk and could help offset possible shortfalls in the above-mentioned tax policy measures. Notwithstanding the upside above, the authorities should be mindful of risks of shortfalls, and should ensure strong control of spending until the yields of the new measures materialize.

Text Table 5. Domestic Balance: 2025 to 2026

	% of GDP
Domestic balance in 2025	-1.9
Additional revenue in 2026	0.7
Additional expenditure in 2026	
Response to ME crisis	0.2
Eurobond financed capital investment	0.5
Budget financed capital investment	0.3
Security-related expenditure	-0.5
Arrears repayment	0.2
Domestic balance in 2026	-1.9

- On the expenditure side, the authorities estimate that new spending would be necessary to address the Ebola outbreak (USD50 million budget outlay so far; projected budget outlay will be reassessed and discussed at the next review, after for donors' contributions are confirmed) and provide subsidies and transfers to cushion
- The impacts of the war in the Middle East (0.2 percent of GDP). In addition, high-priority investments (0.5 percent of GDP) will be financed from the earmarked proceeds of the Eurobond, with remaining proceeds to be used in 2027.

Text Table 6. Deficit Relaxation

	% of GDP
Domestic balance in 2026 (2nd review)	-1.2
Response to ME crisis	0.2
Eurobond financed capital investment	0.5
Domestic balance in 2026 (3nd review)	-1.9

- The remaining budget financing gap, after accounting for the domestically revenue mobilization efforts above and the earmarked share of Eurobond proceeds, will be closed by government security issuance in the domestic market.
- Staff propose that the program accommodates a widening of the domestic fiscal deficit 0.7 percent of GDP for 2026, equivalent to the additional investment financed by the Eurobond and budget outlays to cushion the impact of the war in the Middle East and the Ebola outbreak.

22. **Key safeguards are being put in place to ensure the effective and transparent use of Eurobond proceeds.** The issuance of Eurobonds can heighten risks related to unclear use of proceeds, off budget management, and exposure to market and governance vulnerabilities. To mitigate these risks, the authorities have included the Eurobond in the revised budget and are implementing safeguards, including ring-fencing funds by allocating immediate project financing to dedicated project accounts and placing unused resources in ringfenced central bank accounts, establishing high-level oversight committee under the Prime Minister to approve allocations Eurobond proceeds to selected projects, formalizing debt service arrangements through an MoU with the central bank supported by a reserve account and automatic debit mechanisms (including a sub-account for coupon payments), committing to standard procurement procedures, not resorting to emergency procedures to execute identified projects, strengthening ex post controls by the Court of Accounts and the General Inspectorate of Finance, and ensuring independent reporting by UNDP to enhance transparency and traceability of the proceeds (LOI ¶9). In addition, the authorities will ensure that only projects with high economic return are selected.

Medium-Term Policies

Revenue mobilization and PFM reforms will be critical to create fiscal space for priorities spending and strengthen control over spending.

Revenue

23. Significant untapped revenue potential, particularly in the mining sector, has prompted renewed revenue mobilization efforts, but will require strong and accelerated implementation (MEFP ¶15). The newly installed weighbridges (¶20) will be operated on a manual basis starting in June). As part of the custom administration's modernization program, advanced scanners and spectrometers will be acquired, to strengthen controls on imports and mineral exports, and the newly installed weighbridges will be interconnected with the SYDONIA platform and the scanners starting in December 2026, enabling the automatic production of cross-checked data on goods imports and mineral exports. Other tax administration efforts also continue, with the standardized VAT system operational since December 2025. The recent adoption of the reclassification decree on auxiliary bodies (SB, January 2026), together with ongoing work to rationalize parafiscal charges, should also pave the way for decisive actions that would strengthen central government revenues and halt the proliferation of parafiscal levies.

24. Reforms are advancing toward a resource-based fiscal framework (MEFP ¶20). The 2026 Budget and 2027–2029 Medium-Term Budget Framework (MTBF) include a non-resource budget balance. The institutional framework has been strengthened through the creation of the Extractive Revenue Forecasting Unit under the Permanent Committee on Macroeconomic Framework (CPCM) and the formal assignment of responsibilities to members of the CPCM. An international consultant is being recruited to support the Fiscal Analysis and Modeling Function for Extractive Industries – FARI-based modeling for 12 projects that will represent 80 percent of mining exports (SB, end August 2026). The baseline FARI projections will be incorporated in the 2027 draft budget together with a methodological annex.

Expenditure and Public Financial Management

25. The use of emergency procedures declined over the course of 2025 but remains above the target. The authorities streamlined the use of exceptional spending procedures and ensured their systematic quarterly regularization throughout 2025. Consequently, the share of spending by emergency procedures declined from an average of 17.4 percent in the first three quarters to 10.8 percent in the fourth quarter of 2025 – with the latter largely driven by exceptional security-related spending (about 93.5 percent). To further rationalize the use of emergency procedures, the authorities issued a circular in December 2025 to strengthen awareness and controls over exceptional procedures (MEFP ¶24). A TA mission in January 2026 noted that in addition to the use of emergency procedures, the excessive use of cash advances underscores the need to better regulate the use of non-standard procedures. This issue will be addressed though planned Fund TA.

Text Table 7. Spending Under Emergency Procedures, 2025

	Q1	Q2	Q3	Q4
Spending under emergency procedures (billions CDF)	**1167.8**	**1696.9**	**1449.3**	**943.1**
of which:				
Security (%)	89.9	97.1	97.0	93.5
Non-Security (%)	10.1	2.9	3.0	6.5
Spending under emergency procedures (% of total spending)	**15.6**	**21.0**	**15.6**	**10.8**

26. An important milestone has been achieved in operationalizing the Treasury (DGTCP) and the pilot phase of the decentralization of spending authorization to line ministries, though completion of these reforms will depend on securing resources and strengthening capacity (MEFP ¶24). The DGTCP and the decentralization of expenditures authorization in the first four pilot ministries are operational since February, with office buildings, accounting staff and IT systems in place since February, and payments are being processed (SBs, February 2026). Building on this progress, the IT system supporting the expenditures chain has already been set up at the next four pilot sector ministries (SB, September 2026) while efforts are also underway to produce regular trial balances to improve fiscal reporting (SB, June 2026, MEFP ¶24). As a next step, the authorities will adopt by October a roadmap outlining the rollout of decentralization of spending

authorization to all remaining sector ministries– the effectiveness of this expansion will depend on securing adequate resources and the continuous strengthening of the DGTCP's capacity.

27. Other PFM reforms are also advancing, though important weaknesses remain. The Treasury Single Account (TSA) reform continues to advance following the inventory of public bank accounts held in commercial banks and at the BCC (MEFP ¶24). Other reforms include the adoption of regulations on budgetary and cash management and the establishment of the treasury committee. Implementation guides are being prepared, to enhance alignment between procurement, budget commitments, and cash planning (MEFP ¶24). The recent publication of payments for investment projects implemented with and without prior budget approval (SB, March 2026) marks an important step toward greater transparency and stronger oversight of budget execution. A preliminary assessment of the 2025 payments for investment projects indicates that about 15 percent were implemented without being included in the approved budget, albeit through standard procedures; nearly half of these reflect urgent defense and security needs amid heightened pressures, together with climate-related resilience interventions following floods.. Additional reforms under preparation include the strengthening of the public procurement law to enhance budget commitment controls and arrears monitoring, advancing the rationalization of special funds and public entities, and, deploying public accountants across eligible entities to improve expenditure management and oversight.

28. Social spending targets continue to be difficult to meet (MEFP ¶18). Spending in education, health, and social protection in the DRC remains insufficient, and poorly linked to outcomes, reflecting persistent PFM weaknesses, which undermine the efficiency, equity and sustainability of social spending (Annex VII). The IT on social spending has been strengthened by expanding its scope—from an initial focus on three health programs—to additional priority areas in education and social protection in 2026, supporting a more comprehensive coverage across three key social ministries. Ongoing reforms to decentralize expenditure authorization are expected to improve the execution of priority social spending in pilot sectors, notably health and education, by delegating greater responsibility to line ministries and enhancing operational efficiency. To improve the quality and efficiency of social expenditures, the authorities should accelerate the PFM reforms above and improve coordination and targeting through the Unified Social Registry.

Box 3. Potential Impacts of the Conflict in the Middle East

The conflict in the Middle East could affect the DRC through multiple transmission channels, although tailwinds from the country's export may provide partial offset. The most immediate transmission channels operate through higher fuel and food import prices. In addition, disruptions to global trade and shipping routes could affect the availability and cost of key intermediate inputs, including sulfur a critical input for the production of sulfuric acid used in mineral processing. While a significant share of sulfuric acid is produced domestically as a by-product of mining activities, providing some insulation against temporary supply disruptions, a prolonged war could affect mining operations. Elevated international prices for copper and cobalt relative to 2025 provide an important mitigating factor by supporting export receipts and offsetting higher input costs.

The authorities are taking policy measures to mitigate the potential impact of the conflict. While higher fuel prices have been fully passed through to mining companies, households have only seen a small price increase. Consequently, if the war is prolonged, losses (payments due to oil importers) could amount to about US$47 million per month. So far, these losses are being financed through the drawdown of previously accumulated buffers embedded in the fuel price structure. Absent further pass-through to domestic prices, these buffers could eventually be depleted, potentially requiring direct budgetary financing. The authorities have also significantly reduced parafiscal charges on fuel—particularly those earmarked for the road maintenance agency (FONER)—to limit price increases. In addition, direct budgetary transfers to public transportation companies have been introduced, to keep public transportation affordable. Measures to facilitate fuel imports, including delaying the payment of duties at the border, have also been implemented. While these steps may ease short-term supply pressures, they could increase risks of customs fraud and weaken revenue mobilization.

Under an adverse scenario (based on the April 2026 WEO), real GDP growth in 2026 could be about 1.9 percentage points lower than the April WEO baseline of 5.9 percent, while inflation could be about 1.5 percentage points higher. The April 2026 WEO assumptions are the basis for baseline program projections. While the impact in the baseline scenario is expected to remain modest, a protracted conflict could significantly disrupt supply chains, weigh on extractive sector activity, and raise oil and other input prices. Looking ahead to 2027, uncertainty remains elevated; under the adverse scenario, growth could be about 1.1 percentage points lower and inflation about 1.5 percentage points higher than 2026 April WEO baseline.

Table 1. DRC: Impact of the Conflict in the Middle East in DRC (Adverse Scenario)

	2026		2027	
	2026 April WEO	Adverse Scenario	2026 April WEO	Adverse Scenario
Real GDP growth	5.9	4.0	5.4	4.5
Yearly Inflation (avg.)	3.3	4.8	6.4	7.9

Main impacts on the program:

- Fiscal impact: The baseline incorporates a fiscal cost of 0.2 percent of GDP to support FONER and other state-owned transportation companies. Under the adverse scenario, an additional cost of around 0.2 percent of GDP could materialize if elevated international oil prices persist and pass-through to domestic fuel prices remains limited. In addition, a revenue shortfall, reflecting weaker economic activity, could raise the fiscal cost by a further 0.2 percent of GDP.
- External impact: In the baseline, imports have been revised up by more than 10 percent relative to the previous review, reflecting higher fuel and transport costs, which are weighing on reserve accumulation in 2026. Under the adverse scenario, external risks would remain tilted to the downside: higher import costs and possible export price weakness could slow the pace of current account improvement and further constrain reserve accumulation and complicate progress toward adequate reserve coverage.
- Social impact: Higher food and fertilizer prices could weigh on agricultural production and food security, and increase pressures on vulnerable households, especially under a prolonged war scenario.

29. Strong fiscal effort is needed in terms of investment and quality of spending to strengthen the labor market (SIP II). Despite relatively high labor force participation, the DRC labor market remains characterized by low productivity, widespread informality, and limited inclusion in quality jobs (SIP II). Economic growth has not resulted in well-paying jobs that could lift the population from poverty, reflecting growth driven by capital-intensive sectors (such as mining) that have not generated sufficient quality jobs. Although labor market participation is relatively high (about 65 percent), including for women, employment in the DRC is largely concentrated in informal, low-productivity activities, with most women employed in agriculture, vulnerable and non-wage jobs. Official statistics suggest that unemployment is low, but this masks widespread under-employment. Policies to improve labor market outcomes should therefore focus on boosting job quality and labor productivity by focusing on macroeconomic policies that support inclusive growth (creating fiscal space for investment in economic and social infrastructure that will help boost targeted social spending, improve inclusion, and close the gender gap), and strengthening skills and addressing structural constraints to women's access to productive employment.

30. Rising and poorly managed VAT and budget arrears are exposing significant gaps in arrears monitoring, coordination, and repayment capacity. The implementation of the authorities' arrears repayment strategy continues to face resource constraints, technical, institutional, and coordination challenges, including weaknesses in IT systems and treasury management capacities. Uncertified VAT credit arrears, particularly affecting mining companies, have grown substantially due to ineffective refund and certification processes and limited fiscal space. A recent certification of VAT arrears by the General Public Finance Inspectorate (IGF) identified an additional US$1,189 million in arrears for 2023–24, bringing the total stock to US$2,140 million for 2021–24. In 2025, only about US$ 60 million of VAT was refunded. Another certification exercise by the IGF is planned for June 2026 to cover 2025 and Q1 2026, with the aim of establishing a comprehensive assessment of the VAT arrears stock. Legacy arrears and fuel subsidies arrears have declined, as the authorities have cleared parts or the totality of their stocks by end-2025 (MEFP ¶19). A recent IMF TA found several issues with budgetary arrears, including the lack of consistent definition of arrears in DRC legislation and the lack of coordination between the procurement and budgetary processes (availability of budget allocations is checked only after contracts are signed as part of the procurement process). Reforms are planned, with the support of Fund TA, to address these weaknesses, including the adoption of arrears definition in line with international standards

Text Table 8. Evolution of the Stock of Certified Central Government Domestic Arrears

	2024		2025 (estimated)	
	Nominal in US$ million	in percent of GDP	Nominal in US$ million	in percent of GDP
Legacy Arrears [1/]	**2314**	**3.0%**	**2053**	**2.2%**
Certified and Validated	1055	1.4%	965	1.1%
Certified but not Validated	821	1.1%	701	0.8%
Protocoles d'accords (MOU)	439	0.6%	387	0.4%
Recent arrears	**1451**	**1.9%**	**2140**	**2.3%**
VAT [2/]	1205	1.6%	2140	2.3%
Oil subsidy [3/]	246	0.3%	0	0.0%
Total	**3765**	**4.9%**	**4193**	**4.6%**

Sources: Congolese authorities and staff calculations.
1/ Includes the stock of validated and certified arrears under the domestic debt strategy and the stock of certified arrears awaiting validation, and protocoles d'accord.
2/ This line represents certified claims for the mining sector based on two exercises covering 2021-2022 and 2023-2024 by the IGF. Those claims form the basis of the VAT arrears repayment strategy adopted in March 2025.
3/ Arrears towards oil companies represent the net liabilities after accounting for within year payments, stock certification adjustments and cross liabilities with oil companies.

(SB, December 2026) and the amendment of the procurement law to ensure that contracts are signed only after the availability of budget allocations is confirmed (SB, October 2026).

31. Implementation of the fuel sector reform roadmap is progressing, though important operational and governance constraints continue to weigh on reform effectiveness. The roadmap[6] continues to be implemented effectively, with 2026 priorities focusing on removing subsidies for industrial sectors (forestry, brewing, and telecommunications). Net liabilities vis-à-vis oil companies have turned into net gains (or surplus) for the government from mid-2025 until the onset of the war in the Middle East (MEFP ¶19). In response to the fallout of the war, pump fuel prices were raised, and measures to protect supply were adopted (Box 3). Over the medium term, the main challenges are to align the pace of fuel subsidies reforms across the three main regions of the country and to gradually eliminate tax expenditure (implicit subsidies) on top of explicit subsidies, which, despite a temporary reintroduction, had previously been largely phased out.

32. The sharp increase in the DRC's wage bill underscores structural weaknesses, amid ongoing reforms to strengthen payroll and fiscal controls (Annex VI, MEFP ¶20). From CDF 6.6 trillion in 2022, the wage bill is projected to double to CDF 13.1 trillion by 2026. Adjusted for inflation, this represents a cumulative increase of about 46 percent. This pressure reflects deep-seated structural weaknesses, including fragmented recruitment practices, a remuneration system heavily skewed toward bonuses and allowances, and wage-setting mechanisms that remain weakly anchored in the budget process. The authorities have articulated a comprehensive wage bill reform strategy, centered around cleaning, digitalizing, and integrating payroll and systems, adopting a comprehensive wage policy, and strengthening budget controls. They have initiated some of these reforms by completing the identification of civil servants across most provinces, and taking steps to addressing pension liabilities. However, overall progress has been slow. Sustaining reform momentum will require strong political commitment, careful sequencing of measures, and the anchoring of wage-bill management in a medium-term framework, potentially supported by a formal wage-bill rule.

Authorities' Views

33. The authorities assess the fiscal stance to be appropriate and are committed to continue the implementation of the structural fiscal reforms. They reiterated their commitment to improve revenue mobilization, recognizing this is a sustainable way to fund development needs. They also committed to increasing social expenditures to support vulnerable populations and promote inclusive growth. They recognize the weaknesses in PFM and are committed to the implementation of the associated recommendations. They emphasized their intention to ensure that Eurobond proceeds are used effectively to finance growth-enhancing infrastructure projects. In this regard, they committed to establish robust financial management and governance arrangements.

[6] In November 2023, the authorities adopted a roadmap for the implementation of the July 2023 IMF TA recommendations, including the simplification and transparency of the price formula, the end of subsidies to the mining sector and the reconsideration of exemptions (IMF Country Report No. 23/434).

B. Monetary, Financial and External Policies

Near-Term Policies

34. The BCC should pause further easing and stand ready to tighten if inflation expectations accelerate (MEFP ¶27)**.** Rising pressures from higher oil prices linked to the war in the Middle East and recent exchange rate depreciation warrant a pause to assess the effects of recent easing and monitor external spillovers. While there is no clear evidence that increased liquidity has unanchored inflation expectations or fueled exchange rate pressures—reflecting cautious market behavior and stronger FX reserves—the risk of spillovers into the FX market warrant close monitoring, given the highly uncertain global outlook and the difficulties in assessing cyclical conditions in a fragile economy like DRC.

35. BCC's FX interventions (FXI) are broadly consistent with its recently adopted FXI strategy aimed at improving rule-based interventions (MEFP ¶29)**.** The interventions conducted between November 2025 and March 2026, totaling US$440 million, were triggered by at least three to four red-zone indicators[7] and systematically with high intraday exchange rate volatility, suggesting that interventions were aimed at addressing excessive volatility and disorderly market conditions. However, the calibration and relevance of some indicators of the FXI strategy warrant reassessment, as several have remained systematically in the red zone during the whole period which could lead to excessive intervention. By contrast, the net open position (NOP) indicator remained mostly below its critical threshold (green zone), likely reflecting a measurement issue, as this indicator is based on prudential data not adapted for daily market monitoring. Developing a higher-frequency indicator, with IMF TA, using the new interbank trading platform (see ¶38) would help strengthen real-time FX market surveillance.

36. A disciplined and well-coordinated policy framework is essential to sustain reserve accumulation while safeguarding monetary stability (MEFP ¶29). FXI should be limited to smoothing disorderly market conditions, while allowing the exchange rate to adjust to underlying market pressures. Strong fiscal discipline, improved Treasury cash-flow management, close coordination between the Treasury and the BCC, and continued efforts to deepen the FX market will be important to support reserve accumulation and reduce the need for intervention. The BCC's plan to purchase domestic gold from DRC Gold Trading SA (a state-owned enterprise) and refine it for reserves should be carefully designed to mitigate AML/CFT risks and to support, not complicate, steady reserve accumulation and monetary policy objectives. This requires a transparent framework, robust traceability, independent audit arrangements, and full consistency with reserve-asset eligibility standards. If purchases are settled in CDF, the resulting liquidity injections should be sterilized as needed to avoid undermining monetary aggregate targeting.

[7] These were necessary, but not sufficient conditions for their interventions (they did not intervene every time the indicators were red, i.e. when preset critical thresholds for various indicators were breached).

Medium-Term Policies

37. **Empirical evidence suggests that exchange-rate dynamics largely shape inflation in the DRC, both in the long and short run (see SIP I and MEFP ¶29)).** Against this background, the BCC should embed the exchange rate more explicitly in its monetary policy analytical tools including by operationalizing the FPAS model (DRCMOD) in development with IMF TA. The model is aligned with the BCC's monetary-targeting framework and incorporates FX intervention, dollarization, and the high pass-through of the exchange rate to prices. Priorities include deepening the interbank FX market, strengthening price discovery, broadening bank participation and enhancing transparency to contain speculative pressures. Recent BCC measures to promote the use of the CDF in payments, contracts, and official transactions are welcome, but should be embedded in a comprehensive strategy supported by sustained fiscal and monetary discipline.

38. Monetary policy and FX market reforms are advancing.

- The BCC will accelerate the conversion in USD of CDF frozen reserve requirements on USD deposit. This operation, expected to be completed in three years, will release additional CDF liquidity, which could create excess reserves and fuel speculation in the FX market. BCC therefore will align the conversion schedule with periods of high market demand for CDFs (typically around tax payment deadlines). The mission urged the BCC to give sufficient lead time to banks to help alleviate risks on the FX market (MEFP ¶27).

- BCC is modernizing its FX market framework aiming to adopt a new reference rate calculation methodology robust to large outlier transactions. Staff have identified two measures as being inconsistent with the DRC's Article VIII obligations.[8] In this regard, BCC is rolling out the Bloomberg FXGO electronic platform, under which the reference rate will be based on interbank transactions, thereby improving the reference rate's ability to reflect underlying market conditions. An MCM TA took place recently to support this reform, noting that its success depend on updating BCC's FX risk operational framework and securing banks' effective adoption of the new platform. Further technical assistance is planned to support the authorities in this area, and the BCC has engaged with banks to promote the reform. Discussions with bank representatives suggest broad support, rooted in the expected gains in transparency (MEFP ¶29).

[8] One MCP arises from the exchange rates used in FX auctions which are not in line with international best practices and resulted in impermissible spreads between January 8, 2025 and March 5, 2026. This MCP preceded the Fund-supported program and therefore does not have program implications. Another pre-program MCP arose from the effective exchange rates (that is the BCC's reference rates +/- spread of 1.95 percent) used for FX operations between the BCC and the Treasury. This official action resulted in impermissible spreads between February 9, 2024 and April 30, 2026. On January 30, 2026, the BCC reduced the spread for these FX operations to 1.91 percent. The reduction in the spread constituted a modification of the MCP, occasioning a nonobservance of the standard continuous PC in the Fund-supported program against introducing or modifying MCPs. To complete the proposed program reviews, the authorities are requesting temporary approval of the second MCP and a waiver of nonobservance predicated on corrective action taken by the authorities (the authorities request for and Board approval of the measure).

39. The April Eurobond issuance should continue to help improve conditions in the domestic Treasury securities market. The domestic market is shallow and relatively expensive, with government securities issued essentially in U.S. dollar, at maximum maturity of 18 months, and yields higher than 9 percent. Since the issuance of the Eurobond, a repricing is underway in the domestic market, with maturity now stretching to two years, and yields already declining. A discussion is underway between the authorities for a gradual prudential policy relaxation to support the development of the domestic securities market, with an emphasis on CDF-denominated instruments. Further efforts are also expected from the BCC to support the development of the secondary market, and from the Ministry of Finance to maintain its presence in the CDF segment of the primary market, via predictable, calendar-based issuance instruments**,** to support the gradual development of a domestic yield curve. The authorities will prepare a roadmap to advance these objectives and others including the diversification of investors base outside the banks by September 2026 (MEFP 25¶).

40. The systemic risk profile identified in the 2022 FSSR remains broadly relevant, although risks have evolved.

- Banks' claims on the government reached 12.2 percent of total sector assets at end-March, up from 10.7 percent a year earlier. However, sovereign exposure remains moderate compared with regional peers. Yet, any reform aimed at easing the currently stringent prudential treatment of such exposures (see ¶34) should be justified by a durable improvement in the government's risk profile and informed by regional experience.

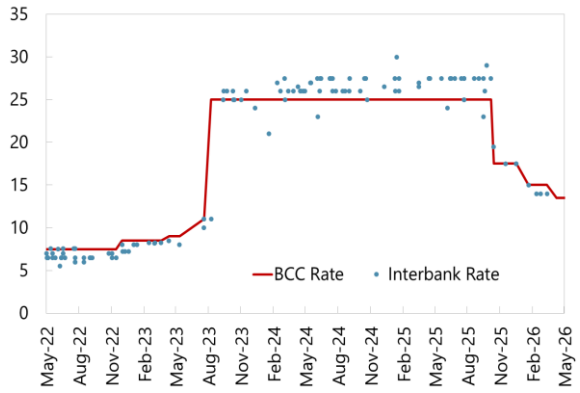
- The recent appreciation of the CDF has also underscored banks' exposure to exchange rate fluctuations. Banks sharply reduced their NOP to limit their losses, which may have reduced their capacity to absorb FX market imbalances, potentially contributing to higher day-to-day market volatility. Reforms to improve the calculation, monitoring, and enforcement of NOP requirements should help mitigate exchange-rate-related risks to the banking system.

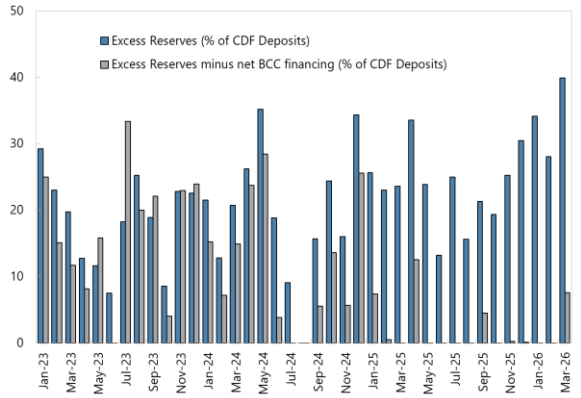
- Vulnerabilities from banks' concentration of assets with foreign correspondent and parent banks, including in jurisdictions on the FATF grey list, pose risks to liquidity. Although system-wide liquidity appears adequate, liquidity risks should be closely monitored, particularly because claims on foreign banks, including in grey-listed jurisdictions, are treated as liquid assets with some haircut. Ongoing reforms to align the liquidity framework with the Basel III Liquidity Coverage Ratio should therefore carefully assess the appropriate treatment of these assets. Finally, exiting the FATF grey list remains essential to broadening access to a more diversified and better-regulated correspondent banking network (¶44).

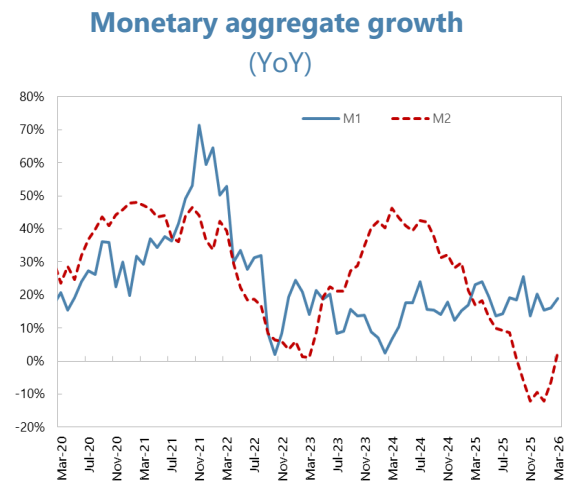
41. Progress on safeguards has been mixed (MEFP ¶33)**.** The BCC has published audited IFRS-compliant financial statements for FY2023, completed an IFRS migration impact assessment, and taken initial steps toward addressing capitalization issues. However, there are delays in advancing the FY 2024 audit and progress in strengthening governance arrangements remains limited with no substantive actions taken. Advances in other safeguards areas—including,

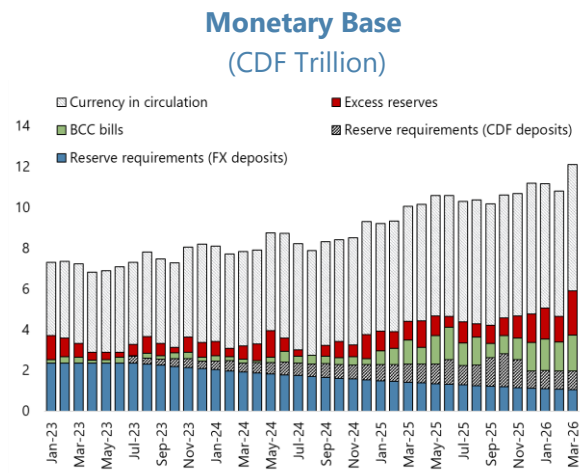
compliance, IT security, and business continuity— have been modest, while reforms related to legal amendments, accounting procedures, and selected governance policies—remain slow. Given the BCC's role in managing Eurobond proceeds, addressing accounting control weaknesses, as recommended by the 2025 assessment, should be prioritized. Similarly, planned gold reserves accumulation should be anchored in the revised foreign reserves investment policy, including to ensure adequate governance, custody arrangements, valuation, and liquidity.

Text Figure 2. BCC Bills and Monetary Policy Implementation









Sources: Banque centrale du Congo and IMF staff calculations.

Authorities' Views

42. The BCC broadly concurs with staff's recommendation on monetary policy stance and prudential reforms. It agreed that pausing the easing cycle is necessary, to monitor the impact of the war in the Middle East and tighten policy if necessary. It reiterated that FXI will continue to be used only to smooth excessive volatility and confirmed that reforms to the prudential framework of sovereign exposure will proceed cautiously to preserve financial stability. The BCC further underscored their commitment to strengthen the timely preparation and publication of their

financial statements and to proceed with the gold purchase program in accordance with international standards. They also noted that, given the important role of exchange rate in inflation dynamics in the DRC, exchange-rate developments are monitored for their implications for liquidity conditions, money demand, and inflation pass-through in a highly dollarized economy. In their view, this approach is consistent with the monetary aggregate framework, given the historically strong correlation between CDF liquidity conditions and exchange rate fluctuations.

C. Structural Reforms to Improve Governance and the Business Environment

43. Diversification efforts should be anchored in concrete reforms to raise productivity in agriculture and services and reduce the cost of doing business. Priorities include better rural roads, trade logistics, digitalization, financial access, regulatory simplification, and reforms to facilitate private investment. Targeted public investment can play a catalytic role in non-extractive sectors. In this regard, transport corridors, power generation and distribution, and logistics infrastructure, should be prioritized based on their expected impact on private-sector productivity and export diversification.

44. The authorities continue to advance implementation of the AML/CFT action plan. Recent efforts have focused on demonstrating the operational effectiveness of the risk-based supervision framework, including through the conduct of off-site and on-site inspections, the investigation of AML/FT cases and the imposition of sanctions on non-compliant entities. FT investigation has also been an area of emphasis. These steps are welcome and help demonstrate that reforms are moving beyond legal and institutional changes toward effective implementation. The authorities believe that they have now fulfilled the FATF action plan and hope to exit the FATF's increased monitoring process (i.e., the so-called "grey list").

45. Progress on broader governance reforms is advancing. The promulgation of the Ordinance-law establishing an economic and financial tribunal (TPEF) along with its associated economic and financial court is an important milestone, with the focus now shifting to its operationalization, starting with adopting a dedicated roadmap by June 2026. To ensure that the TPEF help effectively combat corruption, it will be important to build capacity (training magistrates), protect operational independence, and allocate adequate budgetary resources. In addition, staff encourage the authorities to ensure that the draft anti-corruption law to be submitted to Parliament before end-June 2026, be consistent with the UN Convention against Corruption and incorporate best international practices underscored by the UNODC, the World Bank, the Fund and other development partners (MEFP §36). In parallel, preparatory work is ongoing to adopt the decree on the publication of a beneficial ownership registry and an anti-conflict of interest law, which would further strengthen the transparency and accountability framework.

46. Efforts to improve fiscal governance and the business climate are underway. The permanent commission to streamline parafiscal charges has started its technical work, building on

the recently adopted reclassification of auxiliary organisms decree (SB, January 2026). Following this mapping exercise, staff encourage the authorities to adopt an action plan for streamlining these charges, with Fund TA. Together with envisaged efforts to streamline special funds and public entities and subject them to public accounting management rules (MEFP §24), this should enhance fiscal transparency and accountability and the business climate. Progress is also being made toward operationalizing the asset declaration regime, in collaboration with the World Bank. Staff encourage the authorities to swiftly remedy the delay experienced in validating the related operational manual of procedures and developing the digital platform to host the electronic declarations, to pave the way for enforcing the mandatory asset declaration. For greater operational effectiveness, staff stressed the importance of overridingly targeting senior officials and civil servants in high-risk exposure positions.

47. Work to improve data quality and dissemination is ongoing, despite resource constraints (Annex IV). The National Institute of Statistics is updating the national accounts base year, with TA support from the Fund and should complete the work by end-2026. Efforts are also underway to address relevant weaknesses in CPI, BOP data, namely estimation of imports, and GFS, namely the Tableau des Opérations Financières de l'État (TOFE) and data on arrears. The authorities are making progress in securing financial resources needed for the population census cartography, which is planned for the second half of 2026. The launch of the National Summary Data Page in 2025 under the e-GDDS framework and the publication of many of the recommended series and the ongoing update of the associated metadata represent meaningful transparency improvements, though gaps remain.

Authorities' Views

48. The authorities agreed that governance-related reforms are critical to diversifying the economy, attracting foreign investment, and improving the business climate. In this context, they reiterated their optimism about exiting from the FATF grey list by October 2026 and emphasized their commitment not only to achieving this objective but also to sustaining reform efforts beyond the exit. In this context, the BCC plans to prohibit cash transactions in USD and the import of USD banknotes by commercial banks by April 2027. While the USD would remain an accepted means of payment, the BCC would become the sole authorized importer of banknotes. The measure aims to reduce ML/TF risk by minimizing cash usage. The authorities underscored their intention to press ahead with complementary governance reforms and AML/CFT reforms.

D. RSF Reform Measures

49. The completion of RM1 has been delayed, while other pillar 1 measures are progressing (MEFP ¶41). The delays in finalizing the forestry policy were caused by missed deadlines by external partners and RM1, on the changes to the forest law, is now expected to be completed by the next review. This delay is not expected to have spillover effects on other RSF measures. RM2, regarding the audit of the National Forest Fund (FFN) by the *Cours de Comptes*, is scheduled for the third RSF review. While delays in the review process by the IDI may lead to minor

delays, they are not expected to jeopardize timely completion. Following an interministerial decision, a committee has been created in February 2026 to evaluate and align mining regulations pertaining to environmental standards, including RM4 and RM5. Technical assistance by GIZ is ongoing, with progress at the technical level.

50. Pillar 3 reform measures are mostly on track, with one measure completed ahead of schedule in this review (MEFP ¶46). The decree for RM10 was adopted in February 2026, ahead of its original deadline of June 2026, justifying a rephasing of access. The methodology, developed with IMF TA, is the bedrock of other climate PFM reforms, establishing both the criteria for the identification of projects that require climate screening and the details of its implementation, in accordance with international standards. Its application is expected to enhance fiscal and external stability by minimizing regulatory uncertainty and promoting investment.[9] The proposed rephasing is in line with RSF guidelines and does not weaken the overall reform package. Progress is also being made on implementation of other pillar 3 reforms. The Ministry of Planning has issued a circular instructing line ministries to share climate appraisals, based on the adopted methodology (RM12). The next step consists of securing the resources for training the line ministries in the application of the methodology. RM9, on the revision of the PPP law to include climate appraisals, has experienced minor delays, with the submission of the law to parliament expected in August rather than June 2026, but should still be completed by the third RSF review.

51. The authorities are working with the WHO to identify potential pandemic preparedness measures which may be included in the RSF program. These measures are relevant, as illustrated by the ongoing Ebola outbreak, which underscores the importance of strengthening pandemic response capacities. Gaps in preparedness could pose macro-financial risks for both the DRC and the broader region (Annex VIII). Discussions, with input from the WHO and the World Bank, have focused on improving the financing of pandemic prevention and response systems in the DRC, namely the adoption of a pandemic response financing strategy. Such a measure may be potentially included as part of the RSF at a future review, subject to further discussion with staff.

Authorities' Views

52. The authorities reaffirmed their commitment to advancing a transformational reform agenda under the RSF. They recognized delays in the implementation of some measures, namely the ones related to forest protection, but stress that all issues have been resolved and that the way forward is clear. The authorities, recognizing the country's high vulnerability to climate shocks, reaffirmed their commitments to better integrate climate considerations into PFM and public investment processes. They noted ongoing progress in strengthening climate risk management frameworks, namely through the early completion of one reform measure in this review and have

[9] More information on the Balance of Payments impacts of RSF reform measures can be found in Annex III of the Country Report No. 2026/002.

committed to allocating the necessary human and financial resources to implement the ambitious reform of integrating climate screening in all relevant public investment projects. To this end, the authorities will seek IMF TA to help disseminate technical expertise to line ministries. Finally, the authorities stress the need to augment the RSF program in a future review with a pillar on pandemic preparedness, which is an important source of macro-critical risks for the DRC.

PROGRAM ISSUES

53. Conditionality and completion of the ECF and RSF reviews. The authorities request temporary approval of the MCP arising from the reduction of the FX spread used in FX operations between the BCC and the Treasury because it is temporary, introduced for balance of payment reasons, is not discriminatory and does not give the member unfair competitive advantage. They also commit to remove the official action that gave rise to the MCP by the end of the Fund-supported program. In addition, the authorities request waivers of nonobservance of the PC on domestic fiscal balance, based on corrective action taken by the authorities (¶20) and the standard continuous PC on the non-introduction/modification of MCPs predicated on corrective action taken by the authorities, namely the request for Board approval of the measure. The authorities are also requesting, and staff support, the modification of performance criteria for end-June and the establishment of new ones for end-December 2026, as well as ITs for end-September 2026, in line with the updated macro-framework. The modifications for end-June include i) the domestic fiscal balance to account for Eurobond and Middle East war related spending, ii) net credit to the government, to account for government deposits related to the Eurobond and the clearance during 2026 of some operations pending regularization at end-December 2025, and iii) net FX reserves, due to the impact of the war in the Middle East on the balance of payments. It is also proposed that the PC on FX assets of the BCC held in domestic banks exclude Eurobond deposits held in these accounts. A rephasing of RSF disbursements is requested to accommodate RM10, which was implemented earlier than initially planned. The ECF disbursement will be partially used for budget support, while the RSF disbursement will be fully used for budget support.

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

- New SBs for the fourth and fifth reviews are proposed, to prevent arrears accumulation, rationalize the proliferation of extra-budgetary funds, and strengthen the oversight of these funds.

- One SB is proposed to be slightly modified: the operationalization of the decentralization of spending authorization in five additional ministries (SB, September 2026) has been revised to cover four, rather than five, additional ministries. The ministry of finance is no longer part of this group of pilot ministries, as its decentralization needs to be synchronized with that of the ministry of budget, which is not yet ready.

55. Financing assurances. The ECF arrangement is fully financed for the next 12 months (Table 2), with good prospects for the remainder of the program (Table 7). Official financing remains concentrated on the Fund, as World Bank financing has been revised down, and further support from other international financial institutions (IFIs) and bilateral partners is not currently assumed. Nonetheless, the arrangement is expected to catalyze additional support over time from other IFIs and private international investors (including through Eurobonds). The World Bank is expected to approve a new Development Policy Operation (DPO) worth US$400 million in 2026—below the US$500 million initially anticipated. Additional World Bank budget support is expected through ongoing programs, including US$250 million in grants and loans for education sector wages (PERSE) and for provincial governments (ENCORE PBC#4). Discussions are ongoing with other IFIs to mobilize additional financing.

56. External arrears. The DRC has outstanding arrears to Angola (US$23.5 million), Taiwan Province of China (US$31.6 million), Namibia (US$3.5 million), and Rwanda (US$1.3 million). Such pre-HIPC Initiative arrears to non-Paris Club creditors can continue to be deemed away under the Fund's lending-into-official-arrears policy (LIOA), given the representativeness of the Paris Club agreement and the authorities' continued best efforts to resolve them, including through ongoing engagement and follow-up correspondence with the relevant creditors to advance negotiations. Recent steps include correspondence to relaunch discussions with Angola and Namibia, and continued efforts to prepare further engagement with Taiwan Province of China and Rwanda. The DRC's central government also owes US$97.1 million to external commercial creditors. The authorities are making good faith efforts to reach a collaborative agreement with these creditors, including through engagement on possible modalities for regularization. Progress has been made on one commercial claim, while discussions continue with the remaining creditors. These efforts satisfy the good-faith standard under the Fund's lending-into-arrears policy (LIA), allowing the financing assurances review to be completed notwithstanding the remaining arrears to private creditors.

57. Capacity to repay. The DRC's capacity to repay the Fund remains adequate, although subject to risks (Table 6). IMF credit is projected to peak in 2027 at 3.6 percent of GDP and 39.5 percent of reserves, while annual repayments remain contained, at a maximum of 0.3 percent of GDP and 0.8 percent of exports. Risks stem primarily from potential export underperformance and the high share of Fund credit in external public debt, but reserve accumulation efforts, ongoing reform implementation, and the country's relatively low level of public debt, support repayment capacity.

DATA ISSUES

58. Despite ongoing progress, data provision continues to have shortcomings that somewhat hamper surveillance (Annex IV – Data Issues Annex and MEFP ¶63). Progress has been made in several areas, such as i) the revised annual national accounts for 2017–2023 and the launch

of the eGDDS/National Summary Data Page (NSDP) under the e-GDDS framework, and ii) the adoption of the new Statistics Law. Work is ongoing to transition fiscal reporting from GFSM 1986 to GFSM 2014, complete the population census, update the methodology of the CPI, improve external sector statistics, and rebase the national accounts, among others.

STAFF APPRAISAL

59. The DRC has made progress since the last Article IV, though further progress will be needed to ensure sustainable and inclusive development. Key achievements include strengthening external sustainability by improving reserves adequacy and creating more fiscal space through enhanced domestic revenue mobilization, while preserving debt sustainability. However, more progress is needed in budget credibility and spending controls. For the third review of the ECF, all quantitative PCs were met except for the domestic fiscal balance PC and the continuous PC on non-introduction/modification of MCPs that were missed due to higher-than-expected security-related spending for the former, and the modification of a pre-program MCP in-between reviews for the latter. Corrective actions are being implemented to address the missed PCs. The structural reform agenda is progressing broadly well.

60. Growth remains robust, despite domestic and global headwinds, but with risks to the economic outlook tilted to the downside. Real GDP growth remains strong, supported by robust activity in the extractive sector and with strengthening growth in the non-extractive sector. Over the medium term, the diversification of the economy is necessary and will hinge on boosting investment, advancing the structural reforms agenda and maintaining an adequate policy mix to navigate shocks to the external and fiscal sectors in a context of high global and domestic uncertainty (including from the war in the Middle East, the conflict in Eastern DRC and the Ebola outbreak). Inflation is low and it is expected not to exceed BCC's target of 7.0 percent over the medium term.

61. Prudent fiscal policy and reforms are needed to keep debt sustainable and to maintain macroeconomic stability. The authorities need to sustain efforts to improve domestic revenue mobilization and create fiscal space for priority investment and social spending. In the context of their growing external and domestic borrowing, the authorities should implement a debt management strategy with the aim of gradually improving borrowing conditions and deepening the domestic market. It remains also essential that authorities accelerate structural fiscal reforms and adhere to fiscal discipline.

62. Pausing the current monetary policy, easing cycle is appropriate, in the context of heightened global uncertainty. The war in the Middle East could worsen inflation prospects through higher energy and transport costs, renewed supply-chain disruptions, and pressures on imported goods prices. The BCC should stand ready to tighten monetary policy, if inflation expectations become unanchored. FXI appear to have been aimed at mitigating excessive volatility and maintaining orderly market conditions. But there is scope to further recalibrate the FX intervention framework to reduce reliance on weak indicators of market stress. While FXI may help

smooth disorderly market conditions, it should remain limited, transparent, and consistent with the objective of rebuilding reserve buffers. In the event of persistent FX pressures, with limited risk of disorderly market conditions, the appropriate response should rely primarily on monetary policy, liquidity absorption, and greater exchange-rate flexibility, rather than continued reserve drawdowns.

63. Staff welcome ongoing efforts to strengthen the health of the financial sector. The planned acceleration of the conversion of legacy reserve requirements on FX deposits held in local currency will limit financial stability risks. Staff encourage the authorities to continue efforts to deepen the securities market. Exiting the FATF grey list remains a key priority to support financial sector resilience and improve access to correspondent banking services. In this context, staff welcome the authorities' plans to better control USD banknote import and usage in domestic transactions (USD usage is unaffected for electronic and scriptural transactions) and to recapitalize the BCC.

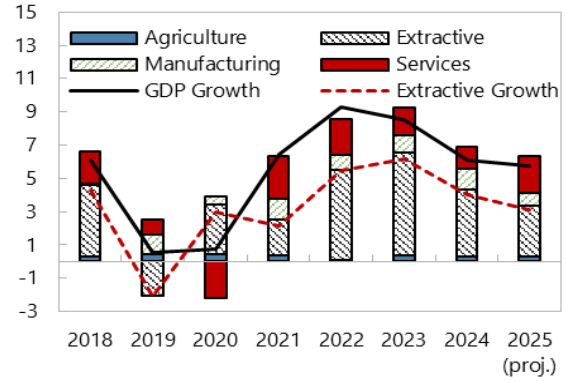
64. Performance under the RSF is positive overall, despite recent setbacks. The methodology for climate screening has been adopted ahead of schedule (RM10), enabling the implementation of other RSF PFM reforms. However, delays in the adoption of the Forest Policy have prevented the completion of RM1 in the current review; this measure is now expected to be completed by the third review, without spillovers to other reform measures. Consequently, the disbursement under the RSF second review is SDR 66.625 million.

65. Staff support the authorities' request for: (i) waivers for the missed PCs, (ii) PC modifications, (iii) modification of a structural benchmark, (iv) completion of the third Review under the ECF arrangement, which would make available SDR 190.4 million (equivalent to 17.9 percent of quota), (v) completion of the second review under the RSF arrangement, which would make available SDR 66.625 million (equivalent to 6.25 percent of quota) (vi) completion of the financing assurances review, and (vii) rephasing to the second RSF review the disbursement linked to a reform measure originally scheduled for the third RSF review, which was completed ahead of time. Staff also supports the authorities' request for temporary approval of the MCP arising from the reduction of the FX spread used in FX operations between the BCC and the Treasury on the basis that the measure is maintained for balance of payments reasons, is temporary, does not give the DRC an unfair competitive advantage over other members or discriminate among members. The authorities have submitted to Parliament a revised 2026 budget, aligned with the objectives and macroeconomic framework underpinning the current review, as a prior action. Given that the current ECF program runs through early 2028, staff recommend that the next Article IV consultation take place on a 24-month cycle.

Figure 1. Real Sector Developments, 2018-26

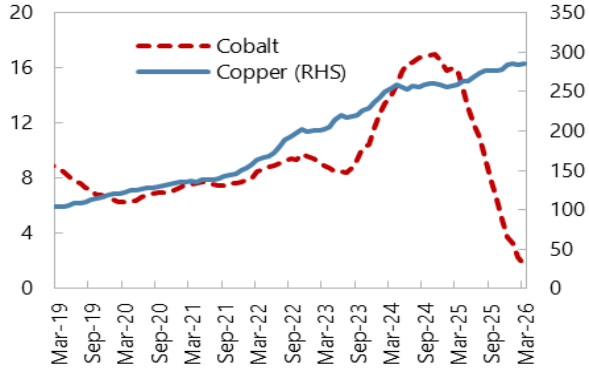
The extractive sector continues to drive GDP growth,.....

Contribution to Real GDP Growth
(Percent)



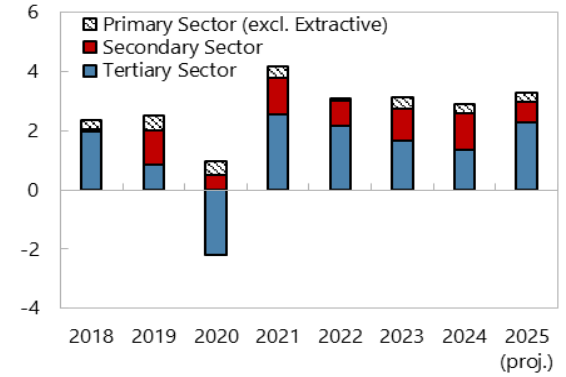
...with increasing copper exports and despite the suspension in cobalt exports.

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



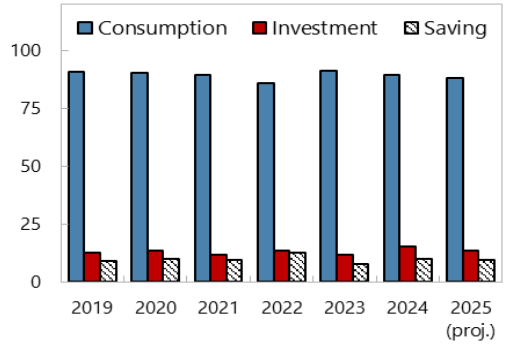
Non-extractive growth has stabilized in recent years ...

Non-Extractive Real GDP Growth
(Percent)



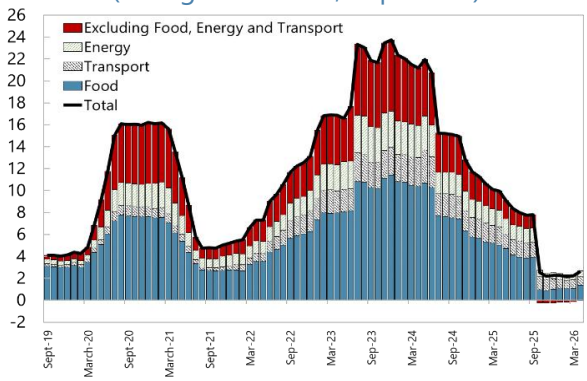
... as investment remained subdued.

Consumption vs Investment
(Percent of GDP)



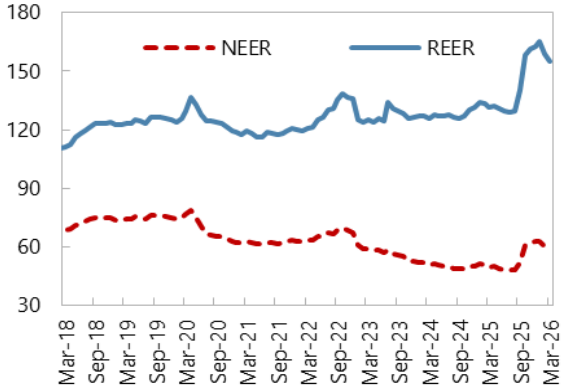
Headline and core inflation decreased sharply in late 2025...

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



...reflecting the recent appreciation of the exchange rate in the context of high dollarization.

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



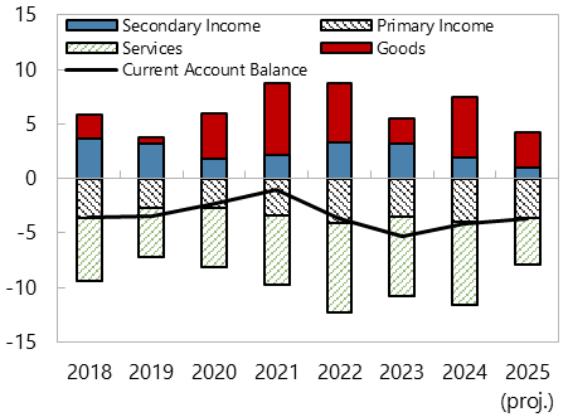
Sources: Congolese authorities; IMF STA INS database; and IMF staff estimates.

Figure 2. External Sector Developments, 2018-25

(Percent of GDP unless specified)

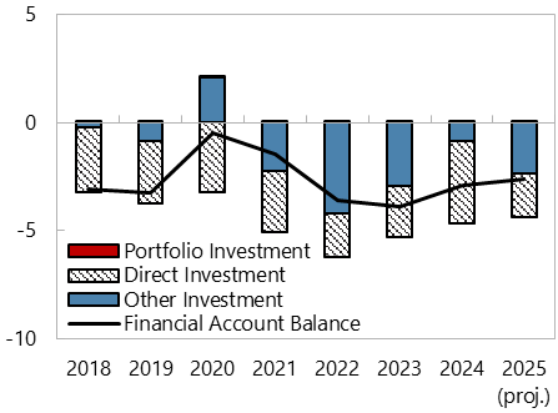
The current account deficit widened with higher imports of goods and services, but has begun to improve since 2024…

Current Account Balance



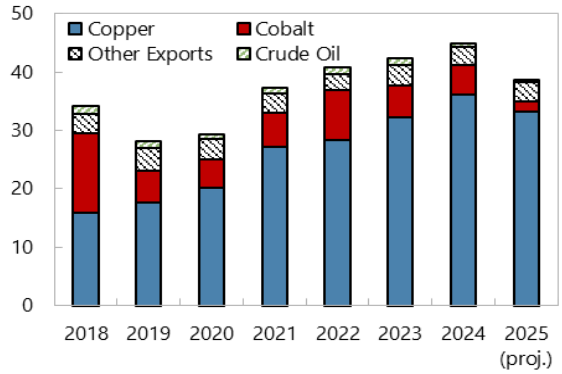
…and has been financed largely by FDI, followed by other investment flows,

Financial Account Balance



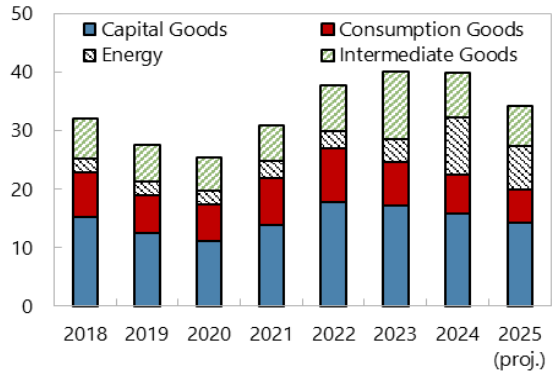
Exports have remained highly concentrated in mining products…

Exports of Goods



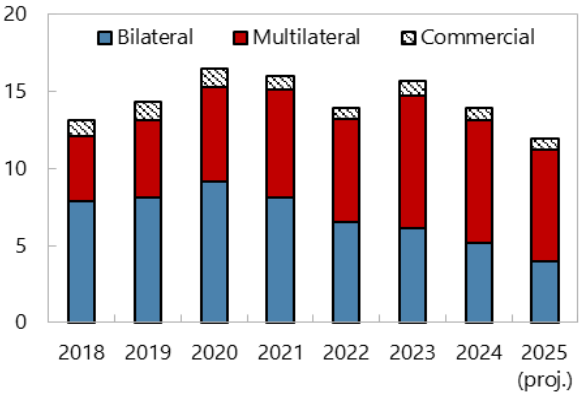
…whereas imports are more diversified, with capital goods accounting for a large share.

Imports of Goods



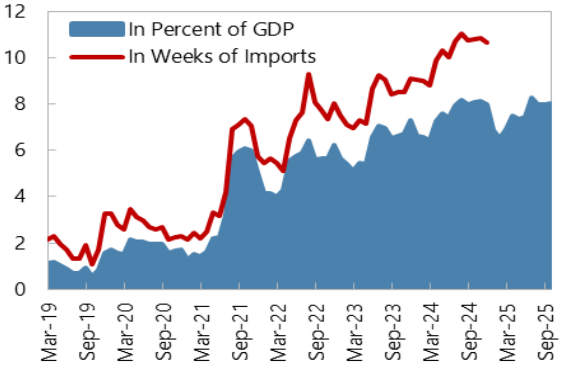
External debt remains relatively low, supported by increased multilateral lending…

External Debt



…while reserves have recovered strongly, although they are still below adequate import coverage levels.

International Reserves

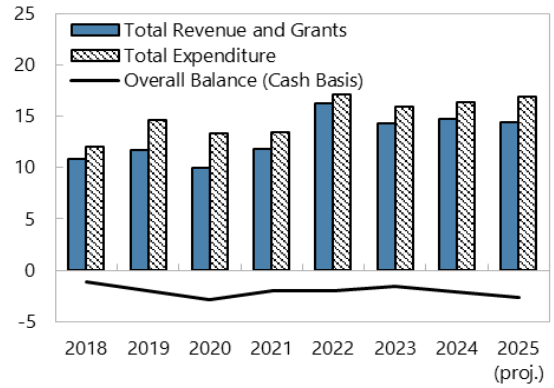


Sources: Congolese authorities; and IMF staff estimates.

Figure 3. Fiscal Sector Developments, 2018-25
(Percent of GDP)

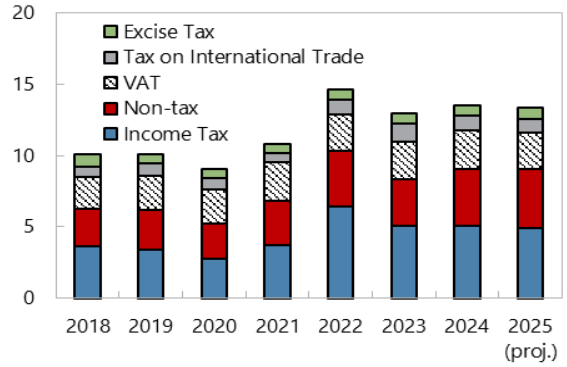
The fiscal deficit has moderately widened …

Fiscal Balance



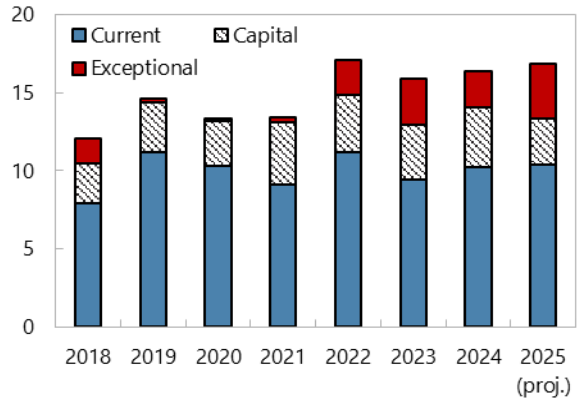
…as stronger revenues have not compensated…

Central Government Revenue



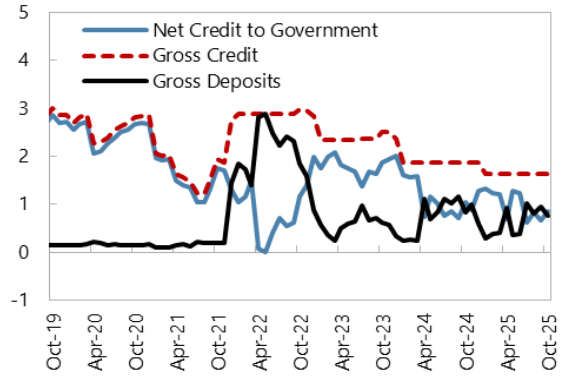
…for the increase in current and exceptional expenditures partly due to security spending with the Eastern conflict.

Expenditure [1/]



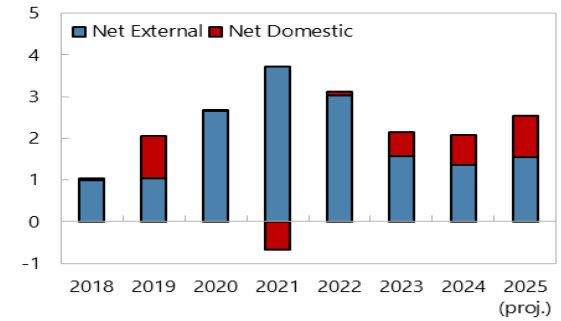
NCG continues to improve following the discontinuation of BCC advances since end-April 2020. [2/]

BCC Net Credit to the Government



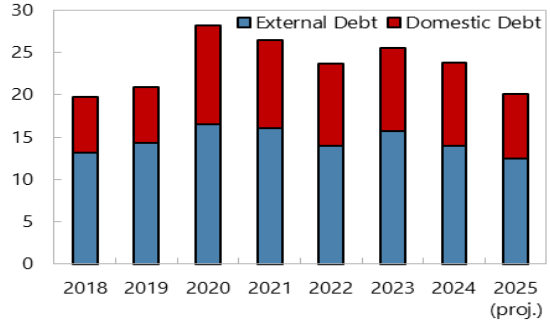
Domestic financing has picked up in recent years with the authorities' efforts to deepen the domestic market…

Net Financing



…and public debt has remained stable at moderate levels.

Public and Publicly Guaranteed Debt



Sources: Congolese authorities; and IMF staff estimates.

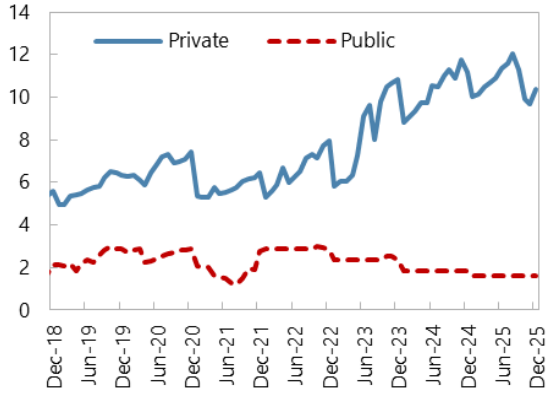
[1/]Exceptional expenditure includes security, elections, and other exceptional expenditures.

[2/]The increase in NCG observed in the late part of 2021 onward is driven by the part of the SDR allocation retroceded to the government as budgetary support.

Figure 4. Monetary and Financial Sector Developments, 2018-25

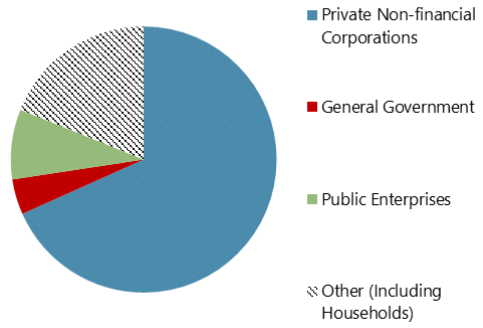
Credit to the economy is increasing, albeit from a low base....

Credit to Private and Public Sector
(Percent of GDP)



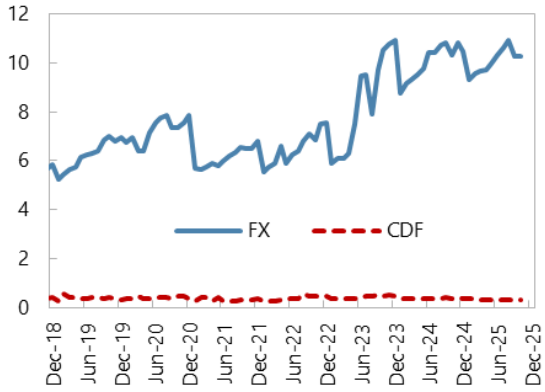
...with most credit allocated to private enterprises.

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



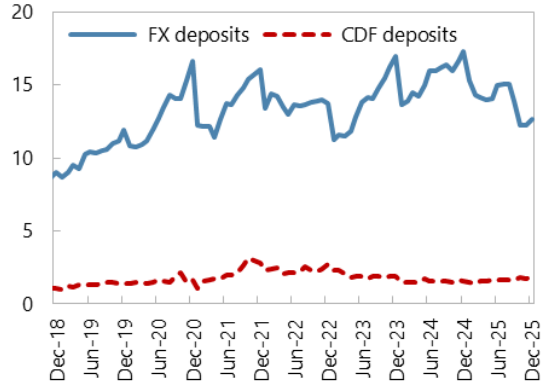
Credit is extended mostly in FX, while credit in Congolese francs remains limited.

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



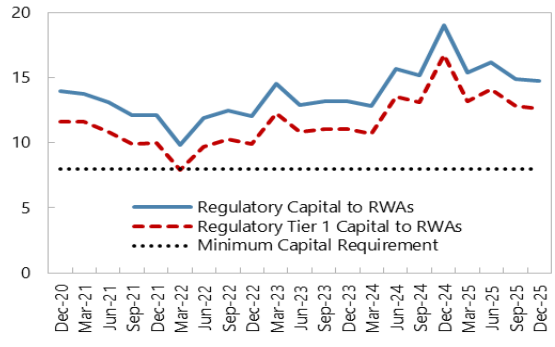
Bank deposits are almost entirely in foreign currency.

Evolution of Private Sector Deposits
(Percent of GDP)



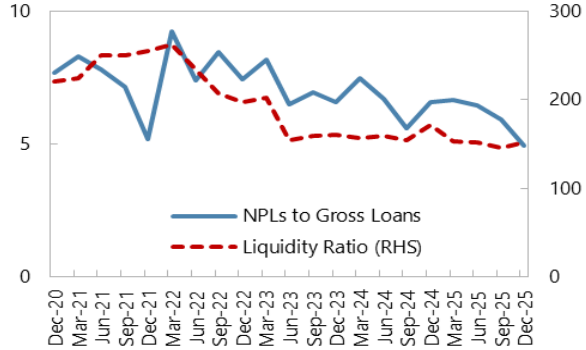
Capital ratios remain above requirements.

Regulatory Capital



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

Liquidity and Asset Quality



Sources: Congolese authorities; and IMF staff estimates.

Table 1. Democratic Republic of the Congo: Selected Economic and Financial Indicators, 2024-31

	2024	2025		2026		2027	2028	2029	2030	2031
	Prel.	CR No. 26/02	Est.	CR No. 26/02	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
	(Annual percentage change, unless otherwise indicated)									
GDP and prices										
Real GDP	6.1	5.6	5.7	5.3	5.6	5.5	5.5	5.5	5.5	5.5
Extractive GDP	11.9	10.1	8.6	5.0	6.7	5.0	4.3	3.9	3.6	3.4
Non-Extractive GDP	4.1	4.1	4.7	5.4	5.2	5.7	6.0	6.1	6.1	6.2
GDP deflator	19.6	7.9	8.5	3.6	6.2	6.4	6.5	6.3	6.4	6.8
Consumer prices, period average	17.7	7.7	7.4	4.4	3.5	6.4	7.0	7.0	7.0	7.0
Consumer prices, end of period	11.7	4.3	2.3	6.1	6.9	7.0	7.0	7.0	7.0	7.0
External sector										
Exports in U.S. dollars, f.o.b. value	18.0	4.2	2.7	10.3	46.1	5.2	6.0	4.7	5.8	4.9
Imports in U.S. dollars, f.o.b. value	9.6	3.7	7.1	6.6	15.2	5.8	6.0	6.2	6.6	6.3
Exports volume	11.4	0.2	-0.8	6.8	10.6	3.8	5.3	4.6	5.3	3.4
Import volume	9.8	5.7	5.8	6.3	19.8	4.7	6.5	5.8	6.5	6.3
Terms of trade	5.4	6.3	8.5	2.4	21.3	1.5	-0.5	-0.5	-0.5	0.0
	(Annual change in percent of beginning-of-period broad money)									
Money and credit										
Net foreign assets	23.0	-0.2	-12.9	30.1	21.8	17.7	19.1	19.2	18.1	18.8
Net domestic assets	5.2	3.7	3.3	-21.0	-9.6	-5.5	-6.7	-7.1	-5.9	-6.2
Domestic credit	15.2	7.7	1.2	7.8	14.5	13.9	18.4	16.8	16.5	16.1
Of which: net credit to government	-1.6	1.8	-1.0	2.3	6.6	5.9	10.3	8.8	8.5	7.8
credit to the private sector	16.0	5.2	3.3	5.0	7.4	7.5	7.6	7.4	7.5	7.7
Broad money	28.2	4.0	-9.6	9.1	12.1	12.2	12.4	12.1	12.2	12.6
	(Percent of GDP, unless otherwise indicated)									
Central government finance [1/]										
Revenue and grants	14.8	14.4	14.5	14.8	14.9	15.1	15.3	15.4	15.4	15.4
Revenue	13.8	13.5	13.6	14.1	14.2	14.5	14.8	15.0	15.1	15.2
o/w extractive revenue	5.7	5.1	5.2	4.9	5.6	5.7	5.6	5.6	5.5	5.1
Grants	1.0	0.8	0.8	0.7	0.7	0.6	0.5	0.5	0.3	0.3
Expenditure	16.4	16.7	16.9	17.1	17.3	17.5	17.0	17.1	16.9	16.6
Overall fiscal balance	-2.1	-2.4	-2.6	-2.8	-2.8	-2.8	-2.2	-2.3	-2.0	-1.8
Overall non-extractive fiscal balance	-7.8	-7.5	-7.8	-7.7	-8.4	-8.4	-7.8	-7.9	-7.5	-6.9
Domestic fiscal balance (program target)	-0.8	-1.3	-1.9	-1.2	-1.9	-1.2	-0.7	-0.8	-0.7	-0.7
Public debt	24.0	18.1	17.8	20.5	19.1	20.0	19.7	19.7	19.4	18.9
Investment and saving										
Gross national saving	9.7	9.7	9.3	11.7	11.9	13.0	13.1	13.5	13.2	12.7
Government	-2.2	-3.1	-3.7	-2.4	-3.1	-2.4	-1.7	-1.4	-1.0	-0.8
Non-government	11.9	12.8	13.0	14.2	15.0	15.4	14.8	14.8	14.3	13.5
Investment	13.8	13.3	13.0	13.9	13.8	14.4	14.2	14.6	14.6	14.5
Government	3.8	3.3	3.0	3.9	3.8	4.4	4.2	4.6	4.6	4.5
Non-government	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Balance of payments										
Exports of goods and services	45.9	40.0	39.8	37.1	44.4	43.4	42.9	42.0	41.5	40.5
Imports of goods and services	48.0	41.5	40.8	37.4	37.7	36.7	36.5	36.1	35.9	35.5
Current account balance, incl. transfers	-4.2	-3.6	-3.7	-2.2	-1.9	-1.4	-1.2	-1.1	-1.4	-1.9
Current account balance, excl. transfers	-5.2	-3.4	-2.8	-2.1	-1.4	-0.7	-0.5	-0.4	-0.7	-1.3
Overall balance	-0.6	-1.8	-1.8	-1.3	-1.2	-0.9	0.0	0.0	0.0	0.0
Gross official reserves (millions of U.S. dollars)	6,694	8,291	8,290	9,880	10,098	11,750	13,365	14,908	16,149	17,277
Gross official reserves (weeks of imports)	10.0	11.7	10.6	12.9	12.0	12.8	13.7	14.3	14.4	15.0
External debt										
Total stock, including IMF	14.1	11.8	10.1	14.0	13.3	13.9	13.4	12.9	12.2	11.0
PV of debt (percent of exports of goods and services)	26.0	27.3	25.4	28.1	24.1	25.1	24.0	23.5	22.0	20.1
Scheduled debt service (millions of U.S. dollars)	641	835	835	993	986	1360	1685	1771	2102	2408
Percent of exports of goods and services	1.8	2.3	2.3	2.5	1.8	2.4	2.8	2.8	3.2	3.4
Percent of government revenue	6.1	6.7	6.6	6.5	5.7	7.2	8.2	8.0	8.8	9.2
Exchange rate (CDF per U.S. dollars)										
Period average	2,823	2,688	2,677	...	...	...	...	...	...	...
End-of-period	2,856	2,300	2,181	...	...	...	...	...	...	...
Memorandum items:										
DRC copper export price ((US$ per ton)	8,937.8	9,030.5	9,154.0	9,343.8	11,814.6	11,934.4	12,025.6	12,043.9	12,084.0	12,291.4
DRC cobalt export price (US$ per ton)	19,179.5	22,979.2	19,147.1	25,276.1	36,010.8	36,907.6	36,967.4	36,967.4	37,637.0	37,637.0
World crude oil price (US$ per barrel)	79.2	68.9	67.7	65.8	82.2	76.0	74.2	73.9	73.7	73.3
Nominal GDP (billions of CDF)	216,565	246,893	248,416	269,331	278,612	312,719	351,384	394,026	442,122	497,756

1/ Central Government Finance figures shown for CR No. 25/195, in percentage of GDP, reflect the ratio using the revised GDP series, after publication of new National Accounts.

Sources: Congolese authorities and IMF staff estimates and projections.

Table 2. Democratic Republic of the Congo: Balance of Payments, 2024-31

(Millions of US$, unless otherwise indicated)

	2024	2025		2026	2027	2028	2029	2030	2031
	Prel.	CR No. 26/02	Est.	CR No. 26/02	Proj.	Proj.	Proj.	Proj.	Proj.
Current Account Balance	**-3,187**	**-3,340**	**-3,470**	**-2,384**	**-2,234**	**-1,835**	**-1,605**	**-1,667**	**-2,201**	**-3,192**
Current Account Balance (excl. budget grants) [A]	**-3,340**	**-3,409**	**-3,575**	**-2,407**	**-2,322**	**-1,865**	**-1,605**	**-1,667**	**-2,201**	**-3,192**
Goods balance	4,231	4,562	2,911	6,206	14,534	15,043	15,940	16,083	16,622	16,721
Exports of goods	34,927	36,406	35,873	40,153	52,421	55,129	58,429	61,189	64,717	67,857
o/w extractive sector	34,357	35,717	35,650	39,460	52,172	54,867	58,149	60,890	64,396	67,511
Imports of goods	30,696	31,843	32,874	33,947	37,887	40,086	42,489	45,106	48,095	51,136
o/w capital goods	12,104	13,356	12,983	14,487	14,480	15,916	16,931	18,148	19,506	20,963
Services balance	-5,821	-5,906	-3,994	-6,486	-6,533	-6,399	-7,043	-7,288	-7,739	-8,222
Primary income	-3,096	-2,750	-3,362	-3,117	-11,763	-11,786	-11,897	-11,833	-12,504	-13,097
o/w: Charges and interest on IMF credit	-47	-39	-39	-42	-43	-56	-65	-65	-65	-65
Secondary income (excl. budget support grants)	1,346	754	976	1,013	1,528	1,307	1,395	1,372	1,420	1,406
o/w: Budget grants	153	69	106	23	88	30	0	0	0	0
Capital Account Balance [B]	**729**	**859**	**762**	**885**	**1,046**	**1,073**	**975**	**946**	**804**	**704**
o/w: Project grants	641	700	733	737	743	784	700	686	535	437
Net Lending(+)/Borrowing(-) [A+B]	**-2,611**	**-2,551**	**-2,814**	**-1,522**	**-1,276**	**-792**	**-630**	**-721**	**-1,397**	**-2,488**
Financial Account Balance (excl. ECF/RCF and budget loans) [C]	**-1,958**	**-1,048**	**-1,008**	**-431**	**-161**	**-206**	**-630**	**-721**	**-1,396**	**-2,486**
Financial Account Balance	**-2,458**	**-2,481**	**-2,404**	**-1,499**	**-1,188**	**-761**	**-630**	**-721**	**-1,397**	**-2,488**
Portfolio investment	15	45	67	54	-1,156	101	108	116	324	333
Direct investment	-2,915	-2,861	-1,869	-3,401	-2,424	-2,609	-2,795	-2,989	-3,007	-3,228
Other investment (excl. IMF and budget support loans)	-369	210	-804	1,327	1,611	649	443	609	46	-719
Amortization on IMF credit	0	109	109	146	147	252	315	400	358	480
Public sector loan amortization (excl. IMF)	405	487	488	592	611	616	847	846	1,191	1,378
Project loans	-1,101	-951	-634	-1,597	-2,268	-1,703	-1,700	-1,882	-1,670	-1,374
Private flows	328	564	-766	2,186	3,121	1,484	981	1,246	167	-1,203
Change in reserves (+: increase)	1,312	1,558	1,597	1,589	1,808	1,652	1,614	1,544	1,241	1,128
Net Errors and Omissions [D]	**210**	**0**	**304**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Overall Balance [A+B-C+D]	**-443**	**-1,503**	**-1,502**	**-1,091**	**-1,115**	**-586**	**0**	**0**	**-1**	**-2**
Overall Financing Needs	**443**	**1,503**	**1,502**	**1,091**	**1,115**	**586**	**0**	**0**	**1**	**2**
ECF disbursements	204	771	770	523	524	525	0	0	0	0
BoP support	204	588	588	288	288	210	0	0	0	0
Budget support	0	182	182	235	236	315	0	0	0	0
SDR allocation	0	0	0	0	0	0	0	0	1	2
Other exceptional financing	239	732	732	568	591	61	0	0	0	0
Budget support loans	87	663	627	545	503	30	0	0	0	0
World Bank	87	663	627	545	503	30	0	0	0	0
Others	0	0	0	0	0	0	0	0	0	0
Budget support grants	153	69	106	23	88	30	0	0	0	0
Unidentified exceptional financing	0	0	0	0	0	0	0	0	0	0
Residual financing gap	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Memorandum Items:										
RSF disbursements	0	182	182	366	367	551	0	0	0	0
Current account balance (in percent of GDP)	-4.2	-3.6	-3.7	-2.2	-1.9	-1.4	-1.2	-1.1	-1.4	-1.9
Terms of trade (percent change)	5.4	6.3	8.5	2.4	21.3	1.5	-0.5	-0.5	-0.5	0.0
Gross reserves	6,693.5	8,290.8	8,290.3	9,879.5	10,098.3	11,750.3	13,364.5	14,908.4	16,149.4	17,277.3
in months of non-aid related imports	2.3	2.7	2.4	3.0	2.8	3.0	3.2	3.3	3.3	3.5
in months of non-aid related imports, excluding RSF	2.3	2.6	2.4	2.8	2.6	2.7	2.9	3.0	3.1	3.3
Nominal GDP (Million US Dollars)	76,724.0	91,841.4	92,805.7	109,171.8	120,377.6	129,560.5	138,831.5	148,466.0	158,869.8	170,573.8

Sources: Congolese authorities and IMF staff estimates and projections.

Table 3a. Democratic Republic of the Congo: Central Government Operations, 2024-31 [1/]

(Billions of CDF)

	2024	2025		2026		2027	2028	2029	2030	2031
	Prel.	CR No. 26/02	Est.	CR No. 26/02	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Revenue and grants	**32,063**	**35,506**	**35,906**	**39,779**	**41,617**	**47,188**	**53,880**	**60,817**	**68,245**	**76,764**
Revenue	**29,820**	**33,438**	**33,822**	**37,904**	**39,694**	**45,223**	**52,108**	**58,996**	**66,756**	**75,490**
Central government revenue (excl. special accounts)	**26,200**	**28,968**	**29,352**	**33,028**	**34,719**	**39,638**	**45,831**	**51,953**	**58,851**	**66,587**
Central government revenue (excl. special accounts and SICOMINES)	**25,972**	**28,097**	**28,485**	**32,229**	**33,969**	**38,856**	**45,011**	**51,094**	**57,950**	**65,642**
Tax revenue	20,529	22,603	22,889	26,558	27,707	31,440	36,574	40,971	46,954	54,644
Income tax	10,975	11,668	12,203	13,440	14,685	15,894	18,451	21,153	24,264	27,976
Individuals	2,835	3,455	3,164	4,198	4,399	4,987	5,716	6,601	7,629	8,847
Businesses	7,190	6,922	8,063	7,778	9,044	9,917	11,634	13,339	15,299	17,646
Other taxes on income, profits, and capital gains	949	1,291	976	1,464	1,242	990	1,101	1,213	1,336	1,482
Taxes on goods and services	7,315	8,817	8,381	10,629	10,337	12,293	14,289	15,310	17,631	20,698
Value-added tax/Turnover tax	5,861	6,924	6,327	8,017	7,636	9,238	10,588	12,460	14,400	17,023
Excises	1,454	1,893	2,053	2,613	2,700	3,055	3,701	2,850	3,231	3,675
Taxes on international trade and transactions	2,240	2,117	2,306	2,488	2,686	3,252	3,835	4,508	5,059	5,971
Non-tax revenue	8,698	10,244	10,287	11,151	11,792	13,783	15,534	18,024	19,802	20,845
Revenue from natural resources and telecommunications	3,494	3,883	4,118	4,062	4,584	5,571	6,081	7,167	7,617	7,053
Mining royalties	2,307	2,797	2,451	2,835	2,947	3,682	3,870	4,660	4,819	3,904
o/w SICOMINES	229	871	867	799	750	782	820	860	902	945
Oil royalty and rent	306	273	179	380	364	403	431	461	492	536
Telecommunications	332	487	381	532	554	622	734	864	969	1,091
Environmental levies	285	285	448	300	460	537	668	749	840	965
Dividends from state-owned enterprises	264	41	659	15	259	328	379	434	497	557
Fees from sectoral ministries	1,094	1,411	1,132	1,643	1,392	1,657	2,049	2,527	2,835	3,256
Other non-tax revenue	491	480	567	570	841	970	1,127	1,288	1,445	1,634
Special accounts and budgets	3,620	4,470	4,470	4,876	4,975	5,585	6,277	7,042	7,905	8,902
Special contributions from extrabudget funds	592	591	646	195	195	0	0	0	0	0
Grants	**2,244**	**2,068**	**2,084**	**1,875**	**1,923**	**1,965**	**1,772**	**1,822**	**1,489**	**1,274**
Project	1,809	1,881	1,963	1,817	1,719	1,892	1,772	1,822	1,489	1,274
Budget support	434	186	121	57	204	73	0	0	0	0
Expenditure	**35,519**	**41,115**	**41,961**	**46,020**	**48,284**	**54,636**	**59,699**	**67,563**	**74,737**	**82,870**
Current expenditure	**22,182**	**24,189**	**25,758**	**27,103**	**29,394**	**32,601**	**36,469**	**41,067**	**46,003**	**51,997**
Wages	9,167	12,046	12,076	13,554	13,655	14,943	16,541	18,548	20,612	23,206
Interest due	549	718	693	888	1,153	1,833	2,028	2,273	2,780	3,428
External	165	187	189	234	365	806	950	1,034	1,200	1,284
Domestic	384	531	504	654	788	1,027	1,078	1,240	1,581	2,144
Goods and services	5,635	4,034	5,083	4,575	5,120	5,776	6,656	7,582	8,429	9,423
o/w BCC banking commission	328	453	453	510	533	602	671	740	836	929
Subsidies and other current transfers	6,831	7,390	7,906	8,086	9,466	10,049	11,244	12,664	14,181	15,940
Subsidies	2,880	2,611	3,026	2,881	3,954	3,892	4,358	4,976	5,588	6,156
Transfers to other levels of national government	332	310	411	329	537	571	608	647	688	881
Special accounts and budgets	3,620	4,470	4,470	4,876	4,975	5,585	6,277	7,042	7,905	8,902
Capital expenditure	**8,249**	**8,165**	**7,464**	**10,567**	**10,541**	**13,686**	**14,881**	**18,146**	**20,385**	**22,523**
Foreign-financed	4,917	4,437	3,661	5,757	4,075	6,001	6,075	6,817	6,137	5,285
Budget-financed	3,103	2,857	2,936	4,011	4,211	5,454	7,986	10,469	13,347	16,293
Eurobond-financed					1,504	1,448				
SICOMINES-financed	229	871	867	799	750	782	820	860	902	945
Exceptional expenditure [2/]	**5,088**	**8,761**	**8,739**	**8,350**	**8,350**	**8,350**	**8,350**	**8,350**	**8,350**	**8,350**
Security spending	4,886	8,447	8,627	8,036	8,036	8,036	8,036	8,036	8,036	8,036
Domestic fiscal balance (excluding arrears repayment)	**-617**	**-3,053**	**-4,289**	**-2,126**	**-4,149**	**-2,606**	**-566**	**-717**	**-645**	**-812**
Overall fiscal balance (excluding arrears repayment)	**-3,456**	**-5,609**	**-6,055**	**-6,241**	**-6,666**	**-7,448**	**-5,819**	**-6,745**	**-6,492**	**-6,106**
Change in domestic arrears (repayment = -)	-1,022	-230	-402	-1,200	-1,200	-1,200	-2,000	-2,240	-2,509	-2,735
Domestic fiscal balance (program target)	**-1,639**	**-3,283**	**-4,691**	**-3,326**	**-5,349**	**-3,806**	**-2,566**	**-2,957**	**-3,154**	**-3,546**
Domestic non-extractive fiscal balance	-13,964	-15,883	-17,686	-16,551	-21,015	-21,510	-22,133	-25,061	-27,363	-29,163
Overall fiscal balance	**-4,478**	**-5,839**	**-6,457**	**-7,441**	**-7,866**	**-8,648**	**-7,819**	**-8,985**	**-9,001**	**-8,841**
Overall non-extractive fiscal balance	-16,803	-18,439	-19,453	-20,667	-23,533	-26,353	-27,387	-31,090	-33,210	-34,457
Errors and omissions	-2	0	127	0	0	0	0	0	0	0
Financing	**4,480**	**5,839**	**6,330**	**7,441**	**7,866**	**8,648**	**7,819**	**8,985**	**9,001**	**8,841**
Net domestic financing	1,574	1,025	2,492	1,491	870	3,116	4,963	5,486	6,671	7,887
Accumulation of deposits [3/]	-249	-1,075	-661	-530	-1,887	-363	1,116	523	100	100
Financing (banking system)	1,823	2,100	3,153	2,021	2,757	3,479	3,846	4,963	6,571	7,887
Net foreign financing	2,934	4,814	3,838	5,950	6,997	5,532	2,857	3,499	2,330	954
Budget loans (disbursements)	244	2,763	2,650	2,829	2,558	2,163	0	0	0	0
ECF	0	490	486	581	546	760	0	0	0	0
RSF	0	490	486	903	849	1,330	0	0	0	0
Other	244	1,782	1,678	1,344	1,163	73	0	0	0	0
Project loans (disbursements)	3,108	2,556	1,698	3,939	5,250	4,110	4,303	4,995	4,648	4,010
o/w Eurobond					2,893					
Amortization of external debt	-419	-505	-510	-818	-811	-741	-1,446	-1,496	-2,317	-3,056
Memorandum items:										
Gross domestic product (billions of CDF)	216,565	246,893	248,416	269,331	278,612	312,719	351,384	394,026	442,122	497,756
Extractive revenue [4/]	12,325	12,600	12,996	13,225	15,666	17,705	19,567	22,105	24,209	25,617

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

[1/] Covers the budgetary central government.

[2/] Mainly expenditure related to security and elections.

[3/] Minus sign implies accumulation. Includes the accumulation of CDF 1389 billion of deposits related to Eurobond financing.

[4/] Mining and petroleum tax and non-tax revenue. Includes revenue transferred to special funds and SICOMINES royalties.

Table 3b. Democratic Republic of the Congo: Central Government Operations, 2024-31 [1/]

(Percent of GDP)

	2024	2025		2026		2027	2028	2029	2030	2031
	Prel.	CR No. 26/02	Est.	CR No. 26/02	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Revenue and grants	**14.8**	**14.4**	**14.5**	**14.8**	**14.9**	**15.1**	**15.3**	**15.4**	**15.4**	**15.4**
Revenue	**13.8**	**13.5**	**13.6**	**14.1**	**14.2**	**14.5**	**14.8**	**15.0**	**15.1**	**15.2**
Central government revenue (excl. special accounts)	**12.1**	**11.7**	**11.8**	**12.3**	**12.5**	**12.7**	**13.0**	**13.2**	**13.3**	**13.4**
Central government revenue (excl. special accounts and SICOMINES)	**12.0**	**11.4**	**11.5**	**12.0**	**12.2**	**12.4**	**12.8**	**13.0**	**13.1**	**13.2**
Tax revenue	9.5	9.2	9.2	9.9	9.9	10.1	10.4	10.4	10.6	11.0
Income tax	5.1	4.7	4.9	5.0	5.3	5.1	5.3	5.4	5.5	5.6
Individuals	1.3	1.4	1.3	1.6	1.6	1.6	1.6	1.7	1.7	1.8
Businesses	3.3	2.8	3.2	2.9	3.2	3.2	3.3	3.4	3.5	3.5
Other taxes on income, profits, and capital gains	0.4	0.5	0.4	0.5	0.4	0.3	0.3	0.3	0.3	0.3
Taxes on goods and services	3.4	3.6	3.4	3.9	3.7	3.9	4.1	3.9	4.0	4.2
Value-added tax/Turnover tax	2.7	2.8	2.5	3.0	2.7	3.0	3.0	3.2	3.3	3.4
Excises	0.7	0.8	0.8	1.0	1.0	1.0	1.1	0.7	0.7	0.7
Taxes on international trade and transactions	1.0	0.9	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.2
Non-tax revenue	4.0	4.1	4.1	4.1	4.2	4.4	4.4	4.6	4.5	4.2
Revenue from natural resources and telecommunications	1.6	1.6	1.7	1.5	1.6	1.8	1.7	1.8	1.7	1.4
Mining royalties	1.1	1.1	1.0	1.1	1.1	1.2	1.1	1.2	1.1	0.8
o/w SICOMINES	0.1	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
Oil royalty and rent	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Telecommunications	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Environmental levies	0.1	0.1	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Dividends from state-owned enterprises	0.1	0.0	0.3	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Fees from sectoral ministries	0.5	0.6	0.5	0.6	0.5	0.5	0.6	0.6	0.6	0.7
Other non-tax revenue	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Special accounts and budgets	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Special contributions from extrabudget funds	0.3	0.2	0.3	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Grants	**1.0**	**0.8**	**0.8**	**0.7**	**0.7**	**0.6**	**0.5**	**0.5**	**0.3**	**0.3**
Project	0.8	0.8	0.8	0.7	0.6	0.6	0.5	0.5	0.3	0.3
Budget support	0.2	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Expenditure	**16.4**	**16.7**	**16.9**	**17.1**	**17.3**	**17.5**	**17.0**	**17.1**	**16.9**	**16.6**
Current expenditure	**10.2**	**9.8**	**10.4**	**10.1**	**10.6**	**10.4**	**10.4**	**10.4**	**10.4**	**10.4**
Wages	4.2	4.9	4.9	5.0	4.9	4.8	4.7	4.7	4.7	4.7
Interest due	0.3	0.3	0.3	0.3	0.4	0.6	0.6	0.6	0.6	0.7
External	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.3	0.3	0.3
Domestic	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4
Goods and services	2.6	1.6	2.0	1.7	1.8	1.8	1.9	1.9	1.9	1.9
o/w BCC banking commission	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Subsidies and other current transfers	3.2	3.0	3.2	3.0	3.4	3.2	3.2	3.2	3.2	3.2
Subsidies	1.3	1.1	1.2	1.1	1.4	1.2	1.2	1.3	1.3	1.2
Transfers to other levels of national government	0.2	0.1	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Special accounts and budgets	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Capital expenditure	**3.8**	**3.3**	**3.0**	**3.9**	**3.8**	**4.4**	**4.2**	**4.6**	**4.6**	**4.5**
Foreign-financed	2.3	1.8	1.5	2.1	1.5	1.9	1.7	1.7	1.4	1.1
Budget-financed	1.4	1.2	1.2	1.5	1.5	1.7	2.3	2.7	3.0	3.3
Eurobond-financed					0.5	0.5	0.0			
SICOMINES-financed	0.1	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
Exceptional expenditure [2/]	**2.3**	**3.5**	**3.5**	**3.1**	**3.0**	**2.7**	**2.4**	**2.1**	**1.9**	**1.7**
Security spending	2.3	3.4	3.5	3.0	2.9	2.6	2.3	2.0	1.8	1.6
Domestic fiscal balance (excluding arrears repayment)	**-0.3**	**-1.2**	**-1.7**	**-0.8**	**-1.5**	**-0.8**	**-0.2**	**-0.2**	**-0.1**	**-0.2**
Overall fiscal balance (excluding arrears repayment)	**-1.6**	**-2.3**	**-2.4**	**-2.3**	**-2.4**	**-2.4**	**-1.7**	**-1.7**	**-1.5**	**-1.2**
Change in domestic arrears (repayment = -)	-0.5	-0.1	-0.2	-0.4	-0.4	-0.4	-0.6	-0.6	-0.6	-0.5
Domestic fiscal balance (program target)	**-0.8**	**-1.3**	**-1.9**	**-1.2**	**-1.9**	**-1.2**	**-0.7**	**-0.8**	**-0.7**	**-0.7**
Domestic non-extractive fiscal balance	-6.4	-6.4	-7.1	-6.1	-7.5	-6.9	-6.3	-6.4	-6.2	-5.9
Overall fiscal balance	**-2.1**	**-2.4**	**-2.6**	**-2.8**	**-2.8**	**-2.8**	**-2.2**	**-2.3**	**-2.0**	**-1.8**
Overall non-extractive fiscal balance	-7.8	-7.5	-7.8	-7.7	-8.4	-8.4	-7.8	-7.9	-7.5	-6.9
Errors and omissions	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing	**2.1**	**2.4**	**2.5**	**2.8**	**2.8**	**2.8**	**2.2**	**2.3**	**2.0**	**1.8**
Net domestic financing	0.7	0.4	1.0	0.6	0.3	1.0	1.4	1.4	1.5	1.6
Accumulation of deposits [3/]	-0.1	-0.4	-0.3	-0.2	-0.7	-0.1	0.3	0.1	0.0	0.0
Financing (banking system)	0.8	0.9	1.3	0.8	1.0	1.1	1.1	1.3	1.5	1.6
Net foreign financing	1.4	1.9	1.5	2.2	2.5	1.8	0.8	0.9	0.5	0.2
Budget loans (disbursements)	0.1	1.1	1.1	1.1	0.9	0.7	0.0	0.0	0.0	0.0
ECF	0.0	0.2	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0
RSF	0.0	0.2	0.2	0.3	0.3	0.4	0.0	0.0	0.0	0.0
Other	0.1	0.7	0.7	0.5	0.4	0.0	0.0	0.0	0.0	0.0
Project loans (disbursements)	1.4	1.0	0.7	1.5	1.9	1.3	1.2	1.3	1.1	0.8
o/w Eurobond					1.0					
Amortization of external debt	-0.2	-0.2	-0.2	-0.3	-0.3	-0.2	-0.4	-0.4	-0.5	-0.6
Memorandum items:										
Gross domestic product (billions of CDF)	216,565	246,893	248,416	269,331	278,612	312,719	351,384	394,026	442,122	497,756
Extractive revenue [4/]	12,325	12,600	12,996	13,225	15,666	17,705	19,567	22,105	24,209	25,617

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

[1/] Covers the budgetary central government.

[2/] Mainly expenditure related to security and elections.

[3/] Minus sign implies accumulation. Includes the accumulation of 0.5% of GDP related to Eurobond financing.

[4/] Mining and petroleum tax and non-tax revenue. Includes revenue transferred to special funds and SICOMINES royalties.

Table 4. Democratic Republic of the Congo: Depository Corporations Survey, 2024-31

(Billions of CDF, unless otherwise indicated)

	2024	2025		2026		2027	2028	2029	2030	2031
	Prel.	CR No. 26/02	Est.	CR No. 26/02	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Depository corporations survey:										
Net foreign assets	**29,216**	**29,119**	**23,237**	**43,666**	**32,380**	**40,738**	**50,819**	**62,213**	**74,267**	**88,295**
Claims on non-residents	41,262	42,079	34,971	59,293	47,948	57,538	68,295	80,182	92,792	106,980
Liabilities to non-residents	12,046	12,960	11,734	15,627	15,568	16,800	17,476	17,970	18,525	18,684
Net domestic assets	**17,238**	**19,174**	**18,778**	**9,011**	**14,734**	**12,136**	**8,586**	**4,394**	**463**	**-4,168**
Domestic credit	28,279	31,845	28,815	35,626	34,913	41,446	51,180	61,148	72,166	84,179
Net credit to the central government	1,847	2,703	1,376	3,824	4,136	6,895	12,349	17,593	23,280	29,123
Credit to other sectors	26,432	29,141	27,439	31,801	30,778	34,551	38,831	43,555	48,886	55,056
Credit to the private sector	24,262	26,680	25,800	29,094	28,919	32,443	36,436	40,840	45,806	51,550
Other items, net	-11,041	-12,671	-10,037	-26,615	-20,179	-29,310	-42,595	-56,753	-71,703	-88,347
Broad Money (M2)	**46,453**	**48,293**	**42,014**	**52,677**	**47,114**	**52,875**	**59,405**	**66,607**	**74,731**	**84,127**
Narrow Money (M1)	**7,902**	**9,233**	**9,511**	**10,072**	**9,775**	**10,971**	**12,327**	**13,822**	**15,509**	**17,460**
Currency in circulation	5,193	5,920	5,895	6,458	6,611	7,421	8,338	9,350	10,491	11,811
Demand deposits	2,709	3,313	3,616	3,614	3,164	3,550	3,989	4,472	5,018	5,649
Quasi money	**38,551**	**39,060**	**32,503**	**42,605**	**37,339**	**41,904**	**47,078**	**52,785**	**59,222**	**66,667**
Time deposits in domestic currency	756	924	1,013	1,008	887	995	1,118	1,253	1,406	1,583
Foreign currency deposits	37,795	38,136	31,490	41,597	36,453	40,909	45,960	51,532	57,815	65,084
Banque centrale du Congo:										
Net foreign assets	**10,340**	**10,032**	**10,260**	**11,565**	**12,985**	**17,542**	**23,143**	**29,279**	**35,076**	**41,517**
Claims on non-residents	19,170	19,204	18,511	25,032	23,657	28,832	34,427	40,305	45,811	51,429
Gross official reserves	19,035	19,069	19,885	24,897	23,868	29,043	34,638	40,516	46,021	51,639
Liabilities to non-residents	-8,830	-9,172	-8,251	-10,694	-10,672	-11,290	-11,284	-11,027	-10,734	-9,912
Net domestic assets	**262**	**1,023**	**1,019**	**-1,426**	**-56**	**-1,558**	**-4,974**	**-8,696**	**-3,229**	**-4,886**
Domestic credit	4,120	2,783	3,243	2,259	3,778	2,230	3,375	3,928	4,060	4,193
Net credit to the central government	2,746	1,801	2,576	1,271	1,766	1,403	2,519	3,042	3,142	3,242
Governement deposit	509	509	1,729	1,336	2,538	2,902	1,785	1,262	1,162	1,062
Claims on other depository corporations	1,203	803	488	803	1,827	637	660	685	711	738
Other items, net	-3,858	-1,761	-2,224	-3,685	-3,833	-3,788	-8,349	-12,625	-7,289	-9,079
Monetary base (broad definition)	**10,603**	**11,055**	**11,279**	**12,912**	**12,930**	**15,984**	**18,169**	**20,582**	**31,847**	**36,631**
Other depository corporations:										
Net foreign assets	**18,875**	**19,087**	**12,977**	**29,327**	**19,395**	**23,196**	**27,677**	**32,934**	**39,191**	**46,778**
Net domestic assets	**22,141**	**22,850**	**22,888**	**16,456**	**20,846**	**21,988**	**23,113**	**24,037**	**24,753**	**25,233**
Claims on the central bank	5,551	5,463	6,135	6,783	7,193	9,438	10,706	12,107	22,231	25,695
Net credit to the central government	-899	902	-1,200	2,553	2,370	5,492	9,830	14,551	20,139	25,881
Credit to local administrations	276	276	245	304	278	316	359	407	461	525
Credit to public enterprises	1,894	2,185	1,394	2,404	1,580	1,793	2,037	2,309	2,619	2,981
Credit to private sector	24,091	26,500	25,620	28,909	28,735	32,252	36,240	40,638	45,598	51,336
Other items, net	-8,771	-12,477	-9,307	-24,496	-19,310	-27,303	-36,059	-45,975	-66,295	-81,185
(Annual percent change)										
Net foreign assets	39.9	-0.3	-20.5	50.0	39.4	25.8	24.7	22.4	19.4	18.9
Net domestic assets	12.4	9.9	8.9	-53.0	-21.5	-17.6	-29.3	-48.8	-89.5	-1,000.0
Domestic credit	22.6	6.0	2.9	6.9	8.4	10.5	15.0	12.7	11.7	12.1
Net credit to government	-24.3	46.4	-25.5	41.5	200.5	66.7	79.1	42.5	32.3	25.1
Credit to the private sector	31.4	10.0	6.3	9.0	12.1	12.2	12.3	12.1	12.2	12.5
Broad Money (M2)	28.2	4.0	-9.6	9.1	12.1	12.2	12.4	12.1	12.2	12.6
Memorandum items:										
Nominal GDP (billions of CDF)	216,565	246,893	248,416	269,331	278,612	312,719	351,384	394,026	442,122	497,756
Credit to the private sector (percent of GDP)	11.2%	10.8%	10.4%	10.8%	10.4%	10.4%	10.4%	10.4%	10.4%	10.4%
Velocity (GDP/broad money)	4.7	5.1	5.9	5.1	5.9	5.9	5.9	5.9	5.9	5.9
Foreign currency deposits (percent of M2)	81.4	79.0	75.0	79.0	77.4	77.4	77.4	77.4	77.4	77.4
Foreign currency deposits (percent of total deposits)	91.6	90.0	87.2	90.0	90.0	90.0	90.0	90.0	90.0	90.0

Sources: Congolese authorities and IMF staff estimates and projections.

Table 5. Democratic Republic of the Congo: Financial Soundness Indicators, 2022-25

(Percent)

	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4
Capital Adequacy																
Regulatory capital to risk-weighted assets	9.9	11.9	12.5	12.1	14.5	12.9	13.2	13.2	12.8	15.7	15.2	19.0	15.4	16.2	14.9	14.8
Tier 1 capital to risk-weighted assets	7.9	9.7	10.2	9.9	12.3	10.8	11.1	11.1	10.7	13.5	13.1	16.7	13.2	14.1	12.9	12.6
Common Equity Tier 1 capital to risk-weighted assets	7.5	9.3	9.8	9.5	11.9	10.5	10.7	10.7	10.4	13.2	12.8	16.5	12.9	13.9	12.9	12.6
Tier 1 capital to assets	4.4	5.1	5.5	5.5	7.0	6.4	6.1	5.9	5.9	7.3	7.2	9.3	7.5	8.9	8.4	8.2
Asset quality																
NPLs to total gross loans	9.2	7.4	8.4	7.4	8.2	6.5	6.9	6.6	7.5	6.7	5.6	6.6	6.7	6.5	5.9	4.9
NPLs net of provisions to capital	24.0	10.9	20.5	18.9	17.6	18.8	19.4	20.3	24.7	17.1	12.1	11.9	14.0	12.5	11.2	5.7
Provisions to nonperforming loans	58.3	74.2	57.9	58.0	55.1	54.0	55.3	52.9	48.8	51.5	60.3	55.7	60.1	58.3	61.7	75.6
Loan concentration by economic activity	49.7	50.6	53.8	49.3	44.3	52.2	56.2	57.3	55.6	61.1	63.8	63.8	63.3	65.4	66.9	63.5
Earnings and profitability																
Return on assets (net income/total assets)	1.4	1.7	1.9	2.2	3.8	3.5	3.5	3.5	3.6	3.4	3.4	3.3	3.1	3.6	3.7	3.8
Return on equity (net income/equity)	18.2	19.5	23.1	24.7	35.3	35.9	38.2	39.0	32.3	32.4	31.7	28.3	21.8	24.7	24.5	22.5
Interest margin to gross income	29.5	30.3	29.8	30.8	36.4	37.4	38.3	37.5	40.2	41.1	42.2	38.9	42.6	40.7	40.3	38.4
Noninterest expenses to gross income	62.0	62.8	59.6	58.1	47.2	49.4	48.7	49.1	46.3	48.7	50.8	51.3	53.8	51.7	51.5	51.8
Liquidity																
Liquid assets to total assets	15.0	18.4	17.5	21.1	22.5	19.1	21.0	19.9	19.3	19.0	19.1	19.1	23.7	22.1	27.5	23.4
Liquid assets to short-term liabilities	42.6	53.2	54.8	64.4	69.1	61.9	65.9	62.1	61.3	59.3	61.4	59.9	81.2	70.1	93.0	78.6
Customer deposits to total (noninterbank) loans	262.5	234.1	207.0	197.9	202.6	154.1	159.8	160.4	157.3	159.3	153.8	170.9	152.9	151.4	145.2	152.0
Sensitivity to market risk																
Net open position in foreign exchange to capital	53.9	-5.4	13.1	16.2	-0.4	2.4	4.4	7.3	5.0	-0.9	6.5	8.7	6.9	7.6	3.7	0.2
Foreign currency-denominated liabilities to total liabilities	84.1	85.8	85.1	82.8	83.1	86.5	86.5	88.1	89.1	89.9	89.6	90.6	89.2	89.2	88.5	86.7
Foreign currency-denominated loans to total loans	88.3	87.6	86.6	87.0	86.1	89.0	89.9	90.3	89.3	92.1	91.0	92.3	90.5	89.1	91.2	88.9

Source: Banque centrale du Congo.

Table 6. Democratic Republic of the Congo: Capacity to Repay the Fund, 2026-45[1/]

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Total obligations on existing and prospective credit																				
Total obligations (In millions of SDRs)	138.2	223.6	275.5	336.5	306.1	393.6	408.9	389.8	344.1	294.7	197.1	157.1	125.2	123.4	121.7	119.8	118.0	116.2	114.5	112.6
Principal	106.6	182.8	228.4	289.4	258.9	346.4	361.7	342.6	296.9	247.5	149.9	110.4	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
Charges and interest	31.6	40.8	47.1	47.2	47.2	47.2	47.2	47.2	47.2	47.2	47.2	46.6	45.3	43.5	41.7	39.9	38.1	36.3	34.5	32.7
Total obligations (In millions of U.S. dollars)	190.2	308.2	380.3	465.0	423.7	545.9	567.4	541.0	477.6	409.0	273.5	218.0	173.8	171.3	168.8	166.3	163.8	161.3	158.8	156.3
In percent of exports of goods and services	0.4	0.5	0.6	0.7	0.6	0.8	0.8	0.7	0.6	0.5	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
In percent of GDP	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
In percent of quota	13.0	21.0	25.8	31.6	28.7	36.9	38.4	36.6	32.3	27.6	18.5	14.7	11.7	11.6	11.4	11.2	11.1	10.9	10.7	10.6
In percent of total external debt service	19.3	22.7	22.6	26.3	20.2	22.7	25.5	26.1	22.5	17.6	12.4	10.4	9.4	9.2	8.8	8.1	7.6	7.1	6.6	7.6
In percent of gross international reserves	1.9	2.6	2.8	3.1	2.6	3.2	3.2	3.0	2.6	2.2	1.5	1.2	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.8
Fund credit outstanding (end-period)																				
In millions of SDRs	2,763.9	3,361.7	3,133.3	2,843.9	2,585.0	2,238.6	1,877.0	1,534.3	1,237.4	989.9	840.0	729.5	649.6	569.6	489.7	409.7	329.8	249.8	169.9	89.9
In millions of U.S. dollars	3,806.5	4,636.5	4,326.2	3,932.7	3,581.6	3,107.2	2,605.2	2,129.6	1,717.5	1,374.0	1,165.9	1,012.6	901.6	790.7	679.7	568.7	457.7	346.8	235.8	124.8
In percent of exports of goods and services	7.1	8.3	7.3	6.3	5.4	4.5	3.7	2.9	2.3	1.8	1.6	1.3	1.2	1.0	0.9	0.7	0.6	0.5	0.3	0.2
In percent of GDP	3.2	3.6	3.1	2.6	2.3	1.8	1.4	1.1	0.8	0.6	0.5	0.4	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.0
In percent of quota	259.3	315.4	293.9	266.8	242.5	210.0	176.1	143.9	116.1	92.9	78.8	68.4	60.9	53.4	45.9	38.4	30.9	23.4	15.9	8.4
In percent of total external debt	24.2	26.3	23.8	21.0	19.0	16.9	14.4	11.9	9.6	7.8	6.6	5.7	4.9	4.1	3.4	2.7	2.1	1.5	1.0	0.5
In percent of gross international reserves	37.7	39.5	32.4	26.4	22.2	18.0	14.8	11.7	9.4	7.6	6.4	5.6	5.0	4.3	3.7	3.1	2.5	1.9	1.3	0.7
Memorandum items																				
Exports of goods and services (in millions of U.S. dollars)	53,410	56,169	59,531	62,343	65,938	69,137	70,721	72,229	74,802	74,921	75,074	75,230	75,387	75,559	75,751	75,971	76,229	76,539	76,924	77,414
Quota (in millions of SDRs)	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066
GDP (in millions of U.S. dollars)	120,378	129,560	138,832	148,466	158,870	170,574	181,983	194,383	206,845	220,341	234,999	249,883	263,734	278,634	294,793	312,502	331,961	353,409	377,085	403,273
Public sector external debt service (in millions of U.S. dollars)	986	1,360	1,685	1,771	2,102	2,408	2,222	2,069	2,125	2,325	2,209	2,096	1,845	1,870	1,924	2,044	2,162	2,278	2,410	2,065
Public sector external debt (end-period, in millions of U.S. doll	15,701	17,624	18,144	18,763	18,867	18,391	18,045	17,935	17,865	17,697	17,685	17,907	18,484	19,165	19,933	20,736	21,592	22,518	23,305	24,318
Gross international reserves (in millions of U.S. dollars)	10,098	11,750	13,365	14,908	16,149	17,277	17,620	18,230	18,214	18,197	18,191	18,190	18,201	18,214	18,232	18,256	18,291	18,340	18,411	18,491

Source: IMF staff estimates and projections.

1/ The Democratic Republic of the Congo is classified as a Group A country under the RSF interest rate structure.

Table 7. Democratic Republic of the Congo: External Financing Requirements and Sources, 2024-31

(Millions of US$, unless otherwise indicated)

	2024	2025	2026	2027	2028	2029	2030	2031
Gross Financing Requirements	**3,744**	**4,154**	**3,080**	**2,733**	**2,767**	**2,912**	**3,750**	**5,051**
Current account deficit excl. grants	3,340	3,558	2,322	1,865	1,605	1,667	2,201	3,192
Public sector loan amortization	405	597	758	868	1,162	1,245	1,549	1,859
of which: IMF	0	109	147	252	315	400	358	480
Identified Financing Sources	**3,302**	**2,670**	**1,965**	**2,147**	**2,767**	**2,912**	**3,750**	**5,051**
Capital account balance	729	762	1,046	1,073	975	946	804	704
Net foreign direct investment	2,915	1,869	2,424	2,609	2,795	2,989	3,007	3,228
Portfolio inflows	-15	-67	1,156	-101	-108	-116	-324	-333
Project loan disbursements	1,101	634	2,268	1,703	1,700	1,882	1,670	1,374
Other capital flows (net)	-328	766	-3,121	-1,484	-981	-1,246	-166	1,205
Change in reserves (- increase)	-1,312	-1,597	-1,808	-1,652	-1,614	-1,544	-1,241	-1,128
Net Errors and Omission	210	304	0	0	0	0	0	0
Financing Gap	**443**	**1,484**	**1,115**	**586**	**0**	**0**	**0**	**0**
Prospective Financing	**443**	**1,502**	**1,115**	**586**	**0**	**0**	**0**	**0**
ECF disbursements	204	770	524	525	0	0	0	0
World Bank[1/]	156	715	591	61	0	0	0	0
Other multilateral and bilateral[1/]	83	17	0	0	0	0	0	0
Memorandum items:								
Gross reserves, months of non-aid related imports	2.3	2.4	2.8	3.0	3.2	3.3	3.3	3.5
RSF disbursements	0	182	367	551	0	0	0	0
Gross reserves, months of non-aid related imports, without RSF	2.3	2.4	2.6	2.7	2.9	3.0	3.1	3.3

Sources: Congolese authorities and IMF staff projections.
1/ It includes both budget support grants and loans.

Table 8. Democratic Republic of the Congo: External Borrowing Program, 2025-26

PPG external debt	Volume of new debt in 2025		PV of new debt in 2025 (program purposes)		Volume of new debt in 2026		PV of new debt in 2026 (program purposes)	
	US$ million	Percent	US$ million	Percent	US$ million	Percent	US$ million	Percent
By sources of debt financing	**1,625.1**	**100.0**	**801.7**	**100.0**	**3,986.6**	**100.0**	**2,862.7**	**100.0**
Concessional debt, of which	**1,065.2**	**65.5**	**363.8**	**45.4**	**1,404.5**	**35.2**	**441.8**	**15.4**
Multilateral debt	1,065.2	65.5	363.8	45.4	1,304.5	32.7	409.8	14.3
Bilateral debt	0.0	0.0	0.0	0.0	100.0	2.5	32.0	1.1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-concessional debt, of which	**559.9**	**34.5**	**437.9**	**54.6**	**2,582.1**	**64.8**	**2,420.9**	**84.6**
Semi-concessional	411.0	25.3	288.9	36.0	567.3	14.2	406.2	14.2
Commercial terms	148.9	9.2	148.9	18.6	2,014.8	50.5	2,014.8	70.4
By Creditor Type	**1,625.1**	**100.0**	**801.7**	**100.0**	**3,986.6**	**100.0**	**2,862.7**	**100.0**
Multilateral	1,476.2	90.8	652.7	81.4	1,854.8	46.5	855.7	29.9
Bilateral - Paris Club	148.9	9.2	148.9	18.6	684.8	17.2	616.8	21.5
Bilateral - Non-Paris Club	0.0	0.0	0.0	0.0	197.0	4.9	140.3	4.9
Other	0.0	0.0	0.0	0.0	1,250.0	31.4	1,250.0	43.7
Uses of debt financing	**1,625.1**	**100.0**	**801.7**	**100.0**	**3,986.6**	**100.0**	**2,862.7**	**100.0**
Infrastructure	939.1	57.8	495.0	61.7	3,809.6	95.6	2,710.7	94.7
Social Spending	86.0	5.3	69.2	8.6	176.9	4.4	152.1	5.3
Budget Financing	600.0	36.9	237.5	29.6	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Congolese authorities and IMF staff estimates.

Table 9. Democratic Republic of the Congo: Decomposition of Public Debt and Debt Service by Creditor 2025-27[1]

	Debt Stock [4/] 2025			Debt Service					
				2025	2026	2027	2025	2026	2027
	(in M US$)	*(Percent total debt)*	*(Percent GDP)*	*(in M US$)*			*(Percent GDP)*		
Total	20,424.3	100.0	17.9	2,040.7	3,899.4	1,612.5	2.2	3.2	1.2
External	11,548.0	56.5	10.1	835.4	985.3	1,075.6	0.9	0.8	0.8
Multilateral creditors	7,152.0	35.0	6.3	268.5	354.1	489.6	0.3	0.3	0.4
IMF [2/]	3,736.2	18.3	3.3	147.3	189.4	296.3	0.2	0.2	0.2
World Bank	3,031.5	14.8	2.7	90.5	104.0	116.3	0.1	0.1	0.1
AfDB	244.6	1.2	0.2	5.5	5.5	5.7	0.0	0.0	0.0
Other Multilaterals	139.7	0.7	0.1	25.2	55.1	71.2	0.0	0.0	0.1
o/w: European Investment Bank	28.9	0.1	0.0	9.8	10.1	9.9	0.0	0.0	0.0
Arab Bank for Economic Development in Africa	38.9	0.2	0.0	1.0	1.6	2.9	0.0	0.0	0.0
Bilateral creditors	3,704.5	18.1	3.3	445.0	416.3	425.2	0.5	0.3	0.3
Paris Club	84.2	0.4	0.1	4.0	4.2	3.2	0.0	0.0	0.0
o/w: France	31.6	0.2	0.0	4.0	4.2	3.2	0.0	0.0	0.0
Exim Bank of Korea	52.5	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Paris Club	3,620.3	17.7	3.2	441.0	412.1	422.0	0.5	0.3	0.3
o/w: Exim Bank of China	3,229.2	15.8	2.8	412.6	384.6	388.8	0.4	0.3	0.3
Exim Bank of India	97.8	0.5	0.1	19.5	17.2	16.9	0.0	0.0	0.0
Bonds	...	...	...	...	...	...	...	...	...
Commercial creditors	691.6	3.4	0.6	121.9	214.9	160.8	0.1	0.2	0.1
o/w: FG Hemisphere	81.5	0.4	0.1	-	-	-	-	-	-
Financial Investment Holding	10.4	0.1	0.0	7.1	7.0	3.5	0.0	0.0	0.0
Domestic	8,876.3	43.5	7.8	1,205.3	2,914.2	536.9	1.3	2.4	0.4
T-Bills	195.3	1.0	0.2	137.1	214.8	-	0.1	0.2	0.0
T-Bonds	2,371.0	11.6	2.1	879.2	2,139.4	-	0.9	1.8	0.0
Loans	-	-	-	3.0	-	-	0.0	0.0	0.0
Arrears	4,336.8	21.2	3.8	150.1	518.5	497.2	0.2	0.4	0.4
Debt to BCC [3/]	1,973.2	9.7	1.7	35.9	41.5	39.8	0.0	0.0	0.0
Memo items:									
Collateralized debt	2,601.6	12.7	2.3						
Contingent liabilities	2,969.9	14.5	2.6						
o/w: Public guarantees	92.7	0.5	0.1						
o/w: Other explicit contingent liabilities	2,877.2	14.1	2.5						
Nominal GDP (in M USD)	113,883.7	...	...	92,805.7	120,377.6	129,560.5	...	...	...

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

Table 10. Democratic Republic of the Congo: Reviews and Disbursements Under the Extended Credit Facility Arrangement

Availability Date	Action	Associated Disbursement	Share of Quota (In percent)
On January 15, 2025	Approved three-year ECF arrangement	SDR 190.1 million	17.8
On or after May 15, 2025	Completed the first review based on end-December, 2024 performance criteria	SDR 190.4 million	17.9
On or after November 15, 2025	Completed the second review based on end-June, 2025 performance criteria	SDR 190.4 million	17.9
On or after May 15, 2026	Completed the third review based on end-December, 2025 performance criteria	SDR 190.4 million	17.9
On or after November 15, 2026	Completed the fourth review based on end-June, 2026 performance criteria	SDR 190.4 million	17.9
On or after May 15, 2027	Completed the fifth review based on end-December, 2026 performance criteria	SDR 190.4 million	17.9
On or after November 15, 2027	Completed the sixth and final review based on end-June, 2027 performance criteria	SDR 190.4 million	17.9
Total		SDR 1,332.5 million	125.0

Source: International Monetary Fund.

Table 11. Democratic Republic of the Congo: Proposed Reviews and Disbursements Under the Resilience and Sustainability Facility Arrangement

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

Source: International Monetary Fund.
1/ Rephased to November 15, 2026.
2/ Proposed to be rephased from November 15, 2026. The associated decree was adopted in February 2026, ahead of its original deadline of June 2026, justifying an early rephasing of access from the RSF 3rd to the current review

Annex I. Risk Assessment Matrix[1]

Source of Risks	Likelihood	Expected Impact on Economy	Policy Response
Potential External Risks – Conjunctural shocks			
Abrupt growth slowdown in China. Greater-than-expected economic disruptions from rising geopolitical tensions, and/or a sharper-than-expected slowdown in the property sector disrupt economic activity.	**Medium**	**High** Lower exports and fiscal revenues would generate BOP and budget financing needs. Lower commodity prices could reduce investment in the extractive sector and dampen DRC's growth prospects. Lower fiscal revenues would put at risk priority spending and exacerbate poverty and inequality, derail government's investment plans and lower growth prospects.	• Maintain prudent macro policies to foster macro stability. • Allow the exchange rate to act as a shock absorber and use external buffers to prevent disorderly depreciation that could negatively impact financial stability. • Step up revenue mobilization efforts, limit nonpriority spending to create space for fiscal policy support. • Mobilize external financing support. • Promote economic diversification in exported goods as well as exports' markets destinations.
Trade-related Risks • **Protectionism and Trade Disruptions.** Tariff and nontariff measures disrupt global supply chains, weighing on activity while increasing inflation. Trade diversion triggers broader protectionism. • **New Trade Agreements.** Tangible progress in trade talks reduces uncertainty and trade barriers. Wider cooperation on services, FDI, and taxation boosts investment and bolsters public finances.	**High** **Low**	**Medium** Given the high import content of consumption, increases in import prices due to trade barriers risks triggering a spike in inflation	• Diversify the structure of the economy and export sources. • Reduce level of dollarization of the economy

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

Source of Risks	Likelihood	Expected Impact on Economy	Policy Response
Potential External Risks – Conjunctural shocks			
Geopolitical tensions and Intensification of Conflicts. Rising geopolitical tensions, and a weakening of multilateralism, raise the risk of an escalation in military conflicts, accompanied by damage to key physical and financial infrastructure, disruptions in major transit routes and supply chains, higher migration pressures, additional financial frictions and market volatility. • **War in the Middle East.**	**High** **High**	**High** Supply disruptions and sharper-than-anticipated increases in international energy prices raise the costs of energy imports and other imported goods. **Medium** High international price will pass through to domestic price. Interruption in the access to sulfuric acid will disrupt the extractive sector.	• Develop a contingency plan that would lower the impact of a delayed economic recovery. • Stand ready to tighten monetary policy
Commodity price volatility. Supply and demand volatility (due to conflicts, trade restrictions, OPEC+ decisions, AE energy policies, or green transition) increases commodity price volatility, external and fiscal pressures, social discontent, and economic instability.	**High**	**High** Higher volatility in commodity prices will challenge sustainable macro policies and put pressure on the domestic currency, reserves, and fiscal revenues.	• Accumulate international reserve. • Diversify the structure of the economy and export sources. • Increase participation in regional trade area agreements. • Use exchange rate flexibility as a shock absorber but intervene to prevent disorderly currency movements
Domestic political instability ahead of the 2028 electoral cycle. Political tensions could intensify amid uncertainty over the 2028 electoral calendar, particularly if insecurity in the east persists, or if constitutional changes are proposed to allow a third presidential term. Opposition mobilization against any election delay or term extension could increase polarization.	**High**	**High** Heightened political uncertainty could slow reform implementation, weaken investor confidence, reduce private investment, increase fiscal and financing pressures, and aggravate security risks.	• Strengthen external and fiscal buffers, by maintain prudent fiscal and monetary policies; • Protect priority and reform-critical spending; continue governance and PFM reforms; Reinforce credibility by building broad national ownership of the reform agenda and communicating policy priorities clearly.

Source of Risks	Likelihood	Expected Impact on Economy	Policy Response
DRC-Specific Risks			
Escalated armed conflicts in the East. Conflict may further intensify given the ongoing disengagement of MONUSCO in the region and given the eased weapons' embargo from the United Nations Security Council.	High	High Increase fiscal and external risks. Economic activity would be hurt though mostly in areas not well integrated with the rest of the country.	• Make room for a budgetary contingency for national security emergency. • Provide humanitarian assistance to people hit by the conflict. • Prioritize spending to face a surge in security spending.
Source of Risks	**Likelihood**	**Expected Impact on Economy**	• **Policy Response**
Escalation of Ebola outbreak. The outbreak is localized so far, but could spread is adequate measures are not taken.	High	Medium Economic activity could be disrupted, primarily in isolated regions with limited integration into the national economy. There may also be pressure on public expenditures if vaccine deliveries	• Prepare contingency planning. • Obtain external technical and financial support and mobilize domestic resources to fight the outbreak.
Extreme climate events. DRC is one of the most climate-vulnerable countries in the world (based on WB CCDR) and prone to extreme climate events. Such events may cause more severe than expected damage to infrastructure and loss of human lives and livelihoods, amplifying supply chain disruptions and causing water and food shortages and reducing growth. Additionally, climatic shocks could exacerbate regional tensions and intensify violence and conflict.	High	Medium Risks related to floods and landslides natural disasters could trigger further public expenditures and alter the planned reduction of public debt.	• Prioritize projects related to climate change. • Build infrastructure resilient to natural disaster.
Socio-political unrest amid envisaged constitutional reform plan. Recent announcement of a plan to set up a commission tasked with reflecting on options for revising the Constitution to "tailor it to local realities and address national security and territorial integrity loopholes" may undermine political stability and social cohesion.	Medium	High	• Ensure sufficient national dialog and consultation and build consensus.

Annex II. Uptake of Recommendations of the 2024 Article IV

Recommendations	Status of Implementation
Increasing Fiscal Space and Budget Credibility	
Step up revenue mobilization by focusing on tax base expansion and payment compliance, improving revenue agencies' governance, restoring the VAT functioning and streamlining non-tax and parafiscal charges.	**In progress.** Central government revenue decreased from 12.1 percent of GDP in 2024 to an estimated 11.7 in 2025. This deterioration occurs despite continued strength in international commodity prices and reflects mainly exogenous and policy-driven- factors. In particular, the escalation of the conflict in the eastern part of the country has disrupted economic activity and revenue administration, resulting in revenue losses, while VAT exemptions for social and economic purposes have further weighed on revenue performance. However, the 2025-24 outcomes are higher than expected during the 2024 IV article by 2.1 percentage point of GDP (see text table 3). Notwithstanding these headwinds, the authorities have made progress in advancing tax policy reforms. Key achievements include the effective operationalization of the standardized electronic VAT invoicing system, which became functional in December 2025. The system will strengthen traceability, and crosschecks between invoiced transactions and VAT declarations. Full revenue gains will depend on further IT deployment and enforcement. In parallel, the authorities implemented decisive measures to exclude the mining sector from fuel subsidies, generating sizable fiscal savings. These measures will be complemented by the recovery of fuel-related VAT and excise exceptions for the mining sector and the extension of these measures to other sectors according to the 2026 budget. Progress was also made in rationalizing parafiscal charges, notably through the adoption of a decree on the reclassification of auxiliary bodies, which should help bring off -budget entities, and their revenues, into the fiscal perimeter.

Recommendations	Status of Implementation
Improve public financial management (PFM), restore the expenditure chain, limit emergency spending procedures, and enhance cash and debt management	**In progress.** Several reforms have been implemented with some tangible progress. The authorities have made progress in operationalizing the Direction Générale du Trésor et de la Comptabilité Publique (DGTCP), the national network of public accountants, by providing it with the human, material, and financial resources needed to fulfill its mandate. Once fully operational, the DGTCP is expected to reinforce compliance with the expenditure chain, reduce the use of emergency spending procedures, strengthen payment controls, and improve the management of the Treasury Single Account (TSA). In parallel, ongoing conditionality under the ECF supported program aims to curb recourse to emergency spending procedures and enforce compliance with the expenditure chain. However, progress has remained- constrained by persistent security challenges. Ongoing reforms aim to strengthen cash management, notably through progress toward establishing a Treasury Single Account, a core reform to improve cash visibility, and efficient liquidity management. In this context, the authorities completed a comprehensive census of government accounts held in the banking system and conducted a liquidity stress test to assess the impact of cash centralization at the central bank, ensuring that the transition to the TSA would not create undue stress in the banking system. In parallel, coordination between procurement planning and cash-flow management has been identified as a priority, and reforms in this area are ongoing to reduce the risk of arrears accumulation and strengthening spending predictability.
Formulation of a resource-based fiscal framework which is necessary for addressing challenges arising from high mineral price volatility.	**Small progress**. Under the IMF-supported program, the authorities adopted a transition roadmap, started publishing non-extractive fiscal indicators in the budget and medium-term framework, and plan to strengthen revenue forecasting by integrating the FARI model. Weak data quality, limited forecasting capacity, and the absence of stabilization buffers still constrain implementation.

Recommendations	Status of Implementation
Strengthening the coverage, level, and effectiveness of social spending	**Small progress.** Social spending coverage has improved under the ECF-supported program: the social spending floor, initially limited to three health programs, was expanded to include social protection, humanitarian spending, and education. However, the authorities have repeatedly fallen short of social spending targets, mainly because of the armed conflict in the eastern part of the country, cash-flow and procurement bottlenecks, elevated security spending, and reduced external support, including cuts in U.S. and other international health assistance.
Implementation of the Public Investment Management Assessment (PIMA) recommendations.	**In progress.** The authorities have taken some important initial steps, including issuing a planning circular for the 2026 budget cycle, adopting in August 2025 a ministerial order introducing a unique identifier for public investment projects, and anchoring reforms in the PIMA roadmap adopted in November 2023. These measures help strengthen project identification, codification, and alignment with the budget framework. Overall, progress suggests that the institutional foundations are being put in place, but effective implementation is still at an early stage.
Monetary, Prudential and Exchange Rate Policies	
Continued reserve accumulation to reduce vulnerabilities to external shocks.	**In progress.** Gross international reserves have steadily increased since the last Article IV consultation, from US$6.7 billion (2.3 months of imports) at end-2024 to US$8.3 billion, or 2.6 month of imports at end-2025, reflecting higher FX inflows from mineral exports and multilateral donors financing.
Strengthening the BCC monetary and exchange rate policy framework	**In progress.** Monetary policy was kept appropriately tight until inflation moved below target during the last quarter of 2025. Improved coordination between the Treasury and the BCC helped enhance liquidity management and reduce banks' reliance on central bank refinancing. Structural reforms to the monetary policy operational framework advanced, including the rationalization of BCC standing facilities and reduced use of short-term refinancing. On the exchange rate side, the BCC adopted a formal, FX intervention strategy, in line with IMF technical assistance, aimed at smoothing excessive volatility while preserving exchange rate flexibility and building external buffers.

Recommendations	Status of Implementation
Continue the implementation of the 2022 FSSR recommendations	**In progress**. Reforms have advanced in bank supervision, including the gradual shift toward more risk-based approaches to address earlier weaknesses in oversight and compliance. In parallel, the authorities have taken initial steps toward developing a financial safety net, notably through work on an Emergency Liquidity Assistance framework. These efforts have been supported by sustained technical assistance from AFRITAC Central long-term experts. Progress has also been recorded in strengthening financial stability oversight. With the support of the resident advisor on macroprudential policy, the BCC has advanced its capacity to identify, monitor, and assess systemic risks, including through more structured financial stability analysis.
Enhance BCC governance and safeguards in line with the 2020 safeguards assessment	**Small progress.** Progress was limited, and the recommendations were mostly superseded by the 2025 safeguards assessment (¶26).
Governance, Corruption, Diversification, and Inclusive Growth	
Improve climate business and promote economic diversification and private investment	**Small progress** is ongoing including the following fronts: The Permanent Commission in charge of rationalizing parafiscal charges, has started his technical work, with Fund technical assistance. This aims to rationalize parafiscal charges and tax regulations to reduce compliance costs and administrative burden. A comprehensive VAT refund action plan, expected by March 2026, should improve clearance of arrears. Operationalizing the National Tax Mediation Commission by end-June 2026 will help resolve taxpayer disputes. The authorities are also expected to clarify the definition and scope of "subcontractor" in the revised Subcontracting Law to reduce regulatory uncertainty.

Recommendations	Status of Implementation
Strengthen the AML/CFT framework, a critical step to fighting corruption, protecting the financial sector's transparency, and exiting the FATF grey list.	**In progress** Since making a high-level political commitment in October 2022 to work with the FATF and GABAC, the DRC has made further progress in strengthening its AML/CFT framework. Notable progress includes the development of risk-based supervision plans for financial institutions and designated non-financial businesses and professions, improved effectiveness in money laundering investigations and prosecutions, improved effectiveness in terrorist financing investigations, and the effective implementation of targeted financial sanctions related to terrorist financing and proliferation financing. Going forward, further enhancements to risk-based supervision and continuing to pursue ML and TF investigations in a manner consistent with their risk profile
Advance the transparency, governance and anticorruption agenda	**Small progress** is ongoing mainly with the adoption in February 2026 of the draft law establishing an economic and financial tribunal, while the anti-corruption bill is expected to be submitted to Parliament in June 2026. Implementation of the mandatory asset declaration regime, scheduled to begin in January 2026, has faced delays pending the adoption of an implementing manual of procedures, being prepared in collaboration with the World Bank. The authorities have also committed to strengthening the financial autonomy and capacity of oversight institutions, including by ensuring more predictable funding for the EITI. In public procurement, the planned operationalization of the SIGMAP e-procurement- platform is expected to allow for the online publication of awarded contracts. This was expected by December 2025 but is facing some delays.

Annex III. External Sector Assessment

Overall Assessment: The DRC's external position in 2025 was moderately weaker than implied by fundamentals and desirable policies. This largely reflected persistent fiscal challenges and structural weakness related to ongoing conflict and gaps in domestic infrastructure, which continue to generate high reliance on imported goods. In addition, high dollarization hampered the necessary rebalancing of the current account. Despite reserve accumulation in 2025—raising reserves to about 10.5 weeks of imports by year-end—reserve coverage remained below adequate levels. Robust mining exports, particularly of copper and cobalt, together with an improvement in the services balance, supported the external position and contributed to sustained reserve accumulation. Looking ahead, reserve accumulation is projected to proceed at a gradual pace, with coverage expected to reach three months of non-aid-related imports by program end, in 2027. While this gradual buildup is a welcome development, reserve buffers remain relatively low—reflecting persistent balance of payments pressures—and continue to pose a key challenge to external sustainability. Importantly, the appreciation of the CDF, particularly from mid-2025, prompted increased foreign-exchange sales by the BCC to smooth exchange rate volatility. This assessment is subject to important data limitations, as external sector statistics suffer from methodological shortcomings and sizable revisions, particularly in balance-of-payments components, as described in the Data Issues Annex (DIA, Annex IV).

Potential Policy Responses: Sustained improvement in the fiscal situation is critical to achieving a warranted rebalancing of the current account. Enhanced exchange rate flexibility, supported by a strengthened monetary policy framework, will facilitate adjustment and help reduce severe dollarization. Continued reserve accumulation remains a key objective under the ECF-supported program, until recently has been supported by sustained foreign exchange purchases and prudent liquidity management. Fiscal and structural reforms are expected to bolster external sustainability by strengthening domestic revenue mobilization, improving the business climate and institutional capacity, and unlocking higher investment—both domestically and externally financed. Over the medium term, an improved business environment would help reduce reliance on imported goods. Advancing governance reforms, particularly in the mining sector, will be critical to catalyzing additional concessional financing and grants, thereby easing pressures on foreign-exchange reserves and strengthening external buffers. At the same time, foreign exchange-interventions should remain limited to smoothing excessive volatility, especially in the context of mounting depreciation pressures.

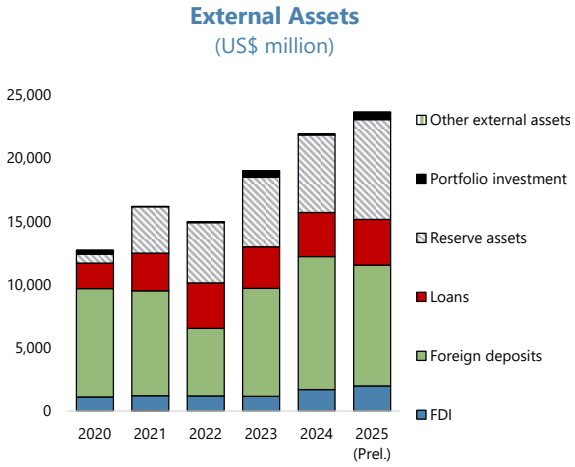
Foreign Assets and Liabilities: Position and Trajectory

Background: Preliminary data for 2025 indicate a worsening in the DRC's net international investment position (NIIP), with the net debtor position widening to -35.6 percent of GDP, from -33.3 percent in 2024. Total external assets and liabilities amounted to 25.5 and 61 percent of GDP, respectively. International reserves accounted for roughly one-third of external assets, while deposits held abroad by commercial banks, non-financial corporations, and households accounted for 40 percent, reflecting limited domestic financial intermediation and investment opportunities. On the liability side, foreign direct investment (FDI) continued to dominate, accounting for about two-thirds of total external liabilities, while external debt—mainly long-term obligations of the general government and private sector—comprised the bulk of the remainder.

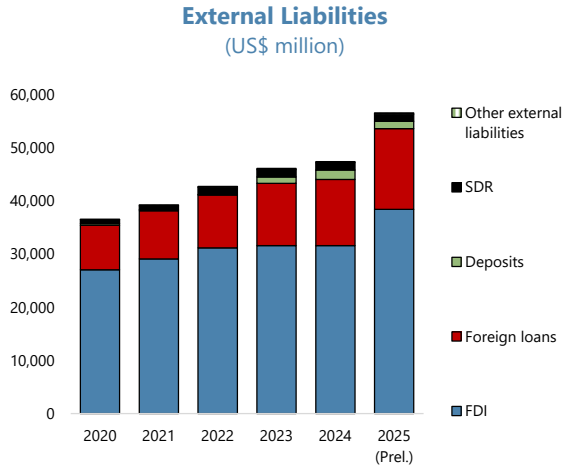
Assessment: The net debtor position of the NIIP does not, in itself, point to significant external sustainability risks. Rather, it reflects the DRC's structural balance of payments needs and substantial development financing requirements. Importantly, the composition of the NIIP remains relatively favorable: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

Foreign Assets and Liabilities

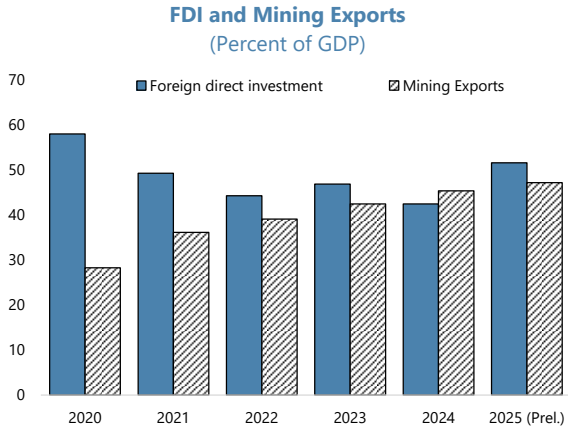
The bulk of external assets consists of deposits held abroad and official international reserves.



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



FDI liabilities remained high as mining exports grew.



Sources: Congolese authorities and IMF staff estimates and projections.

2025 (% GDP) NIIP: -36 Gross Assets: 26 Debt Assets: 4 Gross Liab.: 61 Debt Liab.: 16

Current Account

Background: The current account deficit narrowed to 3.7 percent of GDP (from 4.2 percent in 2024), supported by robust mining exports and a marked improvement in the services balance. Copper and cobalt continued to dominate the export base. Cobalt prices were supported by the temporary suspension of exports and the introduction of a quota system in 2025, which tightened global supply, while copper prices remained elevated, albeit volatile. Imports remain concentrated in capital goods (about 40 percent of total goods imports), reflecting mining-related investment, followed by energy products (around 25 percent), and consumption (20 percent) and intermediate goods (15 percent), with food products accounting for a significant share of consumption imports. In 2026, the current account deficit is projected to narrow further to about 1.9 percent of GDP, supported by still-elevated copper and cobalt prices and continued strength in mining exports. At the same time, the conflict in the Middle East has temporarily increased global energy price volatility, raising oil prices and likely putting upward pressure on the import bill, only partly offsetting gains from export prices. Over the medium term, the deficit is expected to stabilize at around 1–1½ percent of GDP, as import demand remains strong and mining export growth moderates, albeit from elevated levels, leaving the external position somewhat exposed to commodity price fluctuations.

Assessment: While the headline current account deficit reached 3.7 percent of GDP, strong growth performance and the impact of natural disasters and conflicts imply a cyclically adjusted current account balance of -5.0 percent of GDP. The current account norm—reflecting fundamentals and a policy setting with a more prudent fiscal stance, stronger private-sector credit, and a modestly positive real interest rate—is estimated at -3.5 percent of GDP. This implies a current account gap of about -1.5 percent of GDP, indicating a moderate degree of external imbalance. Consistent with the assessment, the real effective exchange rate (REER) is estimated to be overvalued by around 5.6 percent.

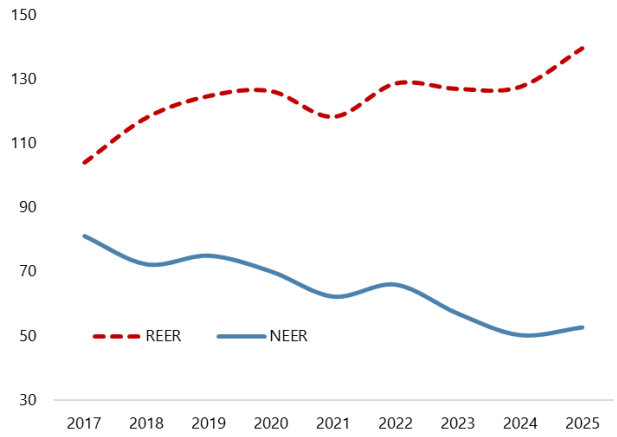
Democratic Republic of the Congo: EBA-lite Model Results, 2025

	CA model 1/	**REER model** 1/
	(in percent of GDP)	
CA-Actual	**-3.7**	
Cyclical contributions (from model) (-)	0.8	
Natural disasters and conflicts (-)	0.4	
Adjusted CA	**-5.0**	
CA Norm (from model) 2/	**-3.5**	
Adjustments to the norm (+)	0.0	
Adjusted CA Norm	**-3.5**	
CA Gap	**-1.5**	**1.0**
o/w Relative policy gap	0.7	
Elasticity	-0.3	
REER Gap (in percent)	**5.6**	**-3.9**

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

Real Exchange Rate

Background: In 2025, the REER appreciated sharply, while the nominal effective exchange rate (NEER) also strengthened, reversing the sustained nominal depreciation observed in previous years. Over the past decade, the REER has followed a broadly upward trend—reflecting persistent domestic inflation exceeding that of trading partners—interrupted by a correction in 2021 and a period of relative stability in 2023–24. The renewed appreciation in 2025 therefore represents a continuation of this longer-term trend, amplified by the recovery in the NEER. The widening gap between the REER and the NEER suggests that inflation differentials have continued to play an important role in driving real exchange-rate dynamics, pointing to a strengthening of the Congolese franc in effective terms in 2025.



Source: IMF INS Database.

Assessment: The EBA-lite model results provide mixed signals on the external position. The REER-based model points to some undervaluation of the REER, while the current-account-based model suggests a modest overvaluation. This divergence likely reflects differences in model sensitivities and underlying data constraints, which are particularly relevant in a commodity-dependent low-income economy such as the DRC. In this context, the real exchange rate assessment is grounded on the EBA-lite current model, which relies on a longer time series and a broader cross-country sample and, therefore, provides a more robust interpretation of external imbalances and competitiveness.

Capital and Financial Accounts: Flows and Policy Measures

Background: With limited access to international financial markets, the DRC's capital and financial accounts in 2025 continued to be driven primarily by public sector transactions—reflected in the capital and other investment accounts—mining-related foreign direct investment (FDI), and commercial bank activity, particularly foreign asset accumulation linked to domestic foreign-exchange deposits. Mining-related FDI remained the main source of external financing, reflecting sustained investment in the copper and cobalt sectors. Looking ahead, portfolio investment is expected to increase in 2026, reflecting the planned Eurobond issuance.

Assessment: The requirement to repatriate 60 percent of mining export proceeds, in place since 2018, constitutes a capital flow management measure (CFM) under the IMF's Institutional View on Capital Flows. As balance of payments pressures ease, this measure should be gradually unwound. At the same time, recent volatility in global commodity and energy markets underscores the need for a cautious and well-sequenced approach. Looking ahead, favorable terms of trade and continued mining investment could support higher FDI inflows and project-related financing, although limited market access and structural constraints are expected to persist.

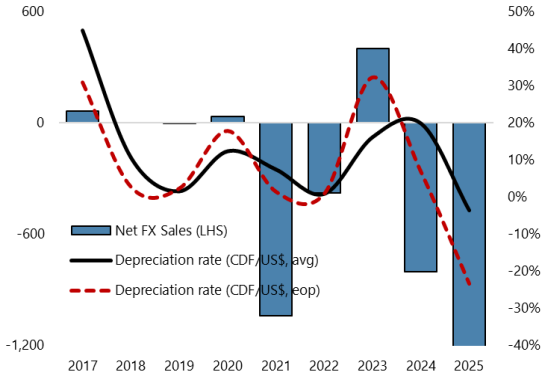
FX Intervention and Reserves Level
Background: Gross international reserves increased to US$8.3 billion (equivalent to 10.5 weeks of imports) at end-2025, up from US$0.7 billion (2.0 weeks of imports) at end-2020. This improvement reflects, in part, the halt of central bank advances to the government—previously a major drain on reserves—following the April 2020 RCF disbursement and the launch of the ECF-supported program in 2021. In 2025, reserve accumulation was supported by strong export receipts, particularly from the mining sector, alongside continued net foreign exchange purchases by the BCC, which reached about US$1.7 billion over the year—significantly higher than in 2024. From August 2025, the appreciation of the Congolese franc (CDF) and efforts to mitigate exchange rate volatility led the BCC to step up foreign exchange sales. These reached about US$500 million by end-2025, with a further US$335 million sold in the first two months of 2026. **Assessment:** Despite the significant reserve buildup since 2021, coverage remains below the conventional three-month import benchmark, pointing to continued external vulnerability. The still relatively low reserve buffer reflects persistent balance of payments pressures, and further strengthening reserve adequacy remains a key objective under the ECF-supported program, aimed at enhancing resilience to external shocks. At the same time, reserve coverage has remained adequate since 2021 when assessed against the alternative metric of 20 percent of broad money, reflecting the high degree of dollarization in the economy.

Central Bank's Foreign Exchange Interventions

In 2025, FX purchases gained further momentum, although FX sales accelerated in the second half of the year.

Net FX Sales vs. One-Period Lagged Depreciation Rates

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

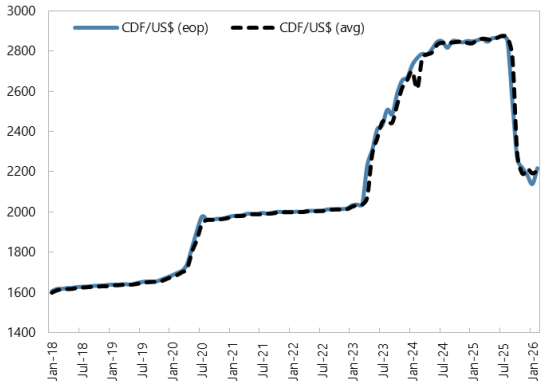


Note: Depreciation rates appear on the right-hand scale.

coinciding with a marked appreciation of the CDF against the U.S. dollar from August, following a period of stability.

Congolese Franc

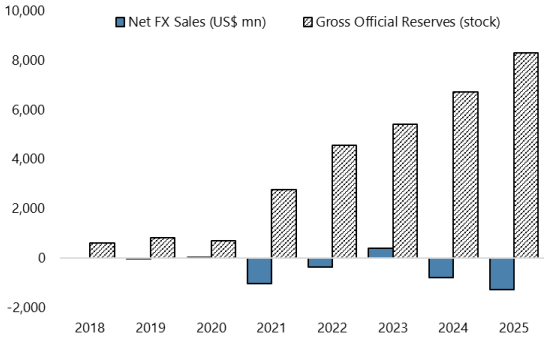
(Specified units)



Net FX purchasesin 2025 were the main driver of the buildup in reserves…

Net FX Sales vs. Gross Official Reserves

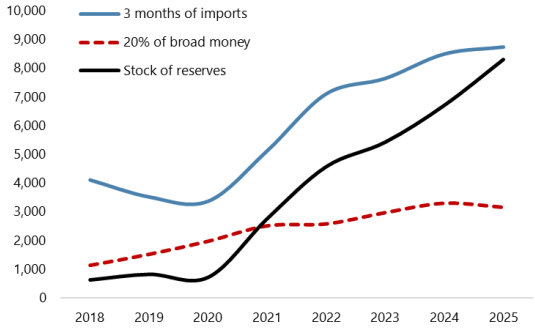
(US$ million)



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

Reserve Coverage

(US$ million, unless otherwise specified)



Sources: Congolese authorities and IMF staff estimates.

Annex IV. Data Issues

Table 1. Democratic Republic of the Congo: Data Adequacy Assessment for Surveillance

Data Adequacy Assessment Rating[1]
C

Questionnaire Results[2]

Assessment	National Accounts	Prices	Government Finance Statistics	External Sector Statistics	Monetary and Financial Statistics	Intersectoral Consistency	Median Rating
	C	B	C	C	B	C	C

Detailed Questionnaire Results

Data Quality Characteristics						
Coverage	C	C	B	B	B	
Granularity[3]	C		B	C	C	
			C		B	
Consistency			C	D		C
Frequency and Timeliness	D	A	A	C	B	

Note: When the questionnaire does not include a question on a specific dimension of data quality for a sector, the corresponding cell is blank.

[1]The overall data adequacy assessment is based on staff's assessment of the adequacy of the country's data for conducting analysis and formulating policy advice, and takes into consideration country-specific characteristics.

[2]The overall questionnaire assessment and the assessments for individual sectors reported in the heatmap are based on a standardized questionnaire and scoring system (see IMF *Review of the Framework for Data Adequacy Assessment for Surveillance*, January 2024, Appendix I).

[3]The top cell for "Granularity" of Government Finance Statistics shows staff's assessment of the granularity of the reported government operations data, while the bottom cell shows that of public debt statistics. The top cell for "Granularity" of Monetary and Financial Statistics shows staff's assessment of the granularity of the reported Monetary and Financial Statistics data, while the bottom cell shows that of the Financial Soundness indicators.

A	The data provided to the Fund are adequate for surveillance.
B	The data provided to the Fund have some shortcomings but are broadly adequate for surveillance.
C	The data provided to the Fund have some shortcomings that somewhat hamper surveillance.
D	The data provided to the Fund have serious shortcomings that significantly hamper surveillance.

Rationale for staff assessment.

Real. • National Accounts (NA): Annual NA are compiled in current prices and volume terms according to the 1993 System of National Accounts (SNA), with 2005 as the reference year. Annual supply and use tables are compiled at the level of 35 industries. The informality is included for agriculture, manufacturing, and non-financial services. • There is a significant delay in the series compiled with direct indicators—the last year available is 2023. From 2024 onwards, the authorities estimate the total GDP and the mining and non-mining segments with partial indicators. • The INS is not always well informed and engaged in defining the methods and practices followed in the external trade statistics or mining and non-mining estimates that should be incorporated into the annual series. • The INS has budget problems for data collection and treatment. • Quarterly National Accounts are not compiled.

Prices. • The CPI is calculated at the national level and for Kinshasa by the INS and disseminated regularly, the weights are outdated (2005=100). The CPI includes 481 products, which are classified by origin: imported and local. The basket comprises Kinshasa plus 11 provinces and the quotations are collected for the same coverage.

Fiscal. • Annual GFS are compiled in accordance with the GFSM 1986 and converted to GFSM 2014 covering only the BCG. • One of the main problems in developing the Integrated Financial Management Information System (IFMIS) is the number of accounts and the current practice of data collection, which is highly dispersed in several data sources and mainly relying on manual computation. • COFOG data are not reported, and significant internal statistical discrepancies (stock-flow adjustments and above-below the line inconsistencies) are persistent due to lack of granularity, sector coverage, cash vs accrual accounting, domestic arrears payments (associated with fuel subsidies), and other accounts payables (outstanding obligations).

Debt. • Currently, public debt data only covers central government.

Table 1. Democratic Republic of the Congo: Data Adequacy Assessment for Surveillance (Concluded)

External. • BoP is compiled quarterly up to 2025Q4. IIP is compiled annually and is available up to 2020 on an annual basis until 2019, and on quarterly basis starting 2020. • Severe weaknesses concerning compilation of import goods, services and primary income data have been identified in 2025.
Monetary and Financial. • The BCC compiles monthly monetary and financial statistics (MFS) covering the central bank and other depository corporations in SR1 and SR2. The last data submitted to the IMF is December 2025. The Central Bank, Other Depository Corporations and Depositary Corporations surveys and the monetary aggregates and base money are available until 2018. • The BCC is working to produce financial statements with the IFRS standards for 2021-2023. Once this transition is completed, the SRs should be updated accordingly. • Clarification in the compilation of the monetary base is needed based on the co-circulation of the Congolese Franc and USD.
Intersectoral consistency • Inconsistencies have been identified between external trade and the data included in NA as imports per type of good. • There are several committees and commissions installed attending the data production, their interaction could be more efficient by delimiting the scope of each of them.

Changes since the last Article IV consultation Adoption of the new Statistics Law. National Accounts: Publishing of revised annual national accounts for 2017–2023. Previously identified weaknesses related to outdated series and limited use of administrative data have partly been addressed. Conducted National Survey on Household Living Conditions, which will be used to update the national accounts and price statistics. Fiscal: Ongoing conversion of the GFS to the to GFSM 2014. Improved bridge tables and the production of GFSM-aligned fiscal aggregates for the budgetary central government. External: Significant methodological shortcomings in balance of payments compilation, with potentially large revisions to imported goods, services, and primary income data have been identified in 2025.

Corrective actions and capacity development priorities
Real: • Improve the consistency, coverage, granularity, and timeliness of the NA series. • Strengthen INS's budget by providing resources for data collection, and improve staff conditions to retain skilled staff. • The INS is working to update the reference year to 2024 and adopt the main recommendations of the 2008 SNA with Technical Assistance (TA) from the IMF AFRITAC Centre; this area is a priority to ensure more consistent and regular data. • Assess the possibility of including the quarterly national accounts as part of the GDP rebasing to 2024. • Effective communication among public entities compiling data is needed to improve the consistency of the real and external sector statistics. • The update of the period of weights of the CPI and the coverage is of high relevance.
Fiscal: • Relying on the practical operation of the General Directorate of the Treasury and Public Accounting is important to ensure the sustainability of the work on Tableau des Opérations Financières de l'État (TOFE). This instance is operational since January 2026; there is a roadmap in place for it to continue advancing on the TOFE. • There are efforts to collect data from SOEs and provinces; once progress is made, it is planned to move to social security. The roadmap to include the provinces covers three years. A general accounting reform that involves technical and political is planned and it will take from three to five years.
Debt: • With the AFRITAC Centre's support, a plan to expand data and institutional coverage to the General Government (GG) is ongoing. Close data gaps, improve granularity and coverage, and move to accrue basis the government accounting to diminish the statistical discrepancies above-below the line. • Third-party data is needed to detect fraud, errors, or omissions in taxpayer declarations that help with oversight. • A roadmap to increase the coverage of the TOFE in collaboration with AFRITAC has been defined, and the ongoing work follows it. The proposal is to increase the coverage of the TOFE and improve the data collection.
External: • Improve the consistency, timelines, and frequency of the External Sector Statistics. Consistency between the balance of payments and the IIP must be improved. Balance of payments compilers also need to improve the quality of foreign direct investment data by collecting data from larger companies. • With IMF TA, the compilation of direct investment positions and transactions, the International Transactions Reporting System (ITRS), and the external debt statistics are being improved. • Produce quarterly BoP and annual IIP.
Monetary: • IMF TA has been helping the authorities to automate monetary surveys starting with commercial bank balance sheet (SR2).
Intersectoral consistency • Effective communication among public entities compiling data is needed to improve the consistency of the real and external sector statistics, and in general the production of statistics.

Use of data and/or estimates in Article IV consultations in lieu of official statistics available to staff. The financial statements of mining companies (MNE) are used to compare the GDP growth rates for the latest years that are estimated by the authorities.

Other data gaps. Enhance the data provision for labor, gender, and climate change. Data on income and wealth distribution could support more detailed analysis on inequality and social inclusion issues.

Table 2. Democratic Republic of the Congo: Data Standards Initiatives

Democratic Republic of the Congo participates in the Enhanced General Data Dissemination System (e-GDDS) and first posted its metadata in April 2004. The launch of the National Summary Data Page in 2025 under the e-GDDS framework and the publication of most recommended categories represent a meaningful transparency improvement, though gaps remain (e.g., general government operations).

Table 3. Democratic Republic of the Congo: Table of Common Indicators Required for Surveillance

As of May 14, 2026

	Data Provision to the Fund				Publication under the Data Standards Initiatives through the National Summary Data Page			
	Date of Latest Observation	Date Received	Frequency of Data[7]	Frequency of Reporting[7]	Expected Frequency[7,8]	Announced Frequency[9]	Expected Timeliness[7,8]	Announced Timeliness[9]
Exchange Rates	2026-05-11	2026-05-13	D	W	D	D	...	1D
International Reserve Assets and Reserve Liabilities of the Monetary Authorities[1]	2026-05		D	W	M	...	1W	...
Reserve/Base Money	2026-03	2026-04	M	M	M	M	1M	1M
Broad Money	2026-03	2026-04	M	M	M	M	1M	1M
Central Bank Balance Sheet	2026-03	2026-04	M	M	M	M	1M	1M
Consolidated Balance Sheet of the Banking System	2026-03	2026-04	M	M	M	M	1M	1M
Total assets of other depository corporations[2]	2026-03	2026-04	Q	Q	M	M	1M	1M
Total credit from other depository corporations[2]	2026-03	2026-04	Q	Q	M	M	1M	1M
Interest Rates[3]	2026-04-30	2026-04-30	M	M	D	W,M	...	1D
Consumer Price Index	2026-04	2026-05	W	W	M	M,W	1M	3D
Revenue, Expenditure, Balance and Composition of Financing[4]-General Government[5]			NA	NA	A	...	2Q	...
Revenue, Expenditure, Balance and Composition of Financing[4]-Central Government	2026-04	2026-04	M	M	M	M	1M	20D
Stocks of Central Government and Central Government-Guaranteed Debt[6]			NA	NA	Q	M,Q	1Q	6M
Total stock of General Government Debt[5]			Q	Q	Q	...	4M	...
External Current Account Balance	2025-12	2026-04	Q	A	Q	A	1Q	9M
Exports and Imports of Goods and Services	2026-03	2026-04	M	M	M	A,Q	8W	6M
GDP/GNP	2025-12	2026-04	A	I	Q	A	1Q	6M
Gross External Debt			NA	NA	Q	SA	1Q	6M
International Investment Position	2022-12	2024-04	A	A	Q	...	1Q	...

Table 3. Democratic Republic of the Congo: Table of Common Indicators Required for Surveillance (Concluded)

[1] Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

[2] Other depository corporations include all deposit-taking corporations (except for the central bank) and money market funds.

[3] Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

[4] Foreign, domestic bank, and domestic non-bank financing.

[5] The general government consists of the central government (budgetary funds, extra-budgetary funds, and social security funds) and state and local governments. The total stock of general government debt is required for SDDS Plus countries and encouraged for SDDS and e-GDDS countries.

[6] Including currency and maturity composition.

[7] Frequency and timeliness: ("D") daily; ("W") weekly or with a lag of no more than one week after the reference date; ("M") monthly or with lag of no more than one month after the reference date; ("Q") quarterly or with lag of no more than one quarter after the reference date; ("A") annual; ("SA") semi-annual; ("I") irregular; ("NA") not available or not applicable; and ("NLT") not later than.

[8] Encouraged frequency of data and timeliness of reporting under the e-GDDS and required frequency of data and timeliness of reporting under the SDDS and SDDS Plus. Any flexibility options or transition plans used under the SDDS or SDDS Plus are not reflected. For those countries that do not participate in the IMF Data Standards Initiatives, the required frequency and timeliness under the SDDS are shown for New Zealand, and the encouraged frequency and timeliness under the e-GDDS are shown for Eritrea, Nauru, South Sudan, and Turkmenistan. Indicators that are not in the IMF Data Standards Initiatives are shown as "...".

[9] Based on the information from the Summary of Observance for SDDS and SDDS Plus participants, and the Summary of Dissemination Practices for e-GDDS participants, available from the IMF Dissemination Standards Bulletin Board (https://dsbb.imf.org/). For those countries that do not participate in the Data Standards Initiatives, as well as those that do have a National Data Summary Page, the entries are shown as "...".

Annex V. Civil Service Reforms in the DRC

The public-sector wage bill in the DRC has expanded rapidly in recent years. Wage-bill pressures reflect deep structural weaknesses, including fragmented recruitment practices, a remuneration system dominated by bonuses and allowances; and wage setting weakly anchored in the budget process. The authorities have launched reforms to clean, digitalize and integrate payroll systems; adopted a comprehensive wage policy; and taken measures to strengthen budget control. Progress, however, has been slowed by political-economy constraints. Sustained reform momentum will require strong political commitment, careful sequencing, and anchoring wage-bill management in a medium-term framework, potentially supported by a wage-bill rule.

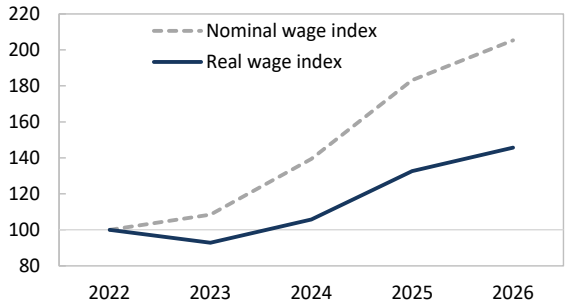
A. Facts

1. The public-sector wage bill in the DRC has expanded markedly in recent years. From CDF 6.6 trillion in 2022, it is projected to double to CDF 13.1 trillion in 2026 (Figure 1). In real terms, this represents a cumulative increase of 46 percent. While higher compensation has improved the purchasing power of some public employees, it has also placed substantial and growing pressure on the budget. The wage bill absorbed about 36 percent of total revenue in 2025, up from 31 percent in 2022 (Figure 2). Combined with the sharp rise in exceptional security spending, this has significantly reduced the fiscal space available to finance other priorities, including public investment and social services. Excluding non-tax revenues—such as dividends and mining royalties—the wage-bill-to-tax-revenue ratio now exceeds 50 percent (Figure 2), well above that observed in sub-Saharan African peers (Figure 3).

B. The Challenges in Managing the Wage Bill in the DRC

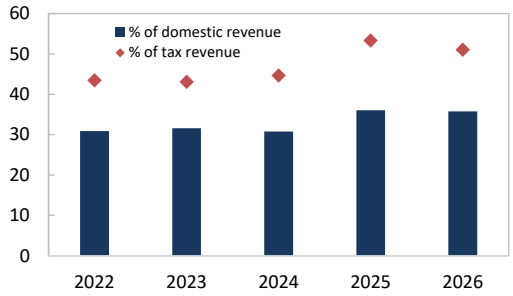
2. A core structural constraint is the lack of a consolidated and authoritative establishment file for public employment. An initial effort at consolidation was launched in early 2025 with the creation of a consolidated personnel database from various government agencies and issuance of biometric identification cards to over 118,000 civil servants — the first clean, digital civil-servant registry in the DRC. Official estimates of total public-sector employment range between 1.6 and 1.7 million employees, underscoring the magnitude of remaining gaps. This discrepancy reflects a fragmented and complex human-resource management framework in which key institutions, line ministries and agencies recruit staff without systematic consultation with the Ministries of Finance, Budget, and Public Service. While some recruitment can respond to genuine service delivery needs, it is often undertaken without secured budgetary allocations and can be driven by political and cyclical considerations (Figure 4). These institutional weaknesses have resulted in a highly segmented public workforce, with multiple employment statuses and remuneration arrangements (see Box 1).

Figure 1. Inflation and the Wage Bill



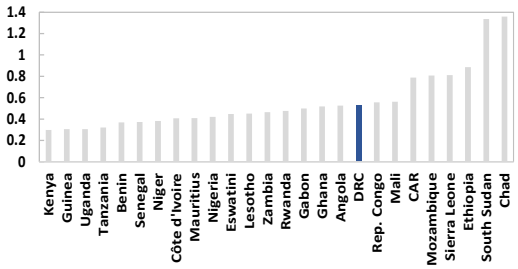
Source: IMF staff calculations; Ministry of Finance, DRC

Figure 2. Wage in Proportion of Revenue



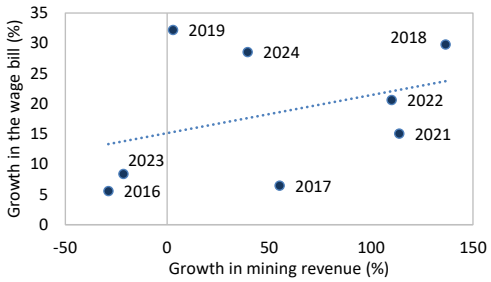
Source: IMF staff calculations; Ministry of Finance, DRC

Figure 3. Wage to Non-tax Revenue



Source: IMF Expenditure Assessment Tool; World Revenue Longitudinal Database (WoRLD)

Figure 4. Mining Revenue and Wage Growth



Source: Revenue agencies and Ministry of Budget, DRC

3. The proliferation of bonuses and allowances. Legally, the use of bonuses in the DRC civil service is tightly regulated. The General Statute of Public Service Agents of 2016 authorizes six bonuses and allowances, such as overtime, risk exposure, or hardship, along with a "special function" bonus that must be approved by the Council of Ministers. The legal framework sets a strict ceiling: bonuses and allowances may not exceed two-thirds of base salary.

In practice, these rules are widely circumvented. Line ministries and agencies routinely create their own "special functions" and associated bonuses, often granted broadly to all staff rather than linked to clearly defined functions. In parallel, the proliferation of commissions, both within ministries and interministerial, occurs without effective regulation or oversight. This has generated perverse incentives, with the establishment of commissions frequently becoming a de facto prerequisite for launching major initiatives. Overall, bonus distribution is highly uneven: a small number of central entities, primarily in Kinshasa, receive substantial bonuses, while most administrations receive little or none.

Box 1. Employment Status in the DRC Public Service

Public employees in the DRC fall into several employment categories, reflecting their position in the administrative registry and payroll systems:

Regularized agents ("*mécanisés*") are those whose remuneration is fully integrated into the computerized payroll system and who are paid regularly through Treasury channels.

Registered agents ("*matriculés*") are individuals who have been formally recorded in the public service establishment file and assigned an official personnel number ("*matricule*")

Registered but non-regularized agents are staff who hold a valid personnel number but are not yet integrated into the regular payroll. This situation is common among newly recruited personnel who may remain outside the payroll for extended periods and are paid, if at all, through ad hoc arrangements while awaiting regularization. Conversely, other agents can be regularized but not registered despite incomplete registration.

Unregistered and non-regularized agents are those who appear in parallel staffing lists maintained by line ministries or agencies, without having completed formal appointments or registration procedures. Some of these agents remain unpaid while awaiting registration and regularization; others can receive exceptional or ad hoc compensation.

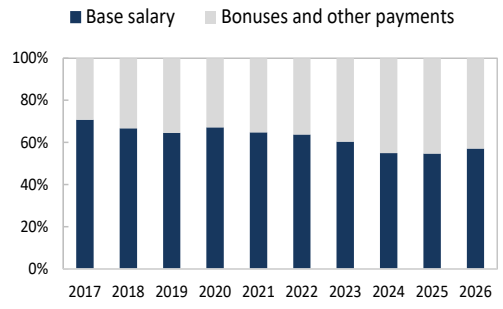
Overall, an estimated 392,000 out of 1.6–1.7 million public agents receive no base salary. At the same time, there are **ghost workers** who receive salaries without providing public service, illustrating the inequities of the current situation. These cases include deceased or non-existent individuals, staff never legally recruited, agents who have abandoned their posts and duplicate entries across ministries or agencies.

The civil service is also fragmented across several legal and administrative regimes, including the general civil service regime, magistrates, primary and secondary education, higher and university education, as well as employees financed through special accounts ("comptes spéciaux") and off budgets entities ("budgets annexes").

Finally, around 350,000 agents who have reached or exceeded the statutory retirement age remain on the payroll, whether or not they continue to provide services, with some reportedly well into their 70s or 80s. Formal retirement requires both the payment of a one-off lump-sum retirement benefit, financed from the budget, and the assumption of regular pension payments by the public pension fund (CNSSAP). In recent years, retirements have been significantly delayed due to insufficient budgetary allocations for the lump-sum payment. For some agents, incentives to retire are also weak, as pension benefits are calculated on base salary, which is often substantially lower than total remuneration once bonuses and allowances are taken into account.

The statutory ceiling, limiting bonuses to one thirds of base salary is frequently breached. In some cases, bonuses exceed 95 percent of base salary, and they may even be paid to unregistered or non-regularized agents. These practices have intensified over time: while bonuses represented, on average, 40 percent of base salary a decade ago, on average, they exceeded 80 percent of base salary in 2025 (Figure 5). This likely understates true variable remuneration, as payments such as performance bonuses and retrocessions to revenue agencies are recorded under operating expenditures or transfers, despite functioning de facto as compensation.

Figure 5. The Share of Bonuses and Allowances in the Overall Wage Bill



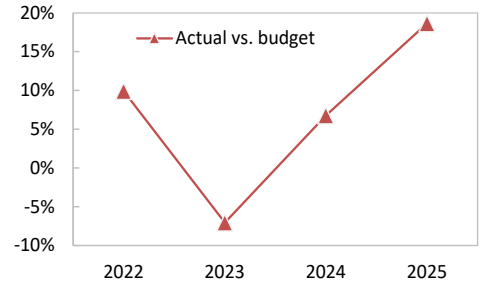
Source: Ministry of Budget, DRC

4. The lack of formalized wage bargaining processes. Public-sector wage dynamics in the DRC are shaped by a highly fragmented and reactive wage-setting framework. Salary adjustments are generally not anchored in the annual budget process. Instead, they largely arise from sector-specific negotiations with trade unions, often conducted under significant social and political pressure. A prominent example is the education sector, where recurrent negotiations with teachers' unions typically result in salary or allowance increases at the start of each school year in September. This also triggers pressure from other sectors, such as health. Additionally, recruitment decisions are frequently announced on an ad hoc basis, often reflecting political considerations and accommodated during budget execution. As a result, personnel spending generally exceeds approved budgets: in 2024 and 2025, personnel expenditures exceeded initial allocations by about 7 and 20 percent respectively (Figure 6).

C. Reforms Under Way

5. Cleaning of the civil service register and digitalization. Building on recent progress, the authorities are continuing efforts to clean, validate, and expand the centralized human-resource database for the civil service. This includes further verification of personnel records and the extension of biometric identification cards to the bulk of civil servants, including teachers, health workers, police and military personnel, and judges, currently managed under separate or parallel systems. A second, critical dimension of the reform—already initiated—is the integration of personnel data managed by the Ministry of Public Service with the payroll management systems of the Ministry of Budget. This integration is expected to improve consistency between personnel records and payroll data, strengthen controls over recruitment and remuneration, and reduce the scope for irregular payments. These reforms are supported by the World Bank under the ENCORE project.

Figure 6. Wage Bill: Actual vs. Budget



Source: Ministry of Budget, DRC.

6. Wage policy reform. A new wage policy, waiting to be adopted, aims to fundamentally rationalize the remuneration framework by:

(i) reducing fragmentation across legal and administrative regimes by establishing a single base salary grid, with clearly defined grades, echelons, and advancement scales, and a single framework governing bonuses, allowances, and benefits;

(ii) rebalancing compensation toward base salaries by clarifying—and, where necessary, establishing—the legal basis, eligibility criteria, and calculation methods for bonuses and

allowances, including special function bonuses, with the objective of curbing proliferation, and enforcing ceilings;

(iii) introducing performance-based career advancement and progression, linked to performance evaluations and competency assessments;

(iv) reinforcing the respective roles of the Ministries of Finance, Budget, and Public Service in wage setting, payroll control, performance evaluation, and audit; and

(v) detailing a sequenced and fiscally-sustainable transition, over a ten-year horizon, which would gradually increase base salary while progressively eliminating unjustified bonuses and allowances.

7. Restoring the primacy of central ministries and budget constraints in wage setting. To reinforce budget discipline, the authorities issued a decree in July 2023, that salary increases, agreed with social partners, need to be phased in based on an agreed timetable, instead of being implemented immediately. They have also committed to accompanying any necessary in-year wage increase with concrete and credible offsetting measures—either expenditure savings or revenue-enhancing actions—to preserve consistency with approved budget. In addition, they committed in 2025 to launch sectoral parity commissions in key sectors such as education and health, with a view to reassessing base salaries, improving equity, and reducing reliance on ad hoc wage demands.

D. The Big Push for These Reforms

8. Many of these reforms face significant political-economy obstacles. The wage policy had been under development since 2016 but was repeatedly postponed due to electoral and broader political considerations. Although adopted by the Council of Ministers in June 2025, it was not used to anchor the wage-bill envelope for the 2026 budget, despite initial intentions to do so. As a result, the 2026 budget continues to rely heavily on bonuses and allowances, which amount to around 75 percent of base salary (Figure 5). The planned sectoral parity commissions have also yet to become operational. These outcomes reflect the difficulty of altering entrenched interests across multiple stakeholders. Wage-bill reforms affect the allocation of rents within the public sector and therefore tend to elicit resistance from policymakers who benefit from discretionary control over recruitment, bonuses, and allowances. Line ministries similarly have vested interests in maintaining autonomy over staffing and variable pay. At the staff level, resistance to change is reinforced by the structure of taxation and benefits. Bonuses and allowances are lightly taxed—typically at around 4 percent—making them financially more attractive than higher base salaries, notwithstanding their adverse implications for future pension entitlements and long-term income security.

9. The financial costs of these reforms represent a major constraint. The fiscal sustainability of the new wage policy, which envisages higher base salaries, depends on the implementation of several cost-saving measures. These include tighter controls on ad hoc recruitment by line ministries and agencies to allow for natural attrition, as well as the effective retirement of staff who have reached statutory retirement age, which would reduce the public-sector

workforce from 1.7 million to 1.4 million by 2035. Financing retirements requires immediate budget outlays in exchange for future savings. The limited progress of the retirement program ("mise à la retraite") launched in 2022 underscores how such reforms have been deprioritized amid tight budget constraints and competing spending needs. In addition, the new wage policy requires a significant rationalization of bonuses and allowances to create space for higher base pay. This is likely to face resistance from those who benefit disproportionately from these bonuses. The key implementation risk is therefore asymmetric: measures that increase the wage bill, such as higher base salaries, are likely to be implemented more readily, while the accompanying cost-saving reforms are likely to face strong resistance.

10. These constraints underscore the importance of careful sequencing and strong political support to sustain reform momentum. Drawing on international experience (IMF 2016) and considering the DRC's institutional realities, the following sequencing is recommended:

- **Start with control and credibility.** Rapidly complete biometric identification, fully integrate HR and payroll databases, impose a hard freeze on new allowances and off-grid recruitment, and signal strong political commitment by conditioning any new recruitment on the completion and integration of the establishment registry.

- **Anchor wage-bill reform in a medium-term framework.** This requires strengthening wage-bill forecasting, introducing clear and predictable rules for wage adjustments and institutionalizing regular wage negotiations. The authorities could consider the adoption of wage-bill–specific fiscal rule as is the case in some countries (see Box 2). For the DRC, capping the wage bill as a share of tax revenue could serve as a useful operational anchor.

- **Demonstrate commitment through early implementation of the new wage policy, which is broadly aligned with good practices.** Move decisively to implement the new wage policy, starting with the establishment of sectoral parity commissions in education and health, which together account for the bulk of public employment.

11. In the medium term, good practice calls for regular reviews of public compensation to ensure that pay structures remain fit for purpose as economic conditions, labor markets, and institutional needs evolve. Periodic reviews are a good way to ensure that pay structures or components that are not fit for purpose are reformed and those that appear necessary are introduced (IMF, 2024). In some countries, an independent body could be tasked with conducting such reviews (see Box 3).

Box 2. Fiscal Rules on the Wage Bill: International Experience

To contain wage-bill growth, several countries and regional groupings have adopted explicit fiscal rules targeting personnel expenditures. Such rules are particularly relevant because the wage bill is a rigid spending item that is difficult to adjust in the short term, given permanent employment contracts and accumulated wage commitments that are difficult to reverse in the short term. By imposing clear quantitative limits, wage-bill rules help prevent expenditure slippages, strengthen budget discipline, and support medium-term fiscal sustainability.

Country / Region	Rule	Objectives
WAEMU, CEMAC	Wage bill capped at 35 percent of tax revenue	Preserve fiscal space for public investment and debt service
Brazil	Real growth of primary expenditure (including wages) constrained between 0.6 and 2.5 percent	Stabilize overall expenditure and debt while allowing limited countercyclicality
Slovakia	Public-sector wage freeze triggered when public debt exceeds 53 percent of GDP	Stabilize public debt dynamics
Kenya	County-level personnel spending capped at 35 percent of total revenue	Preserve subnational capacity to finance investment and non-wage services

Source: IMF Fiscal Rules database

Box 3. The Role of Independent Bodies in Public Pay Regulation

Independent institutions tasked with reviewing public-sector remuneration play a key role in promoting equitable, competitive, and transparent wage-setting frameworks in many countries. Examples across the Commonwealth include the Pay Review Body in the United Kingdom, the Pay Research Bureau (PRB) in Mauritius, the pay commissions in India, the Public Service Division in Singapore, wage review structures in Malaysia, and public service tribunals and analytical units in Australia. These institutions typically collect and analyze data, benchmark public wages against labor-market conditions, and formulate technical, evidence-based recommendations to support governments in attracting and retaining talent while ensuring fiscal sustainability.

In Mauritius, the PRB is a permanent and independent institution whose primary mandate is to conduct a comprehensive review of public-sector remuneration every five years. These reviews—closely followed by civil servants and the general public—cover base salaries, allowances, and benefits across the entire public sector. They provide the basis for proposing adjustments to pay scales and conditions of service, taking into account budgetary constraints, labor-market conditions, inflation, and public sector needs.

Between comprehensive reviews, the PRB also issues targeted technical advice on specific issues, such as allowance reform, recruitment challenges, sector-specific staffing needs, or short-term labor-market developments. To ensure the legitimacy and transparency of its recommendations, the Bureau undertakes a broad consultation process involving trade unions, civil service associations, senior administrators, and, where appropriate, independent experts. While the government retains discretion over whether and how to implement the PRB's recommendations, its reports are published, enhancing transparency and accountability.

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Annex VI. Impact of the Conflict in Eastern DRC[1]

1. This annex documents the channels and magnitude of the conflict's economic impact in the eastern provinces and its overall impact on the DRC economy. It first provides the contextual background necessary to understand the dynamics of the eastern provinces—covering the geography, economic structure, and the evolution of the conflict—before assessing the economic consequences through distinct transmission channels. These include disruptions to production, trade, revenue mobilization, public expenditures, as well as broader spillovers to national fiscal and external balances.

Context

2. North and South Kivu are densely populated gateways for regional trade with vibrant smallholder agriculture, extensive artisanal mining, and bustling cross-border services centered in Goma and Bukavu. Despite accounting for roughly 14–16 percent of DRC's population, the provinces' share of national GDP were estimated to be jointly only 10 percent of GDP in 2012, based on estimates by the World Bank found in Herderschee et al (2012) , as much of the official economic activity in the country in concentrated in Kinshasa and the mining Lualaba and Katanga regions in the south. Given the recent development of the mining sector, this number has probably become smaller and is probably in the 7-10 percent range in 2026. Economic activity in the Kivu regions is characterized by high informality and under-recording (especially for gold/coltan). The two provinces are rich in mineral resources, especially the so-called "3Ts+G" – cassiterite (tin ore), coltan (a source of tantalum), wolframite (tungsten ore), and gold. Chronic infrastructure gaps (costly logistics), weak governance, and recurrent insecurity constrain development and keep per-capita incomes low relative to the copper-cobalt south. These structural features—large population, rich resources, weak state presence—make the Kivus both economically significant and highly vulnerable to conflict shocks.

3. Conflict escalation since late-2024 severely disrupted the region. Hostilities intensified sharply from December 2024, culminating in the January 2025 Goma offensive and extended toward Bukavu in mid-February. These first offensives resulted in close to 7,000 casualties. In December 2025, after months of diplomatic efforts, Uvira, a city with roughly 500,000 inhabitants located near the border with Burundi, also was seized by the AFC/M23, threatening regional escalation. The rebels subsequently withdrew from Uvira in January 2026 and the Congolese army regained control of the city. However, the AFC/M23 and other factions appears to be continuing to entrench itself into eastern DRC, securing strategic transport corridors, capturing major mining sites and strengthening its war-financing capacity, according to a recent report by UN experts.[2] The humanitarian footprint is severe: by late-2025, an estimated 27 million people faced acute food insecurity and more than 5 million were internally displaced.

[1] This Annex was prepared by Rafael Barbosa and Fazeer Rahim, with assistance from Bowei Wang.
[2] Other relevant factions are Allied Democratic Forces (ADF), the Cooperative for the Development of the Congo (CODECO), the Democratic Forces for the Liberation of Rwanda (FDLR), and multiple Mai-Mai factions.

4. Despite the Washington accords, signed by governments of the DRC and Rwanda, the situation in the field remains volatile due to the militias. Diplomatic efforts intensified throughout 2025. Regional mechanisms—the Nairobi and Luanda processes—proved insufficient as ceasefires repeatedly collapsed and talks stalled. In early 2025, direct engagement resumed with Doha-based mediation, where Presidents Tshisekedi and Kagame met in March and called for a ceasefire, followed by DRC–M23 negotiations under Qatari facilitation. Diplomatic momentum consolidated under US mediation: on 25 April 2025, the DRC and Rwanda signed a Declaration of Principles in Washington, paving the way for the Washington Accords—a bilateral peace agreement formally signed on 27 June 2025 and publicly ratified in December. Despite these steps, implementation remained fragile, with both sides alleging violations and M23 pushing toward Uvira even after the accord's signature in December.

Figure 1. Map of the DRC and Kivu Provinces



Source: Amani Africa.

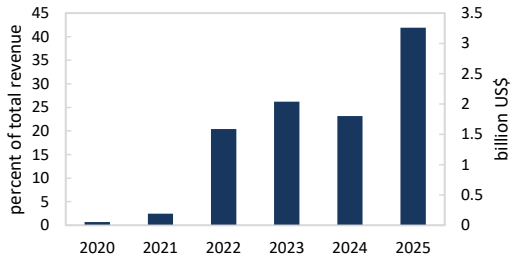
Impact

5. Economic activity in eastern DRC contracted as conflict disrupted the region's core sectors, although much of the disruption was felt in the informal sector. Agricultural output suffered a steep decline as farmers fled, fields were abandoned, and rural markets unraveled, leading to production losses. Artisanal mining experienced an even deeper shock as armed groups seized major cassiterite, coltan, wolframite, and gold sites. This caused a collapse in official 3T+G exports and diverted production into illicit networks. Trade and services halted during the siege of Goma, where widespread looting shut banks, shops, and warehouses. Bukavu also experienced temporary standstills amid insecurity. Transportation was severely affected as fighting closed key corridors, forcing trucks onto costly detours through Rwanda and Uganda. Although the economic impact of the conflict on the region is certainly high, it is difficult to quantify due data scarcity and the prevalence of the informal sector.

6. The conflict in eastern DRC has materially weakened fiscal revenue mobilization through multiple channels. The loss of effective administrative control over North and South Kivu—key entry points for imported goods from East Africa—has led to a sharp decline in customs, excise and income tax collections (0.4 percent of GDP in 2025). The authorities estimate that these disruptions resulted in customs and indirect tax losses of about CDF 500 billion (around 0.2 percent of GDP) in 2025, with little evidence of recovery to date. The direct impact on income tax collections (personal and corporate) has been more limited, estimated at about CDF 120 billion, reflecting the high degree of informality in economic activity in the affected provinces. The indirect effects have also been significant: reduced fiscal revenue from formal enterprises and financial institutions headquartered in Kinshasa and other major cities but exposed to the eastern regions are estimated at about CDF 380 billion, bringing total income-tax-related losses to around 0.2 percent of GDP in 2025. In the mining sector, fiscal losses are minimal, as production in North and South Kivu has historically been predominantly artisanal and largely smuggled outside official channels. Overall, revenue pressures are expected to persist into 2026 as long as state presence in the affected areas is constrained.

7. The conflict has also had a significant impact on the expenditure side, crowding out essential spending on infrastructure and social services. Exceptional security spending has risen sharply since the conflict escalated in 2022. It absorbed, in 2025, nearly 40 percent of total revenue, amounting to about US$3.3 billion (3.4 percent of GDP), up from negligible levels in 2021. Additional conflict-related expenditures have also increased markedly. In particular, the authorities doubled wages for military and police personnel in 2025 to boost morale, at an estimated fiscal cost of 0.5 percent of GDP. In 2025, spending associated with intensive diplomatic efforts rose as well, alongside higher

Figure 2. Exceptional Security Spending



Source: IMF

investment and transfers aimed at countering rebel influence in affected areas. As a result, fiscal space for priority development spending has narrowed considerably. Capital expenditure, already low by historical standards, declined from 2.3 percent of GDP in 2024 to 1.8 percent of GDP in 2025, while the authorities also fell short of their targets for social spending.

8. Illicit mineral smuggling expanded under militia control. North and South Kivu's minerals are easily trafficked across porous borders with neighboring countries. For instance, according to a UN report,[3] coltan ore mined in North Kivu can be trucked into Rwanda, labeled as Rwandan origin, and sold on international markets. Gold from South Kivu also finds its way into Burundi or Uganda via smugglers. According to another 2025 UN report,[4] in December 2025 AFC/M23 controlled nearly half of South Kivu's cassiterite and coltan production and over two thirds of its wolframite output. These reports detail how current conflict has opened the floodgates for smuggling as militants impose unofficial "taxes" at mine sites and border crossings, and in return allow traders to ferry out minerals. UN experts and independent investigations document "unprecedented" smuggling of minerals from rebel-controlled eastern DRC. These dynamics are eroding fiscal receipts, depriving the balance of payments of export proceeds, and financing hostilities.

9. Control of the Kivus by the militias has affected the flow of imports for much of eastern and central DRC. The Kivu corridor functions as a primary gateway for manufactured goods, food staples, and re-exports coming from Rwanda, Uganda, Burundi, and via them from the ports of Dar es Salaam and Mombasa.[5] Militia control over Goma and Bukavu has disrupted these import flows that supply eastern and central DRC provinces. Namely, the RN2, the Lake Kivu ports, and the Rubavu–Goma and Cyangugu–Bukavu crossings are vital trade arteries. In normal circumstances, these hubs handle tens of thousands of daily crossings, supporting the movement of fuel, food, and manufactured goods into inland provinces.[6] Their disruption limits access to essential imports for regions dependent on Kivu-routed trade.

10. The conflict has severely disrupted financial intermediation in the eastern provinces. Banks and microfinance institutions temporarily suspended or limited operations amid insecurity, cutting off communities from cash, payments, and credit. Liquidity pressures intensified as withdrawals surged while repayments collapsed, particularly in conflict-affected areas where economic activity stalled. Microfinance institutions, especially local cooperatives, have faced the greatest strain due to their concentrated exposure and inability to relocate operations. However, the banking system's direct exposure to the region is limited (about 4 percent of total assets). To

[3] UN Letter S/2025/446 from the Group of Experts on the DRC addressed to the President of the Security Council.

[4] UN Letter S/2025/858 from the Group of Experts on the DRC addressed to the President of the security council.

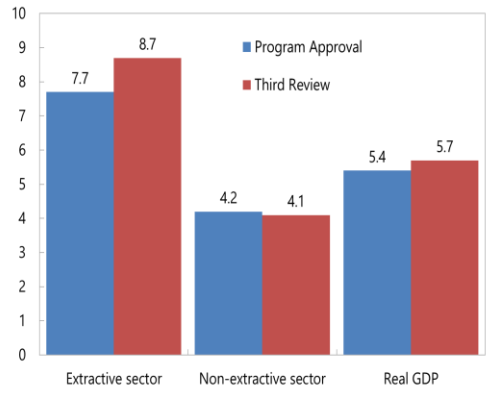
[5] https://www.rfi.fr/en/africa/20260224-trade-and-aid-to-return-to-south-kivu-as-drc-burundi-strategic-border-reopens

[6] https://www.newtimes.co.rw/article/27670/news/africa/rubavu-goma-border-trade-booms-with-50000-daily-crossings

preserve stability, the central bank has relaxed prudential requirements and allowed temporary restructuring of affected loans, providing important regulatory flexibility.

11. The freeze of humanitarian aid exacerbated the crisis. The crisis in the Kivus has been exacerbated by a steep reduction in humanitarian assistance after the freeze of most U.S. foreign aid (including USAID and global health funds) for a 90-day review period in early 2025. As of January 2026, most of these cuts remain in effect. The United States historically was the largest funder of humanitarian operations in DRC, with contributions of roughly USD 1.2 billion (financing over 70% of humanitarian action as of 2024). This effectively ended or paused many aid programs in DRC, at the height of the Kivu emergency. Other donors, especially in Europe, scaled up their aid to partially compensate the gap created by USAID's pullback, but this amounted to less than USD 150 million. This prolonged market scarcities in conflict-adjacent zones, reinforced acute malnutrition risks, and may increase fiscal pressures through emergency measures. Parallel to US aid cuts, the United Nations peacekeeping mission (MONUSCO) has been in the process of withdrawing from some areas. MONUSCO's presence brought not only security but also an economic boost (local procurement, bases employing locals, etc.). The contraction of humanitarian spending removes a critical counter-cyclical buffer in conflict-affected areas.

Figure 3. Projections for Real Growth in DRC in 2025, Pre- and Post-Conflict Escalation
(Percent)



Source: WEO and IMF staff calculations.

12. Despite the scale of the conflict, its impact on official GDP growth is likely to be on the lower end of the estimates from empirical analysis, which range from 1 to 3 percentage points of GDP. An IMF Working Paper (Fang et al, 2020) on the economic consequences of conflict in SSA provides one of the most relevant empirical analyses for this group of countries. The analysis is based on country and state-level data for a sample of 45 sub-Saharan African countries during 1989–2017. On average, annual growth in countries in conflict is estimated to be about 3 percentage points lower, an effect attributed in large part to intense conflicts (with at least five conflict-related deaths per million people). These effects are higher in the first year of the conflict, but with cumulative effects adding up to 12 percent of GDP five years after the onset of the conflict. The impact on growth of low-intensity conflicts is estimated to be closer to 1 percentage point of GDP. There are a number of reasons for this: i) Given the size of the DRC, the conflict is contained in a relatively small region of the country; ii) Despite their potential, the North and South Kivu regions are underdeveloped and estimated to represent less than 10 percent of total GDP; iii) much of the disruption caused by the conflict is affecting the informal sector (subsistence agriculture and artisanal mining) which does not feature in National Accounts figures.

13. The effect of the conflict in 2025 growth was counteracted by a strong performance of the extractive sector, which was mostly unaffected by the conflict. Figure 3 compares the projections for 2025 growth in DRC published at program approval, in January 2025 (finalized before the escalation of the conflict in December 2024) and those of the third review. It shows that the estimate for non-extractive sector growth in 2025 declined from 4.2 to 4.1 percent, while the projection for extractive sector growth was revised from 7.7 percent to 8.7 percent. The net effect on total GDP growth was an upward revision of GDP growth from 5.4 to 5.7 percent. As noted above, the conflict in North and South Kivu did not affect the mining sector significantly and its impact is concentrated in the non-extractive sector. At the same time, the robust growth in extractive sector is likely to have dampened the fall in non-extractive sector growth.

14. The conflict exacerbated the downside risks faced by the DRC. The conflict has sharply increased several unmaterialized but significant downside risks. First, continued southward militia advances raise the possibility of spillovers into key mining regions, threatening the country's main source of export revenue. Second, persistent cross-border tensions elevate the risk of a broader regional escalation despite ongoing diplomatic efforts. Third, major cuts to U.S. humanitarian assistance, which previously covered over 70% of relief funding, have heightened the risk of public-health emergencies, following the closure of hundreds of nutrition centers and reduced access to primary healthcare. Finally, fiscal pressures are mounting as security spending rises and revenue mobilization weakens in conflict areas, increasing the likelihood of budget slippages and reduced priority social spending. Taken together, these risks could undermine macroeconomic stability and complicate program implementation, if security conditions deteriorate further.

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Annex VII. Assessment of the DRC's Social Expenditures [1]

Despite two decades of solid growth, social outcomes in the DRC remain weak, reflecting very low public social spending, major execution bottlenecks, fragmentation, quality gaps and inefficiencies. Poverty and humanitarian needs remain high amid persistent conflict, while access to basic services, particularly health, education, and social protection, lags well behind regional peers. Although recent reforms have expanded access, outcomes remain poor due to underinvestment in quality, weak human resource management, and underwhelming levels of domestically funded capital spending. The authorities seek to address these challenges by protecting priority social spending and strengthening PFM, execution, and targeting. Recommendations emphasize short-term improvements in execution and coordination, especially through the Unified Social Registry, and medium-term increases in domestic financing, human resource reforms, and stronger institutional coordination.

A. Development Challenges and the Imperative for Social Spending

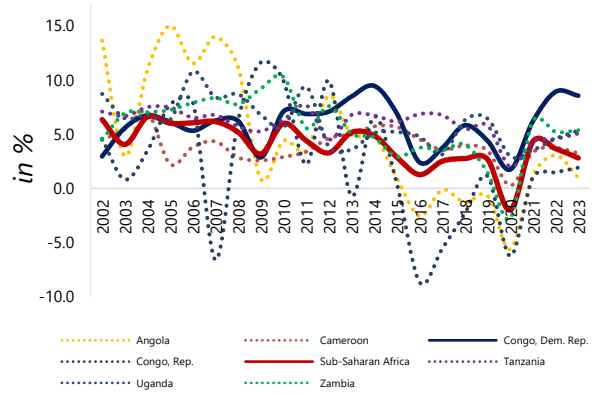
1. Despite two decades of robust headline growth, DRC's socio-economics conditions remain challenging with widespread poverty. The real GDP growth, mainly driven by its extractive sector, averaged about 5.9 percent a year over 2002 – 2023, against 4.0 percent for SSA countries (Figure 1). However, this growth has translated only weakly into improvements in living standards, as GDP per capita has stagnated at levels below those of peers (Figure 2), averaging 2.5 percent growth over the same period amid population growth of about 3.2 percent. Against the backdrop of rapid population growth and extractive-sector-dependent growth model, the DRC economy has not generated enough inclusive employment to sustainably reduce poverty. The latest available international poverty estimates shows that about 78.9 percent of the population lived below the US$2.15/day line in 2020, compared to 36.7 percent for SSA countries (Figure 3).

2. These development challenges have been compounded by the DRC's exposure to conflict and insecurity, which has driven humanitarian needs. Recurrent violences in DRC, particularly in the eastern provinces, have disrupted markets and livelihoods, damaged social infrastructure and increased the cost of delivering public services, resulting in persistent and increasing humanitarian needs. The consequences are severe, including widespread acute food insecurity, recurring epidemics, and large-scale internal displacement. Conflict and violence have displaced over 7.3 million Congolese people internally, including 5.7 million in eastern provinces (Figure 4). More than 21 million people required humanitarian assistance, while 24.8 million - about 21 percent of the population – experienced high levels of acute food insecurity between September and December 2025, a figure expected to rise to 26.6 million by June 2026 (Figures 5 - 6). These

[1] Prepared by Sylke von Thadden-Kostopoulos and Henock Katuala Muanza with helpful guidance from Calixte Ahokpossi. The assessment draws on multiple data sources, including FAD's expenditure assessment tool, with a focus on education, health, and social protection spending levels, trends, and composition from the early 2000s through the most recent available years (generally 2022–24). The analysis benchmarks the DRC against the Sub-Saharan Africa average and selected regional peers to assess whether social spending levels are commensurate with observed outcomes and whether the composition of spending supports improvements in human capital accumulation.

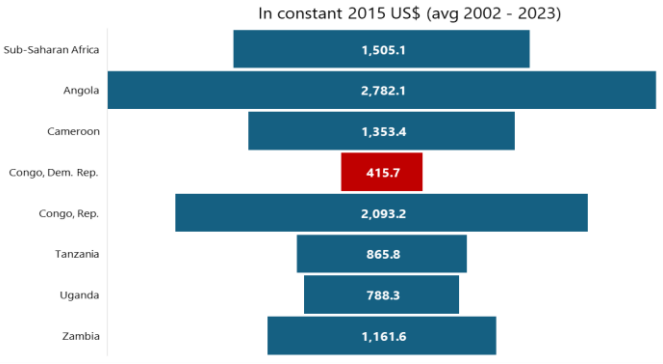
dynamics reinforce fragility, deepen regional inequalities, and raise the urgency of well-targeted social spending.

Figure 1. Real GDP Growth



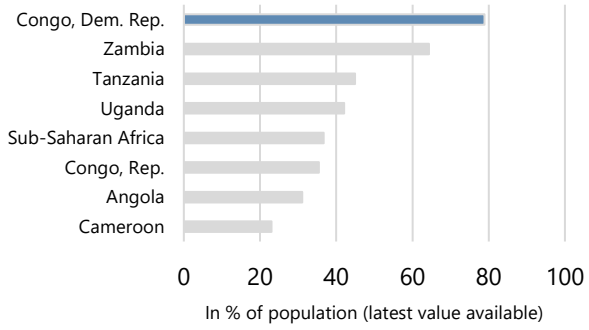
Source: World Development Indicator (WDI)

Figure 2. GDP per Capita



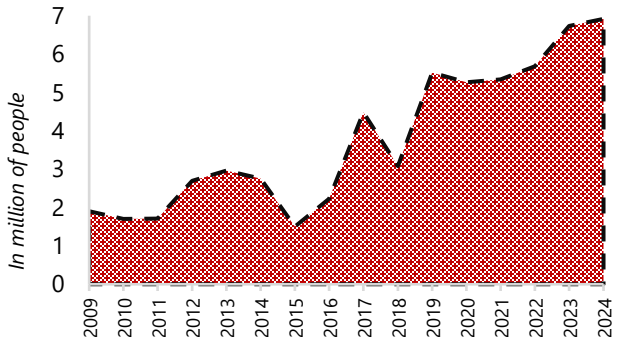
Source: World Development Indicator (WDI)

Figure 3. Poverty Headcount ($2.15/day), Latest Value Available



Source: World Development Indicator (WDI)

Figure 4. Internally Displaced Persons, due to Conflict and Violence



Source: WDI and IOM - DTM Global Support

Figure 5. Current Acute Food Insecurity Situation, September - December 2025



Source: Integrated Food Security Phase Classification (IPC)

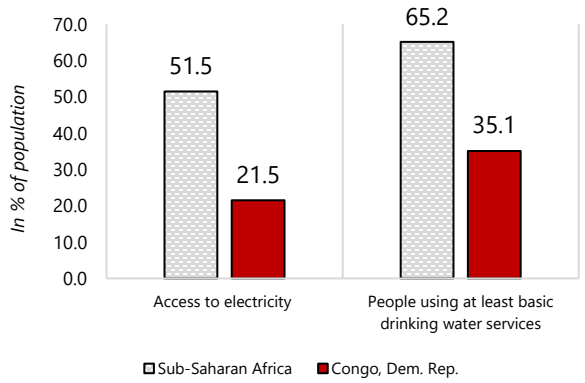
Figure 6. Projection Acute Food Insecurity Situation, January - June 2026



Source: Integrated Food Security Phase Classification (IPC)

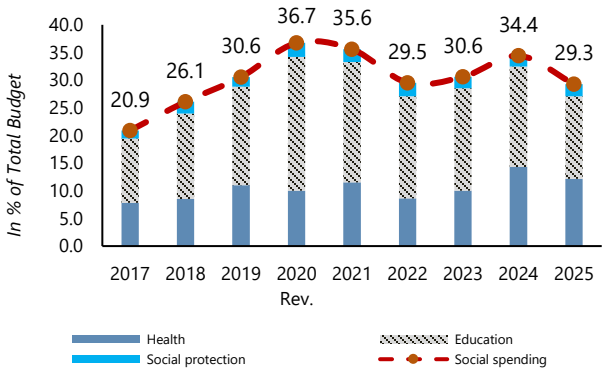
3. Moreover, access to basic social infrastructure in DRC remains concerning. The country has one of the lowest rates of electricity access with only 21.1 percent of the population being connected to electricity in 2023, against 51.5 percent for SSA countries (Figure 7). Access to at least basic drinking water services remains modest, reaching about 35.1 percent of the population in 2024, well below the SSA average of 65.2 percent (Figure 7). These infrastructure gaps translate into weaker human capital outcomes, reflected in a Human Development Index (HDI) of 0.522 in 2023[2], placing the country among the low human development category. Additionally, coverage of essential health services also lags behind regional benchmarks, while access to education, though improved, presents quality challenges, pointing to the need for sustained investments in both access and quality. On the social protection side, substantial reforms remain necessary to implement the newly adopted national social protection strategy for a vulnerable population.

Figure 7. Access to Basic Services, 2022



Source: World Development Indicator (WDI)

Figure 8. Approved Budget: Social Spending by Major Function, 2023



Source: DRC Authorities and IMF Staff calculation

4. Cognizant of these challenges, the authorities have expanded social spending through the development of social programs, even though implementation challenges persist[3]. Budget allocations to social sectors have risen in recent years (Figure 8), notably following the introduction of free primary education and efforts to finance priority health interventions. Beyond recurrent spending, the government has launched large-scale initiatives to close social infrastructure gaps, including the 145 Territories Local Development Program (PDL-145T), which aims to expand access to basic infrastructure and services across the country's territories. Partly financed through the use of SDR allocations and implemented through selected agencies, this program intended to accelerate delivery of local-level infrastructure in priority areas such as: (i) education, (ii) health, (iii) public administration and (iv) agricultural service roads. In parallel, the authorities have launched the Universal Health coverage (CSU) program, with the objective of improving access to basic health services for the most vulnerable population. At the same time, the scale of needs and the multiplicity

[2] https://data.undp.org/countries-and-territories/COD

[3] See also Henock (IMF - SIP, 2024).

of programs underscore the importance of prioritization, credible budgeting, and effective monitoring to ensure resources reach intended beneficiaries.

5. Building on the 2024 SIP on public social spending in the DRC, this paper aims to provide an updated overview of social spending in DRC, assess its efficiency and effectiveness, and examine how it is supported under the IMF supported program. Sections B. and C. present education and health outcomes in the DRC compared to peers and analyzes trends as well as the efficiency and effectiveness of public spending in these sectors. Section D. focuses on DRC's social protection, comparing the DRC's efforts with those of peers and assessing coverage, adequacy, targeting, and impacts on poverty and inequality. Section E. discusses IMF supported program conditionalities and reforms aimed at improving both the level and quality of social spending, while section F. concludes with policy recommendations.

B. Use of Resources in the Education Sector

DRC's Education Sector Strategy

6. During past years, DRC introduced a range of targeted education programs aimed at expanding access and improving outcomes, with a particular focus on basic education and underserved rural areas. The DRC's official education sector strategy called "the Education and Training Sector Strategy" (SSEF[4]), which covered the period 2016-2025[5], focuses on expanding access to education, improving the quality of teaching and learning, strengthening governance, and promoting equity and inclusion, particularly for vulnerable and rural populations. Launched in 2019, the free basic education policy remains the cornerstone of the sector strategy, abolishing primary school fees and later extending coverage to lower secondary education in selected provinces. It led to sharp enrollment increases, by easing financial barriers but also exposed persistent challenges related to quality, progression and teacher deployment. Infrastructure gaps have been partially addressed through the Local Development Program for 145 Territories (PDL-145T), which financed the construction and rehabilitation of hundreds of primary and secondary schools in rural and conflict-affected areas, expanding access in underserved regions. In parallel, a national school feeding strategy in 2025 aims to boost attendance, nutrition, and learning outcomes, with pilots underway in food-insecure northern and eastern provinces. Together, these initiatives reflect strong policy commitment to expanding access, but translating gains into meaningful learning outcomes will require progress on security in the east and sustained improvements in financing, teacher management, and quality assurance.

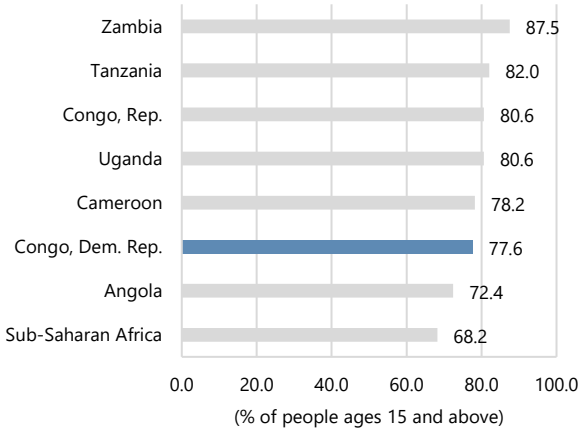
[4] In french : Stratégie Sectorielle de l'Éducation et de la Formation.

[5] https://www.globalpartnership.org/fr/node/document/download?file=document/file/2016-03-rep-dem-congo-strategie-sectorielle-education-formation.pdf

Performance

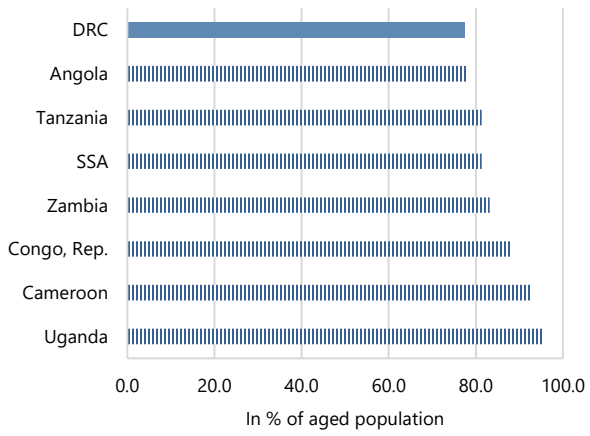
7. DRC exhibits mixed educational outcomes, with enrollment patterns revealing low access and structural pressures within the education system. According to the recent Household Living Conditions Survey (ECVM, 2024), adult literacy in the DRC stands at about 77.6 percent (implying that only 2 adults over 10 are illiterate). This rate is higher than the SSA average (68.2 percent in 2023) but remains slightly below that of some peers levels, such as Zambia, Tanzania, Republic of Congo and Uganda (Figure 9). This suggest that historical schooling attendance has improved and broadly aligns with peers, although the quality of education remains poor.[6] However, the ECVM-2024 reveals pronounced gender-gaps in literacy when disaggregated by geography, particular between rural and urban areas.[7] Net enrollment in primary education stands at 77.9 percent, lagging behind the SSA average of 81.3 percent (Figure 10), while net secondary education is estimated at 38.9 percent, indicating limited access to secondary education at the required ages. In contrast, gross primary enrollment reaches 115.2, well above the SSA average of 98 percent (Figure 11), highlighting structural pressures in the primary education system related to late entry, repetition, delayed progression, and capacity constraints. These challenges, compounded by demographic pressures and conflict-related disruptions, risk weakening learning outcomes and progression to higher levels of education.

Figure 9. Adult Literacy Rate, 2024



Source: WDI and ECVM-2024

Figure 10. Net Enrollment in Primary Education, 2024



Source: WDI and ECVM-2024

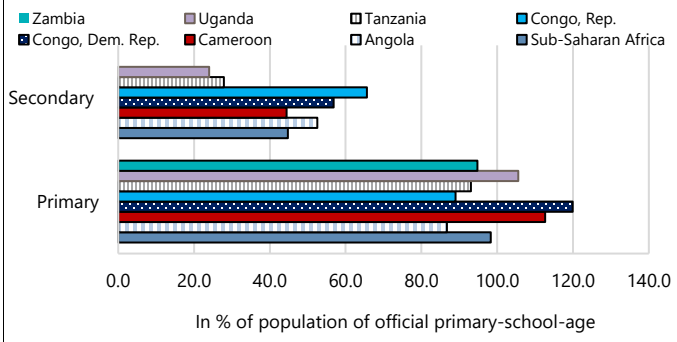
[6] World Bank, 2022

[7] Literacy levels vary by gender, with a higher rate among men (86.0 percent) than among women (69.9 percent), both in urban areas (95.2 vs. 88.2 percent) and in rural areas (80.9 vs. 59.4 percent).

Learning Outcomes

8. Weak learning outcomes undermine the expected returns to schooling. Results from PASEC[8] and CIEAS[9] show weak foundational skills: over 90 percent of early-grade students cannot read fluently, and fewer than half demonstrate basic numeracy, with the majority unable to solve simple addition problems.[10] Only 42 percent of Congolese students could count from 1 to over 80. By the end of primary school, most students remain below minimum proficiency thresholds in reading proficiency (72.9 percent) and mathematics (81 percent), performing well below regional peers such as Cameroon, Senegal, Gabon, Burkina Faso, Republic of Congo and Benin. (Figure 12 - 13). These outcomes suggest that low system quality significantly constraints the effectiveness of education spending and enrollment gains. Poor primary learning outcomes contribute to high dropout rates, poor labor market outcomes, reinforces intergenerational poverty, ultimately hindering economic growth.

Figure 11. Gross Enrollment by Level of Education, 2024



Source: WDI and ECVM-2024

Efficient Use of Teachers

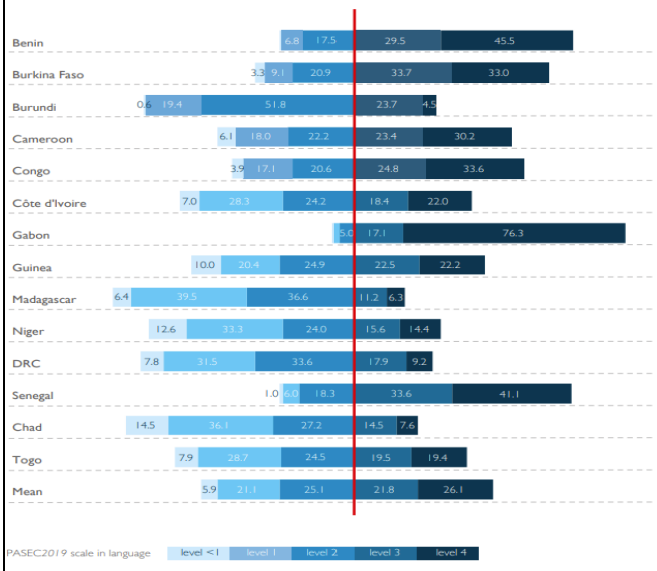
9. While the DRC teacher-student ratios are slightly higher than regional and income-group averages, teacher quality remains weak. The country has about 3 teachers per 100 students in primary education and 7 in secondary education, compared to SSA and LIDCs averages of around 2.6-2.7 in primary and 4.1 in secondary (Figure 14). However, PASEC results show severe skill gaps: only 16 percent of teachers demonstrate adequate reading comprehension skills, far below regional peers (Figure 15), and more than half score below average in mathematics, with fewer than 17 percent able to solve complex, multi-step problems (Figure 16). These weaknesses point to insufficient investment in teacher training and skills development despite favorable staffing levels.

[8] Program for the Analysis of Education Systems of the Conference of Ministers of Education of French-speaking Countries (PASEC), 2019, Quality of Education Systems in French-speaking Sub-Saharan Africa, 2020.

[9] National Assessment Report, Independent Unit for the Assessment of Academic Achievement (CIEAS), 2021.

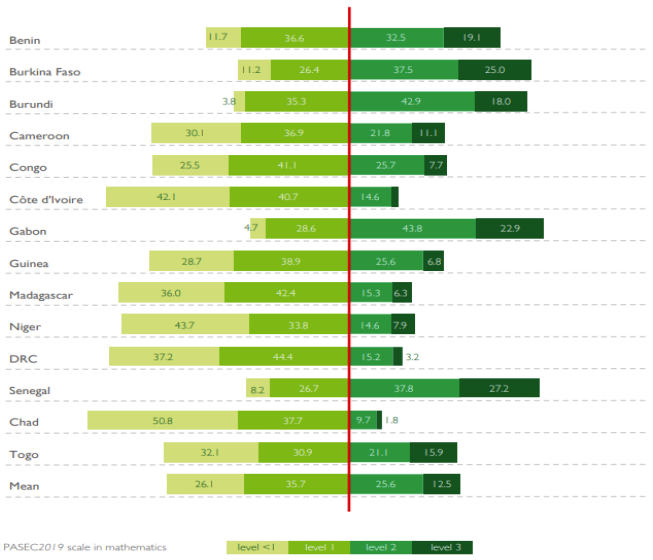
[10] Walker and al., FAD, 2023; Encinar, 2022

Figure 12. Percentage of Students per Reading Proficiency Level - Late Primary



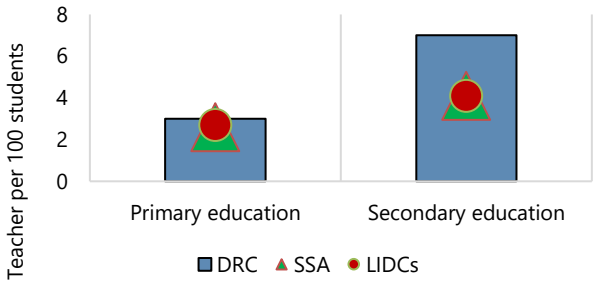
Source: PASEC.

Figure 13. Percentage of Students per Mathematics Proficiency Level - Late Primary



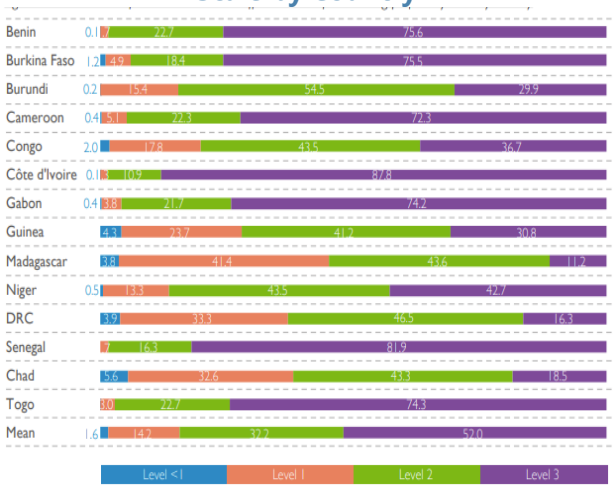
Source: PASEC.

Figure 14. Teacher-Students Ratio in Primary and Secondary Education, Latest Value Available



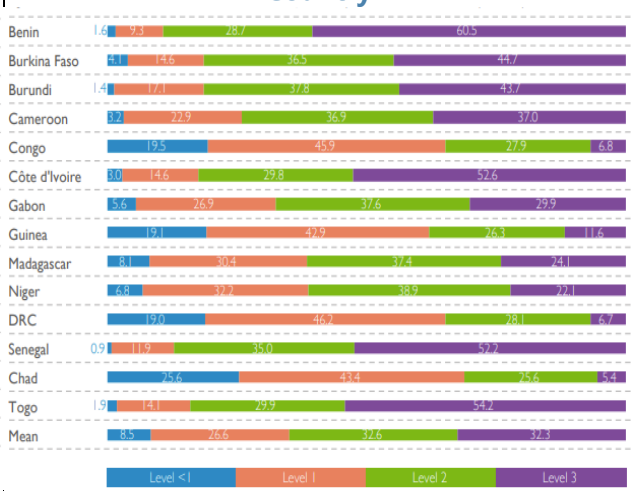
Source : FAD, EAT tool

Figure 15. Distribution of Teachers Across the Different Levels of the Reading Proficiency Scale by Country



Source: PASEC

Figure 16. Distribution of Teachers Across the Different Proficiency Levels in Mathematics by Country

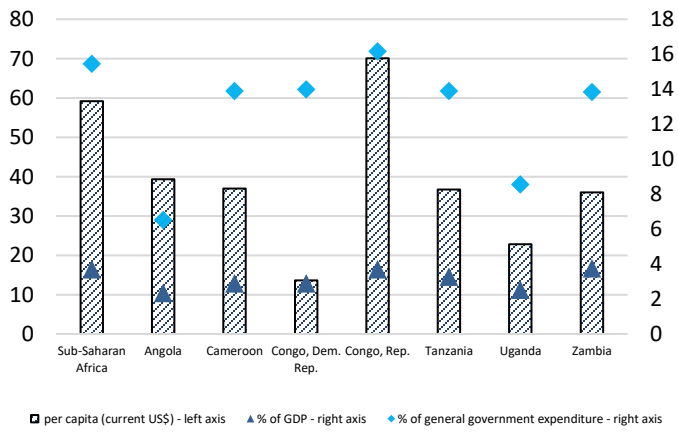


Source: PASEC

Financing

10. Compared to regional and peer-country benchmarks, public education spending in the DRC remains low. Public education spending stands at about 2.9 percent of GDP and 14.0 percent of total government spending in 2023 (Figure 17), below the SSA (3.7 percent of GDP and 15.4 percent of spending).

Figure 17. Government Education Expenditure, 2023



Source : WDI

11. Primary and secondary education spending is dominated by current expenditures, mainly driven by higher salary (Table 1). Approximately 70 percent of the total education budget (about 2.3 percent of GDP) are allocated to current spending. Salary remains the main component of this current spending, representing over 51.2 percent of total education budget (about 1.7 percent of GDP). As a result, capital expenditure only represents around 30 percent of total education budget and 1.0 percent of GDP.

Table 1. Democratic Republic of the Congo: 2023 Budget Allocation in Primary and Secondary Education		
	% Education budget	% of GDP
Current	**70.0**	**2.3**
Salaries	51.2	1.7
Others current expenditures	18.8	0.6
Functioning of Ministries	*15.1*	*0.5*
Economic Interventions	*3.7*	*0.1*
Investments	**30.0**	**1.0**
Domestically financed investments	24.4	0.8
Externally financed investments	15.7	0.5
Total	**100.0**	**3.3**
Source: DRC authorities and IMF Staff calculations		

12. While domestically funded investments are under-budgeted, their actual execution is even less, with excessive reliance on external financing. Budgeted at around 297.4 billion CDF (about 0.23 percent of GDP), domestically-funded investments in education sector (EPST and ESU) were under-executed at around 37 billion CDF (about 0.03 percent of GDP) in 2022, while externally financed investments reached 563.7 billion CDF (0.47 percent of GDP) against 350.0 billion CDF budgeted (Figure 18). On the other hand, current expenditures in the education sector overran their budget by 111.4 percent in the same period (Figure 19). Indeed, almost all social spending on vulnerable populations in the form of safety nets is provided by international development partners, exacerbating vulnerabilities and still far from sufficient to meet needs.[11] This under-execution of domestically-funded investment can be attributed both to fiscal constraints and pressure from additional expenditure due to the security crisis, but also to the slowness of public procurement processes and some inefficiency of the expenditure chain, with concentration in Ministries of budget and finance, which had a monopoly on prioritizing expenditure to be executed.

Efficiency: Linking public expenditures to outcomes

13. Public spending on education lags behind peers across all indicators, while per-student spending pressures remain acute. Per-student spending is also significantly lower compared to peers at all education levels, reflecting the combined effects of rapid population growth and tight fiscal space. Average annual spending per-student is estimated at US$ 72 in primary, US$ 53 in secondary and US$ 728 in tertiary education, compared to US$ 593, US$ 970 and US$ 4,877 in SSA countries (Figure 20). As a result, households bear a significant portion of school costs, including contribution to teacher remuneration, school administration, operations, and infrastructure.[12] According to the ECVM-2024, results show that lack of financial means is the most frequently cited reasons (Table 2). Households with at least one child in school spend on average 210,000 Congolese francs (about US$ 113) per year on education.[13] While the introduction of free primary education has

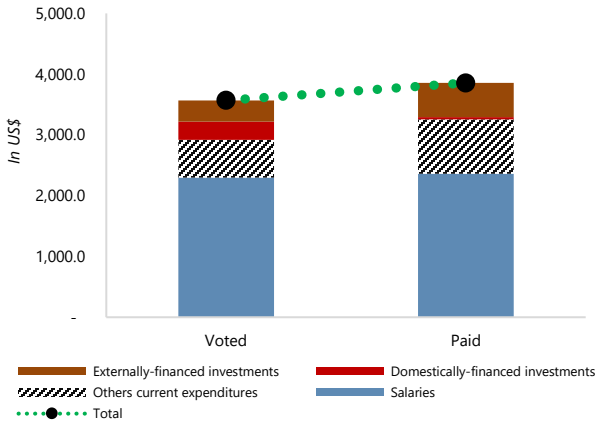
[11] Katuala, IMF SIP, 2024

[12] ECVM, 2024

[13] Walker and al., FAD, 2023

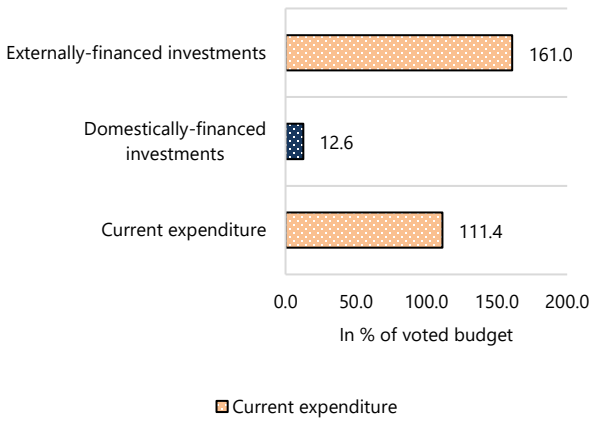
gradually reduced private spending at this level, school fees remain high in pre-primary, secondary, and higher education.

Figure 18. Voted and Paid Education Expenditure, 2022



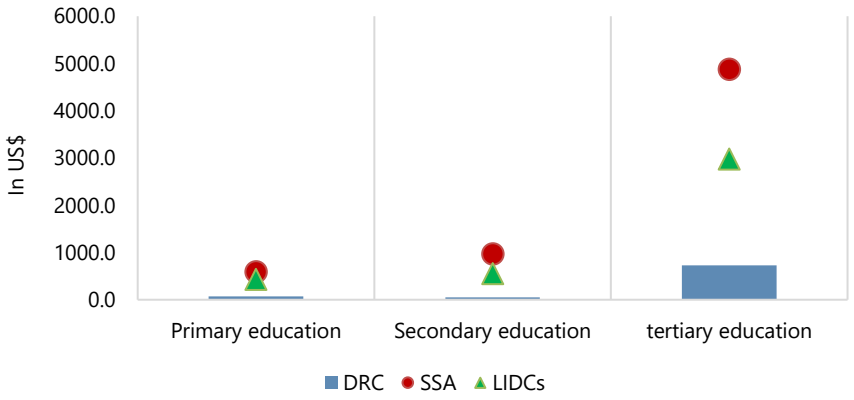
Source: DRC authorities and IMF Staff calculations

Figure 19. Education Spending Execution Rate by Functions, 2022



Source: DRC authorities and IMF Staff calculation

Figure 20. Government Education Expenditure per Student, Latest Value Available



Source : FAD, EAT too

Table 2. Democratic Republic of the Congo: Reasons for Non-Schooling in Primary and Secondary Education, 2024		
Reasons	**Primary**	**Secondary**
Too young	0.1	0
No school / school too far	5.1	0.5
Family refusal	6.9	0.6
Preference to work	4.9	6.2
Agricultural / pastoral work	0.7	1
Domestic work	0.6	0.6
Wants to marry	3.1	3.9
Gender	0.4	0
Pregnancy	2	7
High schooling costs	2.3	2.4
Lack of financial means	49	63.3
Studies not adapted	3.4	0.2
Studies not useful	2.1	1.6
Sick / disabled	4.2	0.8
Studies completed	0.7	0
Dropout / school failure	8.8	7.2
Violence / school closed / insecurity	2.1	0.8
Mining extraction work	0	0.1
Other	3.6	3.9
Total	**100**	**100**

Source: ECVM-2024

14. Public finance management for primary education in the DRC is weakened by low budget credibility, fragmented institutions, and weak spending controls, limiting effective service delivery. Education budgets are poorly linked to sector priorities and outcomes, with frequent recourse to emergency spending procedures that bypass standard controls and crowd out pro-poor expenditures. Payroll management is particularly problematic, reflecting fragmented responsibilities, weak accountability of SECOPE, and the proliferation of administrative structures that inflate personnel costs while limiting resources for schools. Moreover, transfers to provinces and schools are unpredictable, opaque, and largely untraceable, constraining subnational planning and accountability in a context of incomplete decentralization. These weaknesses are compounded by low domestic revenue mobilization, chronic under-execution of non-salary and investment spending, and limited monitoring and audit capacity, posing significant risks to the sustainability and equitable implementation of free primary education.

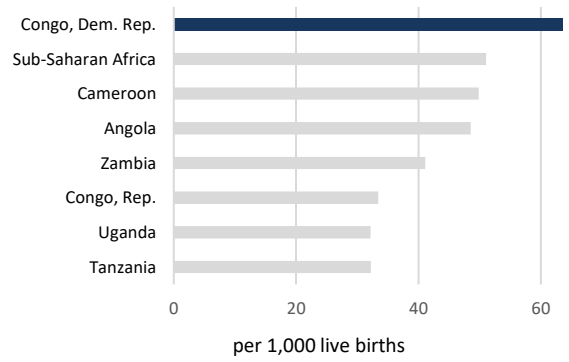
Resources in the Health Sector

15. In recent years, some progress has been made in strengthening the legal and strategic framework, with a particular focus on advancing Universal Health Coverage (UHC) and

improving coordination of nutrition actions. The National Health Development Plan (Plan National de Développement Sanitaire, PNDS) 2023–2027 serves as the implementation framework for the health system strengthening strategy and is aligned with the objectives of Universal Health Coverage (UHC) and the Sustainable Development Goals (SDGs). The National UHC Strategic Plan (PSN-CSU), adopted in 2019, aims to expand equitable access to essential health services, improve financial protection, and reduce reliance on out-of-pocket payments. It is anchored in the Public Health Law (Law No. 18/035), which was amended in 2023 to explicitly integrate CSU principles and is supported by implementing decrees establishing key CSU institutions, including the UHC Regulatory Authority, the Health Solidarity Fund, the Health Promotion Fund, and the National Institute of Public Health. The National Action Plan 2019-2023 is being updated. Moreover, a multisectoral nutrition strategy adopted in 2023 brings together sectors such as agriculture, education, and social protection, reflecting the recognition that improved nutrition outcomes require coordinated action across sectors.

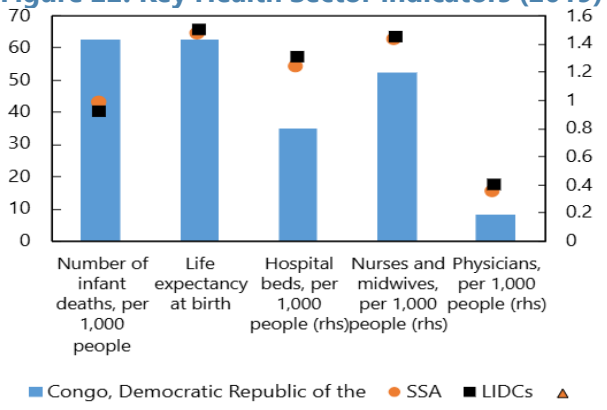
16. Despite a strong capacity acquired in managing epidemics and health security, outcomes continue to lag, and coverage is low. The health sector in DRC has greatly impacted the COVID 19 pandemic and recurrent disease outbreaks such as cholera, measles, and Ebola. Recurrent outbreaks have disrupted health service delivery and left the health system in a constant state of emergency. Maternal and child mortality remains high with 104 maternal deaths per 100,000 live births in 2022 TDHS-MIS, and as high as 620 deaths per 100,000 live births in conflict-prone eastern DRC. While DRC has historically had, and continues to have, strong utilization of health facilities (skilled birth attendance stood at 85 percent in 2022 (DHIS2), the high level of maternal mortality points to deficits in health systems quality, as well as inequities in access to life-saving emergency obstetric and newborn care. DRC has also one of the highest stunting rates in SSA (42 percent of children under age five), and malnutrition is the underlying cause of almost half of the deaths of children under the age of five.[14]

Figure 21. Infant Mortality (Average 2017-2022)



Source : World Development Indicator

Figure 22. Key Health Sector indicators (2019)



Source : World Development Indicator

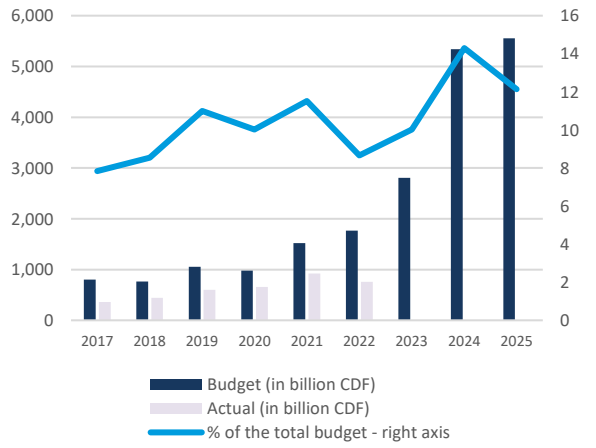
[14] Public Health Situation Analysis - Democratic Republic of Congo

Financing

17. Despite recent efforts to increase resources for the health sector, the country remains among the lowest spenders on health in Africa. Budget allocations to health have increased on average in real terms 12 percent over the past eight years, reaching about 12 percent of the national budget in 2025 and 2.2 percent of GDP (Figure 23). Nevertheless, government health expenditure has averaged only 0.9 percent of GDP, compared to an average of 1.9 percent across Sub-Saharan Africa, placing the country near the bottom of the regional distribution, with only Cameroon spending slightly less as a share of GDP (Figure 24). Similarly, per capita public health spending remains very low, averaging USD 3.8, well below the regional average (USD 19) and the SSA average (USD 33). The overall low level of health spending largely reflects structural constraints, including rapid population growth and low-income levels.

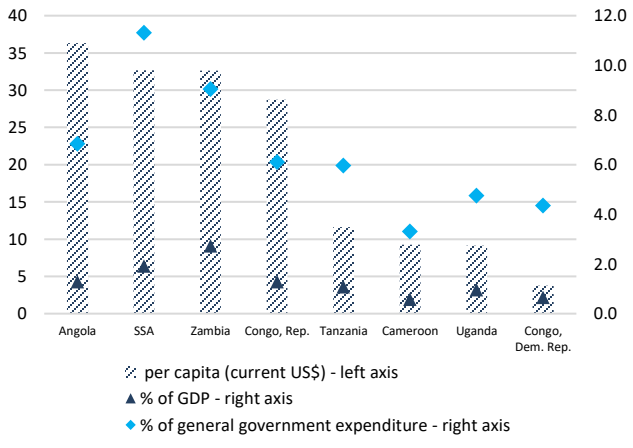
18. Health spending is dominated by recurrent expenditures, investments in the budget rely heavily on externally financed capital investment. Approximately 62 percent of the health budget was allocated to recurrent spending in 2022, with the remaining share supporting investments. Health personnel expenditures account for about 20 percent of recurrent spending and 14 percent of total health expenditures, which is low compared to peer countries and reflects, in part, the large number of non-regularized health workers and low salary levels. Capital expenditure represents around 30 percent of total public health spending and is largely financed through external resources.

Figure 23. Budget Versus Actual (2017-2025)



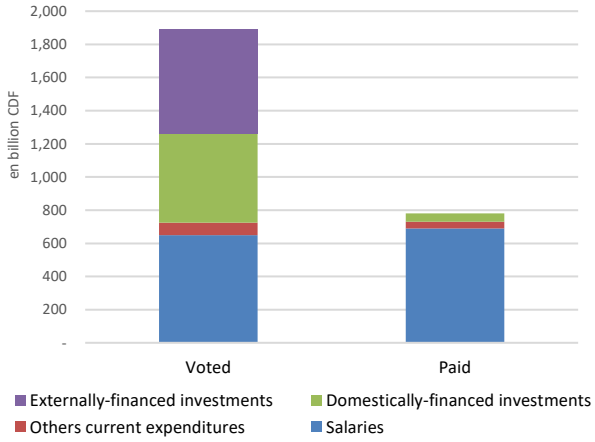
Source : Ministry of Health

Figure 24. Domestic Health Expenditures of Peer Countries



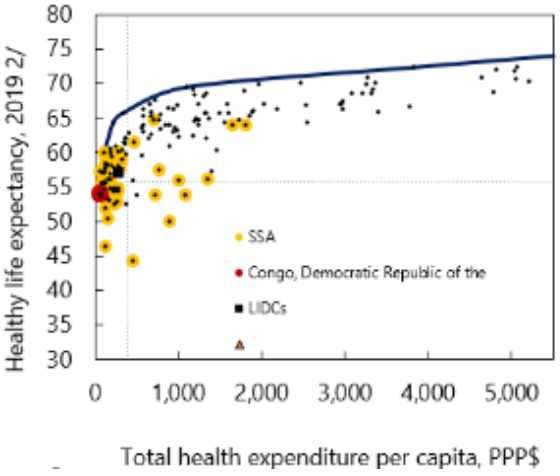
Source : World Development Indicator

Figure 25. Composition of Health Budget and Expenditures by Economic Classification (in billion CDF) 2022



Source: Ministry of Health

Figure 26. Health Efficiency Frontier (0-5,000 PPP$)



Source: FAD (EAT tool)

Efficiency

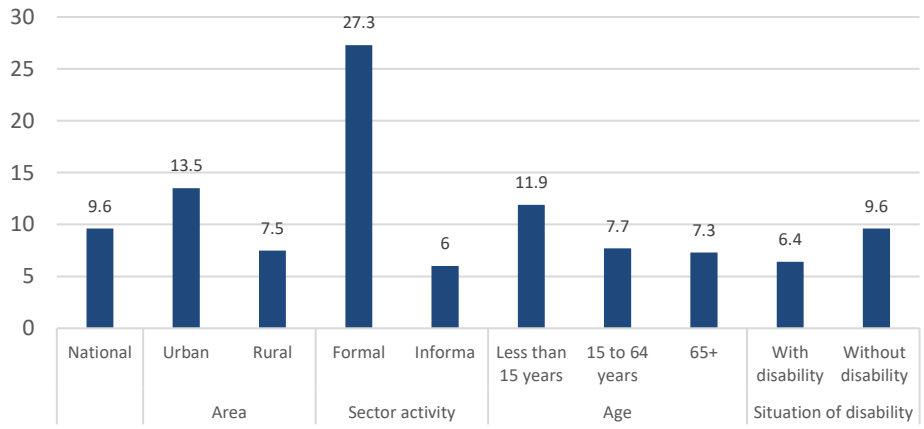
19. While there is scope to improve spending efficiency, the very low level of pooled public funding remains a major constraint to achieving efficient and equitable health expenditures. Both per capita health spending and health-adjusted life expectancy (HALE) are lower than in low-income developing countries (LIDCs) and Sub-Saharan Africa (SSA) averages (Figure 27). However, some countries with even lower per capita health spending achieve slightly better health outcomes, suggesting that efficiency gains are possible. Budget execution performance improved over the period, rising from 45 percent in 2017 to 61 percent in 2021. The higher-than-budgeted spending observed in 2022 largely reflects COVID-19 emergency expenditures that were not fully planned for in the budget. Overall reform efforts remain constrained by insufficient financing, limited implementation capacity at the provincial level, and the sharp reduction in USAID support, which previously accounted for a substantial share of external financing, particularly for nutrition.

C. Social Protection

20. Some progress has been made in recent years to enhance the policy and strategic framework of social protection. The DRC's social protection framework is anchored in the National Social Protection Strategy, adopted in 2017, which establishes a comprehensive vision combining access to basic social services, income security for vulnerable populations, expansion of social insurance, and strengthening of institutions and financing mechanisms. Building on this framework, the government recently adopted the National Non-Contributory Social Protection Strategy (2025–2029). It focuses on operational tools such as cash transfers, labor-intensive public works, emergency assistance, and support to displaced and food-insecure households.

21. The social protection system remains extremely limited, covering only a small share of the population. According to data from the 2020 EGI SDG survey, only about 10 percent of the population benefit from at least one component of the social protection floor. This includes coverage through contributory schemes (CNSS, CNSSAP, mutual insurance schemes, and employer based schemes) as well as non-contributory programs (social safety nets, labor intensive public works programs, and free primary education). Coverage is significantly higher in urban areas than in rural areas (13.5 percent versus 7.5 percent – Figure 28). In addition, coverage in the formal sector reaches 27.3 percent, compared to only 6 percent in the informal sector, while informal employment is estimated at 96.8 percent.

Figure 28. Population Covered by Social Protection Systems



Source: Social Policy Research Institute 2025

22. Multiple agencies implement social protection, resulting in coordination challenges. Responsibilities are shared among the central government, provincial authorities, Decentralized Territorial Entities, and international partners. However, high institutional instability, illustrated by frequent leadership turnover in key sector ministries such as the Ministry of Social Affairs, together with the multiplicity of actors at the central level has weakened coordination.[15] This is further compounded by unclear institutional roles and overlapping mandates. As a result, institutional arrangements continue to undermine effective implementation. Comprehensive institutional reform is therefore critical to enable the successful rollout of a coherent national social protection program.

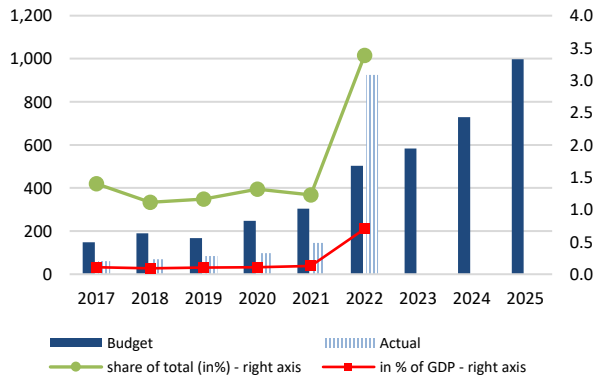
23. The DRC has made important progress in establishing an Unified Social Registry (USR)-based social protection system, but nationwide scale up and -data sharing constraints remain- key challenges. The USR, together with the Social Protection Management Information

[15] At the central level, key stakeholders in the social sector include the Ministry of Social Affairs, Humanitarian Action and National Solidarity (MINAS); the Ministry of Public Health, Hygiene and Social Welfare; the Ministry of Employment and Labor; the Ministry of Planning and Development Aid Coordination; the Ministry of National Education and New Citizenship (MINEDU-NC); the Ministry of Gender, Family and Children (MGFAE); the Social Fund of the Democratic Republic of Congo (FSRDC); as well as technical and financial partners and non-governmental organizations.

System (MIS), forms the backbone of an integrated beneficiary and intervention management system, currently covering approximately 2 million individuals. It was formally established by decree in December 2025 that defines its governance, data management rules, and institutional arrangements to ensure transparent and coordinated targeting of poor and vulnerable households under social protection programs. A personal -data protection and sharing protocol has been developed with UNICEF's support; however, delays in its full approval and operationalization continue to constrain -data sharing- by nonstate actors. The USR has strong potential as a national targeting platform, notably through - community-based targeting approaches, although a key remaining challenge lies in scaling- data collection nationwide and inclusion of the most vulnerable households.

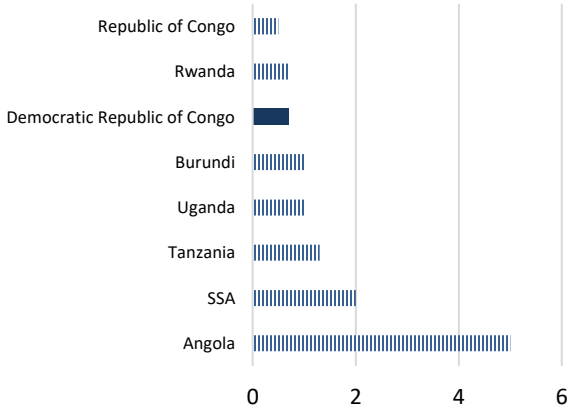
24. Social protection spending remains low relative to peer countries and is further constrained by weak implementation performance. Although budget allocations have increased by six times between 2017 and 2025, they consistently accounted for less than 3 percent of the total government budget (Figure 29). Social protection expenditures grew at an annual average rate of over 25 percent during 2017-2021, with a spike in 2022 driven largely by COVID-related emergency measures. Total spending on social protection has been low by regional standards – only about 0.2 percent of GDP is invested in social safety nets (Figure 30). Past implementation performance shows substantial underspending, followed by a sharp reversal in 2022, when expenditures exceeded the approved budget by nearly double. This pattern reflects implementation constraints combined with ad hoc emergency spending outside standard budgetary controls.

Figure 29. Social Protection Budget Allocations and Spending



Source: Ministry of Social Affaires

Figure 30. Peer countries – Social Protection Expenditures as a Share of GDP



Source: World Development Indicators

25. Only a limited number of social safety net programs are currently in place, and they are heavily donor financed. Social assistance spending, covering non-contributory programs such as safety nets, cash transfers, public works, and fee waivers, accounts for the larges t share of social protection expenditures, followed by school feeding and related programs. In contrast, contributory social insurance coverage and spending remain extremely limited due to the predominance of informal employment and a narrow contributor base. The unit cost of delivering social safety net

services is high due to limited physical and technological infrastructure, restricted access to vulnerable populations because of insecurity, and the absence of robust national delivery systems. Social protection programs remain fragmented across development partners (including WFP, UNICEF, FAO, and until recently the World Bank) and multiple government institutions.

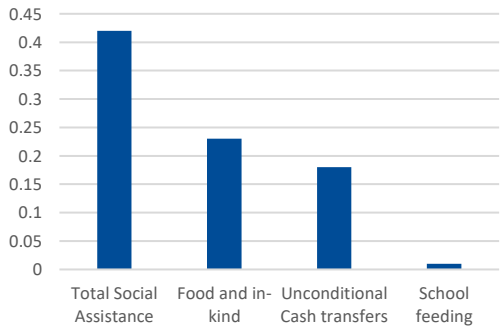
26. The main challenge remains to secure sustainable financing. Even basic operational funding is constrained, including limited resources for registry maintenance and data storage - current World Bank financing covers registry operations only through June. There are potential opportunities to expand financing, including possible links to mining revenues, though these would require high-level political decisions. UNICEF is supporting the government in developing a resource mobilization strategy aligned with the Social Protection Strategy, including through the Global Accelerator Fund. While the World Bank does not provide direct financing for social protection programs, it is supporting the government in identifying viable domestic funding options.

D. IMF Support to Strengthening the Social Spending in DRC

27. The IMF-supported program helps anchor the authorities' commitment to protecting priority social expenditures and leverage external funding. The ECF Program include an indicative floor on social spending, which has been difficult to meet amid heightened security pressures, procurement bottlenecks, and budget constraints. At end-2024, and through December 2025, execution remained below targets, prompting an expansion of the monitoring perimeter to include selected social and education programs – such as social service centers and the Unified Social Registry – to improve targeting and facilitate co-financing. Strengthening coordination through the USR and scaling up complementary interventions (e.g. humanitarian kits and school equipment) may also help align partners support, improve targeting of vulnerable households and reduce geographical disparities.

28. PFM reforms under the ECF program aim to strengthen the execution, efficiency and effectiveness of public social spending. Beyond indicative spending floors, the program supports public financial management and public investment management reforms to improve spending quality, including stricter compliance with the expenditure chain – reinforced by an indicative ceiling on emergency procedures – measures to limit the crowding out effect of social spending, and the decentralization of spending authority to key social ministries (pilot phase with Minister of Education, Minister of Health, Minister of Rural development and Minister of Infrastructure and public work). Enhanced transparency

Figure 31. Social Protection Programs



Source: Social Protection and Labor Assessment Tool (SPLAT)

through quarterly PFM reporting is also expected to improve the timeliness and traceability of social spending.

E. Policy Recommendations

29. The above analysis shows that weak education, health and social protection outcomes in the DRC mainly result from very low levels of public spending, compounded by execution bottlenecks, fragmentation, quality deficits and inefficiencies. The DRC authorities should prioritize therefore focus on protecting and scaling up priority social spending, improving execution and targeting, and strengthening service delivery quality, while remaining realistic given fiscal pressures from the security crisis and capacity constraints. A sequenced approach distinguishing short and medium-term actions seems to be appropriate and highly recommended.

30. First, focus must be paid on the following short-term policies/actions:

31. Protect and better execute priority social spending programs included in the social spending Indicative target under the IMF supported program. To meet this objective, the authorities should: (i) strengthen compliance with the social spending indicative floor by narrowing the gap between budgeted and executed domestically financed components (or project counterpart) of the selected health, education, and social protection programs; (ii) pursue the strict compliance and improve commitment controls within the public expenditure chain by strictly enforcing the IT on ceiling on emergency spending; (iii) align and reinforce the monitoring perimeter of the social spending IT with programs to improve credibility and ownership.

32. Improve budget execution and reduce volatility in social ministries, mainly Education, Health, Social Affairs, and Humanitarian action. The authorities could build on ongoing PFM reforms, including the decentralization of spending authorization to line ministries. This reform could help to: (i) streamline procurement for the concerned line ministries' investments (schools, health centers, social service centers, humanitarian kits, etc.) to reduce delays that disproportionately affect rural and conflict affected provinces and (ii) improve quarterly budget execution reporting for the pilot social ministries to strengthen transparency and enable corrective actions during the fiscal year.

- **Prioritize spending with the highest immediate impact on service delivery quality to increase efficiency.** Therefore, the DRC authorities could: (i) rebalance spending within the existing envelope toward teacher training and deployment, basic learning materials, and school functioning, particularly in rural and conflict affected provinces, rather than further expansion of low-quality access; (ii) protect funding for essential primary health services such as vaccines, maternal and child medical cares, and nutrition aspects, while limiting fragmentation across externally financed projects/programs and (iii) prioritize scalable and well targeted safety net interventions over fragmented ineffective programs.
- **Use the USR as the central targeting and coordination instrument by making it the mandatory entry point for all major social assistance programs.** To this end, the authorities should (i) finalize, adopt and enforce the data sharing protocols (Data privacy law) to allow

development partners to rely on USR data while respecting data protection standards and (ii) link the USR expansion to budgeted programs, rather relying on donors' driven project/programs, to improve both ownership and sustainability.

33. Second, build on short-term reforms to implement the following structural reforms in medium term:

- **Gradually increase domestic financing for social sectors in a fiscally sustainable manner** by (i) anchoring medium term social spending increases in realistic revenue mobilization gains and expenditure reprioritization, rather than ad hoc emergency or case-by-case funding; (ii) prioritizing domestically financed investment in education, health, and social protection delivery systems to reduce dependence on external financing that remain a serious source of vulnerabilities (e.g. USAID withdrawal case); (iii) exploring earmarked or rule based financing mechanisms (e.g., natural resource revenues through a resource-based fiscal framework) only once core PFM safeguards are strengthened.
- **Address the structural inefficiencies in human resources management in the social sectors** (education, health and social protection) by (i) improving the teacher and health worker deployment and payroll management, including better planning and control of staffing, retirement, and absenteeism; (ii) strengthening the in-service training and supervision, particularly in education and primary health care, to raise service quality within existing staffing levels and (iii) linking future wage bill growth to service delivery improvements, not headcount expansion.
- **Strengthen the institutional coordination in field of social protection**, by (i) issuing relevant reglementary texts to establish a coordination framework; (ii) integrating humanitarian and development interventions from all partners (UN agencies, CSO, Bi and Multi-lateral donors, etc.) through a common, targeting and reporting frameworks for more efficient and concerted actions; (iii) clarifying the mandates across line ministries and agencies involved in social protection to reduce overlap and improve accountability.

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Annex VIII. Macro-Critical Pandemic Risks in the DRC[1]

This annex assesses the macroeconomic impacts of recurrent pandemics and public health emergencies in the DRC and examines the macro-critical importance of strengthening pandemic preparedness and response, particularly with respect to financing frameworks. It provides context on the frequency and structural drivers of health shocks in the DRC, before analyzing their economic transmission channels—through growth, inflation, fiscal expenditures and revenues, trade, and financing. The annex then discusses how institutional weaknesses in health preparedness, emergency financing, and public financial management amplify these shocks.

Context

1. The DRC is structurally vulnerable to pandemics and other public health emergencies, reflecting both its epidemiological profile and institutional and socio-economic fragilities. With a population estimated at 109 million in 2024 and GDP per capita of about US$630, the DRC is a low-income country facing chronic development challenges. The DRC's long and porous borders, combined with limited sanitary controls at points of entry and intense movement of people and goods, facilitate the cross-border transmission of infectious diseases. Zoonotic risks (risks that a pathogen circulating in animals spills over into humans) are particularly significant in areas where human–animal interactions are frequent. In addition, climate change is expected to increase health risks by raising temperatures and intensifying extreme weather events, which could expand the geographic spread and seasonality of malaria, increase water-borne diseases such as cholera, and damage health infrastructure. Deforestation is also increasing human contact with wildlife, raising the risk of zoonotic spillovers, including mpox, especially in eastern provinces. These vulnerabilities are compounded by political instability, persistent regional conflicts, and large-scale population displacement which strain already weak health and social systems and complicate crisis response.

2. Public health shocks in the DRC are recurrent rather than exceptional, underscoring the country's exposure to biological risks. The country has experienced repeated outbreaks of Ebola (with 16 epidemics recorded since 1976, including major episodes in 2018–20 and again in 2025), cholera (with large outbreaks in 2008, 2011, 2013, 2017, 2020, and an ongoing nationwide outbreak in 2025), measles, polio, and yellow fever. More recently, the COVID-19 pandemic reached the DRC in March 2020, while the latest mpox outbreak began in 2023. These repeated crises highlight the persistent susceptibility of the DRC to infectious diseases, driven by weak health infrastructure, limited access to safe water and sanitation, and high levels of population mobility.

Impact

3. Pandemics force harsh restrictions on the freedom of goods and people and can have a significant impact on real economic activity, particularly in the non-extractive sector. According to the World Bank (2014) study on the 2014 Ebola epidemic, the short-term impact on output, is in the order of 2.1 percentage points (pp) of gross domestic product (GDP) in Guinea; 3.4

[1] This Annex was prepared by Rafael Barbosa.

pp of GDP in Liberia and 3.3 pp of GDP in Sierra Leone. Epidemics disrupt domestic supply chains by limiting labor availability, delaying transport, and temporarily closing key trade corridors. These effects can be particularly pronounced in an economy that is heavily dependent on imports, like the DRC.

4. Repeated health emergencies place sustained pressure on public finances. Epidemic outbreaks typically require rapid and sizable spending on treatment centers, vaccines, laboratory capacity, logistics, and emergency coordination. From the revenues side, the contraction in economic activity and trade during pandemics leads to lower tax and customs revenues. Qureshi (2016) reports that during the 2014 Ebola outbreak budget deficits in the most affected countries expanded aggressively due to immediate medical and logistical expenditures. Deficits increased by 1.8 percent of GDP in both Guinea and Sierra Leone, and by a severe 4.7 percent of GDP in Liberia. These effects can be particularly severe in the case of countries with limited access to debt markets, like in the case of the DRC.

5. Pandemics have a direct and indirect impact on the balance of payments, primarily through trade disruptions, higher import needs, and volatile external financing. Mukadi-Bamulekaa and others (2024) report that, during the 2018–2019 Ebola outbreak in the DRC, disruptions included the closure of businesses due to staff desertion or evacuation, restriction of population movement and travel bans. The World Bank (2014) study on the 2014 Ebola epidemic provides an illustration of the BoP risks created by this type of event. In Liberia, for instance, while exports initially held and the collapse in investment led to a temporary decline in imports—resulting in a short-lived improvement in the balance of payments—this effect proved unsustainable as the crisis deepened. Imports of food and essential goods began to rise, foreign direct investment declined, and export prospects weakened, reversing external gains and creating pressures on the external position. As a result of such dynamics, the exchange rate in affected countries depreciated meaningfully — in Sierra Leone, for instance, by 6 percent against the US dollar within two months. Pandemics also tend to drain foreign reserves by raising import demand for medical supplies, vaccines, laboratory equipment, and emergency logistics, which can be critical in a country with low reserves like the DRC.

6. The balance of payments challenges created by pandemics can translate into significant financing crisis. For commodity-dependent economies like the DRC, with shallow capital buffers and rigid import needs, reliance on ad hoc international disbursements can be a precarious lifeline. In 2019, the World Bank mobilized 300 million to finance Ebola response in the DRC.[2] Emergency credit facilities and donor grants can avert an immediate currency collapse, but their reactive, short-term, and often earmarked nature—combined with shifting political conditionalities and unpredictable disbursement schedules—limits their effectiveness in strengthening external resilience and do not ensure macroeconomic stability.

[2] World Bank Mobilizes US$300 Million to Finance the Ebola Response in Democratic Republic of Congo.

7. Taken together, the repeated health shocks faced by the DRC represent a significant source of external vulnerability for the country and the region. By disrupting trade, increasing emergency import needs, and generating reliance on volatile external financing, pandemics place sustained pressure on the balance of payments. In the absence of stronger preparedness and more effective financing and coordination frameworks, future health emergencies could exacerbate external imbalances and threaten macroeconomic stability. In the long-run, **recurrent outbreaks contribute to medium-term external vulnerabilities through human-capital losses and productivity scarring. The inability of the DRC to prevent the spread of pandemics at an early stage also threatens the external stability of neighboring countries, which are likely to be affected by severe pandemic events given the porous nature of borders in the region.**

Institutional Framework

8. Despite extensive experience in managing epidemics, the institutional framework for pandemic preparedness and response in the DRC remains fragmented and incomplete. The country has established key institutions, including the National Institute of Public Health and the Public Health Emergency Operations Center, and has demonstrated operational capacity during major outbreaks, notably Ebola. This experience, coupled with an ability to attract ODA whenever a relevant outbreak is detected, has prevented the propagation of epidemics in the country and beyond. However, successive Joint External Evaluations (JEE) have highlighted persistent gaps in prevention, detection, and response capacities, with many core indicators showing no or only partial functionality (Table 1). These weaknesses reflect the absence of fully operational legal and regulatory frameworks governing public health emergencies, particularly with respect to coordination, preparedness planning, and rapid response mechanisms. As a result, institutional arrangements remain reliant on ad hoc solutions during crises, constraining the sustainability of gains achieved during emergency operations and limiting the effectiveness of intersectoral coordination.

9. Rapid decline of ODA combined with limited domestic budgetary allocations to health, have weakened financing for health emergency preparedness and response in DRC. External sources continue to account for nearly 40 percent of current health expenditure, almost twice the average for the African region, underscoring persistent donor dependence. At the same time, domestic general government health expenditure remains low at 16.1 percent while out-of-pocket spending is high at 39.7 percent, pointing to both fiscal constraints and equity concerns. Shifts in recent external financing landscape, together with insufficient domestic resource allocation for health, have reduced capacity to prevent, detect, and respond to outbreaks.

10. The confluence of epidemic risks, climate pressures, and humanitarian needs, underscores the limitations of reactive and fragmented response models. In 2025, the DRC faced multiple concurrent public health emergencies, including outbreaks of Ebola, cholera, mpox, and measles, alongside a widening humanitarian crisis driven by armed conflict, population displacement, and climate-related shocks. In May 2026 a new outbreak of Ebola was detected. These

challenges call for a shift toward coordinated, system-wide, and sustainable health emergency strategies, underpinned by predictable financing to strengthen national capacities.

Table 1. Democratic Republic of the Congo: WHO JEE Scores for DRC[1]

Category	Score (Average)
Prevent	
1. Legal instruments	2
2. Financing	2
3. IHR Coordination, National IHR Focal Point Functions and Advocacy	1.6
4. Antimicrobial resistance	1.4
5. Zoonotic Disease	1.3
6. Food Safety	2
7. Biosafety and biosecurity	1
8. Immunization	1.6
Detect	
9. National Laboratory Systems	2
10. Surveillance	2.6
11. Human Resources	1.75
Response	
12. Health Emergency Management	1.2
13. Linking Public Health and Security Authorities	1
14. Health Service Provision	2
15. Infection Prevention and Control	1.7
16. Risk Communication and Community Engagement	2
IHR Related Hazards and Points of Entry and Border Health	
17. Points of Entry and Border Health	2
18. Chemical Events	1
19. Radiation Emergencies	2

Source: WHO JEE Report (2025)
[1] Scores from 0 to 5 where lower scores capture worst performance.

11. Weaknesses in financing arrangements undermine the effectiveness of the overall institutional response to pandemics. Recurrent health emergencies in the DRC require rapid and sizable financial interventions, yet the existing public financial management framework has limited capacity to allocate and disburse emergency funds swiftly and transparently. Core preparedness functions remain underfinanced unless explicitly prioritized and supported through dedicated and predictable financing mechanisms. Emergency responses often rely on exceptional spending procedures, fragmented funding streams, and externally financed operations that are weakly integrated into the budget framework, complicating coordination and accountability. While substantial external resources have been mobilized during recent outbreaks, these flows are typically short-term, earmarked, and partially non-specified, limiting their catalytic impact on long-term system strengthening. In the absence of a clear and harmonized regulatory framework for emergency financing and procurement, the financing of pandemic responses remains unpredictable

and inefficient, amplifying fiscal and external vulnerabilities and increasing the macroeconomic cost of recurrent health shocks.

12. The World Bank, WHO, and several bilateral partners are providing extensive technical assistance to strengthen and rationalize health financing flows. This work is fully consistent with—and reinforces—the national health financing strategy. It is also building foundational public financial management capacities that benefit preparedness and response by improving budget formulation, execution, and monitoring systems. Scaling up these efforts would represent a unique opportunity for the DRC to accelerate progress toward a more resilient health system.

13. Developing a financing strategy for operations related to preparedness and response to public health emergencies is a critical first step to ensure that other pillars of pandemic preparedness function effectively. This strategy would institutionalize financing and procurement mechanisms in the event of a public health emergency, and integrate clear rules for the mobilization, allocation, disbursement, and reporting of resources within the national budget framework. A stronger financing framework would enable the strengthening of other areas of pandemic response which are not suitable to the risks, as table 1 shows. More reliable and rules-based emergency financing would allow early allocation of resources to surveillance and response systems, improving early-stage detection and containment of outbreaks. It would also enhance the credibility of public institutions, helping to catalyze external support. This type of measure addresses macro critical vulnerabilities as identified in diagnostics and sectoral strategies developed by specialized institutions—particularly the WHO and World Bank. It also reduces the macroeconomic costs of future health shocks and enhances resilience to balance of payments pressures.

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Appendix I. Letter of Intent

Kinshasa, June 11, 2026

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

Dear Madam **Managing Director**:

1. The government reiterates its gratitude to the International Monetary Fund (IMF) for the ongoing support provided to the Democratic Republic of the Congo. Support from the IMF, in the form of policy advice, capacity building, and financing, has enabled us to consolidate our efforts toward macroeconomic stabilization and deeper structural reforms while strengthening our resilience to climate shocks, despite the challenging context marked by the persistence of armed conflict in the eastern part of our country and the repercussions of the conflicts in the Middle East.

2. The security situation and its repercussions remain a major cause for concern, despite diplomatic progress. At the start of the second review of the program supported by the Extended Credit Facility, the illegal occupation of large parts of the eastern part of our country by the Rwandan-backed AFC/M23 has intensified with a brief advance toward the port city of Uvira on the border with Burundi, in flagrant violation of both the Washington Accords for Peace—which had just been ratified at the presidential level—and United Nations Security Council Resolutions 2773 and 2808. Despite the subsequent U.S. sanctions imposed on the Rwandan Defence Force (RDF) and its senior leadership for this violation of the Accords, fighting continues in the affected areas, resulting in more casualties while exacerbating the suffering of our people, and placing significant strain on our public finances. Many of our fellow citizens have been forced to leave their homes, thus increasing the number of people living in precarious conditions, including internally displaced persons—whose numbers are estimated at nearly 6.4 million—and hundreds of thousands living in refugee camps in Burundi, Uganda, and Tanzania. Hundreds of thousands of women are exposed to increased sexual violence, and nearly 27 million people are facing acute food insecurity.

3. Our economy continues to show resilience despite this challenging domestic environment and the repercussions of the ongoing war in the Middle East. Economic growth remained robust at 5.7 percent in 2025, slightly above the projection in the second review (5.6 percent), driven mainly by renewed momentum in the non-extractive sector (4.7 percent in 2025 compared with 3.1 percent in 2024), which more than offset the slight slowdown in growth in the extractive sector (8.7 percent in 2025 compared with 11.9 percent in 2024) resulting from the suspension of cobalt exports for much of 2025. Inflation fell to 2.3 percent year-over-year at the end of December 2025 (compared with 11.7 percent in 2024), below the 7 percent target, driven, on the

one hand, by the sharp appreciation of the exchange rate in October 2025 following the update of the exchange rate applied to the frozen stock of required reserves held in domestic currency against foreign currency deposits and, on the other, by the restrictive monetary policy stance in coordination with a prudent fiscal policy. The exchange rate has remained broadly stable around the level it has held since late November. Although it remains slightly below the level implied by our economy's medium-term fundamentals, the external position continues to grow stronger, with a current account deficit of 3.7 percent of GDP in 2025, down from 4.2 percent in 2024. This upturn reflects the resilience of mining exports, driven primarily by a sharp increase in copper production amid significantly more favorable prices and an improvement in the services balance, thereby contributing to the continued accumulation of international reserves. Against this backdrop of improving external and price stability, the Monetary Policy Committee of the Central Bank of the Congo (BCC) reduced the policy rate (which stood at 17.5 percent in October 2025) to 15 percent in January 2026 and then to 13.5 percent in April 2026.

4. The ongoing armed conflict continues to weigh on our public finances, despite our efforts to exercise fiscal prudence. Despite the ongoing shortfall in revenue caused by the suspension of the activities of our revenue collection agencies in the eastern part of the country, we have met our revenue targets for 2025, thanks to the intensified efforts of our revenue collection agencies and the continued exclusion of mining companies from oil subsidies. The strong revenue mobilization performance in 2025 partly offset budget overruns caused by the impact of the protracted conflict. While we anticipated a significant decline in security spending in the second half of 2025, we have had to continue to devote significant resources to this area. In addition, greater diplomatic, political, and social mobilization efforts aimed at halting the spread of the illegal occupation of territories in the eastern part of our country toward Uvira have placed additional strain on our budget. As a result, the budget deficit exceeded the 1.3 percent of GDP ceiling set for the end of December 2025 by 0.6 percentage points. Financed primarily by drawing on our deposits in the Treasury account and by increased issuance of government securities in the domestic market, this deficit has not undermined the sustainability of our public debt, which continues to be contained around 17 percent of GDP. Despite our successful issuance of a US$1.25 billion Eurobond (1 percent of GDP) in April 2026—a first for our country—our debt stock remains below 20 percent of GDP.

5. The performance of programs supported by the Extended Credit Facility (ECF) and Resilience and Sustainability Facility (RSF) remained satisfactory within the challenging security situation.

- **All but one of the quantitative performance criteria were met at end-December 2025 and one continuous performance criterion (PC).** The PC regarding the ceiling on the cash-based domestic budget deficit was not met due to overspending related to the deterioration of the security situation just a few days after the president's endorsement of the Washington Accords in December (see paragraph 4 above). For the missed continuous PC on the non-introduction/modification of MCPs, it arose from the modification of the spread used in FX operations between the BCC and the Treasury. On January 30, 2026, the BCC reduced the spread from +/-1.95 percent to +/- 1.91 percent.

- **All but two of the indicative targets (ITs) have been met**. The ITs relating to the ceiling on expenditure under emergency procedures and the floor on social spending were not met due to the persistently high level of security spending. That said, progress has been made in safeguarding social spending, with an execution rate of 85 percent of the related expenditures planned for 2025, significantly higher than the level recorded in 2024.
- **The structural reforms underpinning the ECF arrangement are being implemented largely as planned**. All of the structural benchmarks set for the third review were met, although one was met late.
- **Performance in implementing the reform measures (RMs) underpinning the RSF remains encouraging, despite the need for some adjustments.** We implemented RM10, which relates to the adoption of a methodology for assessing the impact of climate change, ahead of schedule, with the signing of a related interministerial decree in February 2026. However, there have been delays in the implementation of RM1 (which was due during this review) regarding amendments to the Forest Code as a result of coordination challenges with certain development partners in the process of adopting the forestry policy. We are working hard to get this process back on track.

6. We remain firmly committed to the objectives of macroeconomic stabilization and deepening the reforms underpinning the ECF, recalibrated to enhance flexibility in light of the ongoing armed conflict in the eastern part of our country. Given the ongoing pressure on spending due to the ongoing armed conflict, we are prioritizing efforts to boost revenue collection as a more sustainable corrective measure in response to the overrun of the domestic fiscal deficit ceiling recorded in December 2025. To this end, we will (i) adopt in the Council of Ministers and submit to Parliament the draft 2026 supplementary budget law, in line with the program objectives set out in the updated Memorandum of Economic and Financial Policies (MEFP) and the macroeconomic framework (**Prior Action**); (ii) finalize the review of payroll data to identify and eliminate abuses and irregularities; (iii) accelerate implementation of the standardized VAT invoice—for which the moratorium aimed at addressing operational difficulties ended on May 15—and efforts to collect outstanding receivables; (iv) clean up the taxpayer registry to strengthen tax compliance; and (v) strengthen controls on the volumes and moisture content of mineral exports and on imports of goods by deploying mechanical weighbridges and acquiring non-intrusive scanners and spectrometers at customs posts, which will be interconnected with the information systems of the revenue collection agencies (including SYDONIA World for the Customs Authority (DGDA)), the various audit and control services, and the Single Window for Foreign Trade (SEGUCE). In addition, we will accelerate the prompt implementation of projects financed using SICOMINES resources, in order to safeguard our objective of gradually closing our country's significant infrastructure gap.

7. We are also working to mitigate the impact of conflicts in the Middle East on our economy and public finances. In response to the sharp rise in international oil prices, in early April 2026 we raised prices at the pump to limit the resurgence of losses and revenue shortfalls on petroleum products. In order to ensure the country's supply of petroleum products, we have also rolled

out measures to expedite customs clearance procedures and to temporarily suspend certain fees and parafiscal charges on imports of petroleum products.

8. We reaffirm our commitment to refrain from any direct monetary financing.. The projected borrowing need will be covered by proceeds from the Eurobond, the mobilization of the African Development Bank's (AfDB) partial financing guarantee (ensuring it is consistent with IMF policy on debt limits), budget support from the IMF and the World Bank, and government securities issuances on the domestic market, which we are working to gradually deepen with IMF technical support.

9. We will consolidate the positive momentum achieved so far in the implementation of structural reforms. We have stepped up our efforts to ensure effective modernization of public financial management (PFM), with the launch of operations in February 2026 of the Directorate General of the Treasury and Public Accounting (DGTCP), the decentralization of expenditure authorization to four pilot ministries, and the encouragement of progress toward the establishment of a Treasury Single Account (TSA). We will intensify our efforts to ensure that the expenditure chain is adhered to as strictly as possible with a view to significantly reducing the proportion of expenditures executed under emergency procedures, more than 90 percent of which relates to exceptional security expenditure. We are therefore committed to continuing our efforts to reduce this proportion, which was 11 percent in December 2025, compared with 20.9 percent and 15.6 percent in June and September 2025, respectively, to below 8 percent over time. We will ensure that the expenditure procedures manual adopted in December 2024 continues to be followed with regard to the exclusion of expenditure not eligible for use under the emergency procedure, including by reserving "provisions of funds" for "imprest accounts" for minor expenses, confidential research funds, and special intervention funds. We are also continuing our efforts to further streamline the use of the emergency procedure for security expenditures by switching certain security-related recurring expenditure to the normal expenditure chain, in accordance with the respective strategy adopted in December 2025. These efforts, which are designed to ensure greater compliance with the expenditure chain, should help strengthen budget credibility by promoting better alignment between public procurement, budget commitment, and cash flow plans. Moreover, we will continue to implement the roadmap adopted in March 2025 for the gradual transition to a fiscal framework excluding extractive sector resources. With this in mind, we will continue to work diligently to implement the Interministerial Order of September 2025 modifying the organization and operation of the Standing Committee for Macroeconomic Policy (CPCM), including by expediting the adoption of its rules of procedure.

- We will accelerate efforts to improve efficiency in the use of public resources. In particular, we will strengthen the quality of public investment management, including by ensuring stricter compliance with the legal framework governing their selection, evaluation, budgeting, and execution, in line with the recommendations of the IMF mission on the Public Investment Management Assessment (PIMA).
- We will also accelerate efforts to strengthen our public debt management capacities, in line with our recently adopted medium-term strategy. We have implemented safeguards to ensure the

efficient and transparent use of Eurobond funds: (i) on the one hand, the ringfencing of a portion of the Eurobond proceeds in a BCC account held at a local bank, with a mirror account opened in its books for subsequent allocation to investment projects and, on the other, the allocation of the resources needed for projects to be carried out immediately (representing approximately half of the total) to dedicated project accounts; (ii) the establishment of a regular monitoring framework within the Economic Committee chaired by the Prime Minister, which will decide on any allocation of Eurobond proceeds to the various projects to be published, following a proposal by the Ministry of Finance; (iii) an agreement signed by the Ministry of Finance and the BCC, which guarantees the repayment of the first coupons reaching maturity, notably through a BCC-managed debt service reserve account opened at Citibank London, with a mirror account opened in its books; (iv) a subaccount opened for the payment of maturing coupons, which will be periodically funded via an automatic debit mechanism; (iv) a commitment not to resort to emergency procedures to execute identified projects and the establishment of an evaluation and oversight mechanism by the Court of Auditors and the Inspectorate General of Finance, with the production of dedicated annual reports; and (v) independent reporting by the United Nations Development Programme (UNDP) on the use of Eurobond proceeds to ensure greater transparency and traceability.

- To reduce refinancing risks, we will accelerate our efforts to gradually deepen the domestic government securities market and develop a secondary market, in line with the recommendations of the IMF's technical assistance. In this context, we will pay particular attention to the prudential provisions applicable to government securities.
- We will also ensure enhanced coordination among all entities involved in public debt management, including by ensuring transparency and comprehensive communication between all these entities in relation to all public debt commitments, from signature to disbursement.
- On the revenue side, we will accelerate implementation of our revenue mobilization plan adopted in September 2025, with a view to gradually bringing our fiscal revenue collection performance closer to its potential (see MEFP, paragraph 28). This would enable us to better finance priority development and social expenditure, while preserving the sustainability of our public finances and macroeconomic stability.
- For the RMs not yet due during this second review under the RSF, we will continue to lay the groundwork necessary to ensure their completion within the specified time frame.

10. The attached updated Memorandum of Economic and Financial Policies (MEFP) describes in more detail the commitments and policies that we intend to implement for the remainder of 2026 and during the term of the programs supported by the ECF and RSF. The attached updated Technical Memorandum of Understanding (TMU) details the arrangements for monitoring performance against targets under the ECF. The updated MEFP also clarifies the institutional prerogatives and the needs and potential sources of technical assistance for the satisfactory implementation of the RMs under the RSF not yet due during this review.

11. In view of the generally satisfactory performance in a challenging security and international context marked by the ongoing conflict in the eastern part of our country, the

Ebola outbreak and the repercussions of the war in the Middle East, we request temporary approval of the MCP arising from FX spread used in operations between the BCC and the Treasury. The measure was introduced for balance of payments reasons, does not discriminate among members, does not give the DRC unfair competitive advantage and is temporary as we intend to phase out the MCP during the program period. We also request a waiver of nonobservance for the PC on the ceiling on the cash based domestic budget deficit at end December 2025 and the continuous PC on MCPs, based on the corrective measures taken (see paragraph 6 above and the requested approval of the MCP). Lastly, we request the completion of the third review under the ECF arrangement and the second review under the RSF arrangement, as well as the corresponding disbursement of SDR 190.4 million and SDR 66.625 million, respectively. We are requesting a waiver for nonobservance of the performance criterion regarding the ceiling on the cash-based domestic budget deficit at end-December 2025, based on the corrective measures taken (see paragraph 6 above). Given the additional investments expected from the use of Eurobond proceeds in 2026 (0.5 percent of GDP) and the impact of the crisis in the Middle East (0.2 percent of GDP), we are also requesting an upward revision of the ceiling for the cash-based domestic budget deficit at end-December 2026 (1.9 percent of GDP, compared with the 1.2 percent of GDP initially planned). We are implementing our national emergency plan to contain the recent resurgence of the Ebola virus disease, provisionally estimated at USD 240 million. We have already allocated USD 20 million from the budget to this effort, pending the identification—in collaboration with development partners—of additional funding sources to bridge the potential gap. We are committed to publishing, by end-June 2026, the revised quarterly expenditure execution plans for 2026 associated with the draft 2026 supplementary budget law, in line with the program's objectives. The respective responsibilities of the BCC and the Ministry of Finance for servicing the related debt to the IMF, as set out in the TMU signed in May 2025, will be diligently honored. In addition, we request the rephasing to the second review of the RSF-supported program the availability date of RM10 and its associated disbursement, given its earlier-than-expected implementation.

12. We also remain determined to implement all the recommendations of the BCC safeguards assessment. Following the conclusions of the IMF safeguards assessment of the BCC, we undertake to diligently implement the action plan adopted in December 2025 as a result of the recommendations made, particularly those relating to strengthening governance, transparency, recapitalization of the BCC, and management of foreign exchange reserves.

13. We remain confident that the effective implementation of the measures set out in the MEFP will strengthen the resilience of our economy in this challenging security environment and international context. To this end, we reaffirm our determination to comply with the performance criteria and structural benchmarks of the ECF-supported program and the RMs underpinning the RSF arrangement. We stand ready to take any further measures necessary to safeguard the program objectives. The government will consult IMF staff prior to the adoption of such measures and prior to any revision of the measures set out in the MEFP, in accordance with the relevant IMF policies. We will also continue to work with development partners to increase our access to grants and concessional financing. In accordance with the government's objective of promoting transparency, we agree to the publication of this Letter of Intent, the MEFP, and the TMU, as well as

the IMF staff report on the request for conclusion of the third review under the ECF arrangement and the second review of the RSF arrangement, and any other related document, after approval by the IMF Executive Board.

Very truly yours,

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

/s/	/s/	/s/
William **PAMBU PAMBU**	Doudou **Fwamba Likunde Li-Botayi**	Adolphe **Muzito Fumutshi**
Vice Governor of the BCC	*Minister of Finance*	*Deputy Prime Minister, Minister of Budget*

Attachments:

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

Attachment I. Memorandum of Economic and Financial Policies (MEFP)

This memorandum updates the MEFP associated with the programs approved in January 2025 by the IMF's Executive Board under the Extended Credit Facility (ECF) and the Resilience and Sustainability Facility (RSF). It describes the recent economic developments and outlook and details our updated reform objectives and priorities for 2026 and beyond as part of these IMF-supported programs under the ECF and the RSF.

1. Our priorities under the ECF and the RSF remain focused on the initial strategic objectives, while remaining flexible in response to the implications of the ongoing conflict in the eastern part of our country, as well as the repercussions of the war in the Middle East. These are: (i) strengthening the resilience of the economy through greater external, financial, and price stability; (ii) freeing up more fiscal space to finance spending on security, infrastructure (which can boost the diversification of our economy), education, health, and agriculture through increased mobilization of fiscal revenues and more efficient use of public resources; (iii) promoting more inclusive growth through the acceleration of reforms aimed at strengthening the efficient use of public resources, governance and transparency, as well as cleaning up the business environment, and fighting more resolutely against corruption and money laundering; and (iv) building resilience to climate shocks while consolidating the Democratic Republic of Congo's role as a solution country in the global transition to a low-carbon economy.

A. Recent Economic Developments

2. Economic activity continues to show resilience. Real GDP growth stood at 5.7 percent in 2025 (compared with 6.1 percent in 2024), slightly above the projection made in the second review (5.6 percent), driven mainly by renewed momentum in the non-extractive sector (4.7 percent in 2025 compared with 4.1 percent in 2024), which more than offset the slight slowdown in growth in the extractive sector (8.7 percent in 2025 compared with 11.9 percent in 2024) resulting from the suspension of cobalt exports for much of 2025. In the non-extractive sector, growth rose from 4.1 percent in 2024 to 4.7 percent in 2025. The impact of the armed conflict on the formal sector has remained largely limited, affecting mainly certain cash crops and the financial sector in the eastern part of the country. In addition, the trade and telecommunications sectors outperformed expectations, posting gains of 7 percent and 5.5 percent, respectively.

3. Inflation continued to ease, driven by a tight monetary policy stance and the relative stability of the exchange rate around its highly appreciated level in the fourth quarter of 2025. Following the 25 percent appreciation of the Congolese franc (CDF) against the U.S. dollar in October 2025, inflation fell sharply, dropping to 2.3 percent year-over-year at end-December 2025. It remained around that level until the end of the first quarter of 2026, before showing signs of a rebound in April 2026 (2.5 percent) following adjustments to fuel prices at the pump due to the repercussions of the war in the Middle East.

4. Strong fiscal revenue collection has only partly offset the increased pressure on spending stemming from the protracted conflict. Although domestic revenue collection met expectations, the cash-based domestic budget deficit exceeded the target by 0.6 percentage points of GDP at end-December 2025. This overrun reflects the cost of intensifying diplomatic efforts and political and social mobilization initiatives aimed at halting any further expansion of the illegal occupation of the eastern part of the country beyond the brief occupation of the city of Uvira, which took place just a few days after the president's endorsement of the Washington Accords. Financed by drawing on our deposits in the Treasury account and by increased issuance of government securities in the domestic market, this deficit has not undermined the sustainability of our public debt, which continues to be contained.

5. Fiscal revenues matched expectations, slightly exceeding the forecasts made in the second review at end-December 2025. This encouraging trend in fiscal revenue continued in the first quarter of 2026 across all agencies. The DGDA has stepped up its revenue collection efforts and consolidated the reform that excludes mining companies and their subcontractors from the oil subsidy. The DGI has benefited from strong corporate income tax revenue, driven by rising copper prices. The DGRAD also benefited from this upturn and the recovery in cobalt exports.

6. However, the persistent nature of the armed conflict continued to weigh heavily on budget execution. By end-December 2025, contrary to our expectations at the time of the second review under the ECF arrangement, we had to continue to devote more resources to extraordinary security expenditure, particularly in response to the illegal occupation of the town of Uvira following the president's ratification of the Washington Accords. Additional pressures on the budget in the final quarter of 2025 included the rollout of the national network of public accounting officers and transfers of resources to the provinces. In the first quarter of 2026, despite a decline in exceptional security expenditure, greater cash flow pressures were recorded in response to lower-than-expected fiscal revenue collections, resulting in delays in the payment of certain salaries.

- In order to gradually close the significant infrastructure gap in our country, we are working to accelerate the effective execution of projects. These include, on the one hand, projects under the local development program for the 145 Territories (PDL-145T), whose average execution rate at end-March 2026 was approximately 71.3[1] percent, and projects financed by external resources (including the recent Eurobond)[2] and, on the other, projects financed with resources expected from the SICOMINES contract. In line with our commitment to promote greater transparency and public accountability, we published the physical and financial implementation report for these projects at end-March 2026.[3] This shows a low implementation rate at end-March 2025, with a cumulative delay of nearly US$584 million on the list of projects sent to the Chinese side for the period 2024–2026

[1] Of which 80 percent for the Fragile States Financial Unit (CFEF), 75 percent for Central Coordination Office (BCECo), and 59 percent for the United Nations Development Programme (UNDP).
[2] In conjunction with other resources, the proceeds from the Eurobond will be used to finance seven infrastructure projects with significant economic and social impact in the areas of transportation, energy, and social development, as outlined in the National Strategic Development Plan. These projects already have detailed feasibility studies, and some have already begun.
[3] https://acgt.cd/dashboard/.

(assessed at approximately US$1.18 billion), as broken down in the table below. We plan to ensure delays are eliminated over the next three years. In November 2025 we adopted a joint government-SICOMINES memorandum of understanding crystallizing the terms of the March 2025 minutes on the new operational and financial mechanism. In March 2025, we launched an independent audit commissioned by the Agency for Steering, Coordination, and Monitoring of Collaboration Agreement (APCSC) on the financial certification of the deposit and the infrastructure that has been built. As soon as the audit is completed, its findings will serve as the basis for discussions during the annual midterm review meetings with the Chinese side, which we will resume on a regular basis, as provided for in Amendment 5 to the contract. These discussions should make it possible to make any necessary adjustments to the contract should any shortcomings be identified. Our objective remains to ensure full consumption and, failing that, to obtain a full disbursement of the planned resources. Moreover, in keeping with our commitment to transparency and public accountability, we will continue to:

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

(ii) Produce and publish an annual report on the use of SICOMINES resources, including a physical and financial project execution report;

(iii) Submit projects to ex-post evaluations by an independent oversight body.

Disbursements for Projects Funded with SICOMINES Resources

	2025			2026
	End-June	End-September	End-December	End-March
Cumulative available financing (US$ million)*	936	1,017	1,098	1,179
Cumulative amount disbursed (US$ million)*	300	455	535	595
Execution rate	32%	45%	49%	50%

Financing corresponding to the following tranches: 2023 - US$150 million; 2024 - US$624 million; 2025 - US$324 million; 2026 - US$324 million.

7. Overall, reserves continued to accumulate in 2025. The continued narrowing of the current account deficit (3.7 percent in 2025, compared with 4.2 percent of GDP in 2024) has

supported the continued accumulation of foreign exchange reserves, although this has been partially offset by higher-than-expected foreign exchange expenditures by the Treasury (payments to suppliers, security-related expenditures, and Treasury bond redemptions). Foreign exchange reserves continued to rise in the first quarter of 2026, despite currency sales by the BCC aimed at smoothing out volatility in the foreign exchange market. Gross foreign exchange reserves thus rose from US$8.5 billion at end-December 2025 to US$8.8 billion at end-March 2026, as net foreign exchange inflows more than offset the BCC's sales on the foreign exchange market.

8. The banking sector has remained resilient overall. The sharp CDF appreciation in October 2025 led to a moderate adjustment in the currency composition of deposits: growth in CDF-denominated deposits accelerated to 35 percent (compared with 5 percent one year earlier), while growth in US$-denominated deposits slowed to 10 percent (in US$ terms), down from the previous 22 percent. As a result, the dollarization rate of deposits fell from 92 percent to 87 percent. CDF appreciation also led to revaluation effects on reported equity, as certain capital items are denominated in US$ but recognized in CDF. Nevertheless, capital buffers remained above regulatory requirements, with a solvency ratio of 14.8 percent at end-December 2025, down from 16.2 percent in June 2025. Profitability remained strong, with a return on assets of 3.8 percent and a return on equity of 22.5 percent, while asset quality improved, with the nonperforming loan ratio falling to 4.9 percent from the prior 6.5 percent.

B. Economic Outlook and Risks

9. The outlook remains broadly favorable, albeit subject to heightened uncertainty surrounding the cessation of hostilities in the eastern part of the country and the repercussions of the war in the Middle East. Real GDP growth in 2026 is expected to remain robust at 5.6 percent, driven by renewed buoyancy in the non-extractive sector (5.2 percent compared with 4.7 percent in 2025), particularly in construction, services, and the agricultural and manufacturing sectors, which will offset a slight decline in growth in the extractive sector (6.7 percent compared with 8.6 percent in 2025), mainly due to a downward revision of production forecasts for the Kamoa mine. In the medium term, growth is expected to stabilize at around 5.5 percent, driven by infrastructure investments supporting the economic diversification agenda, by the services sector and, more broadly, by the recovery of the non-extractive sector thanks to the positive effects of both the expected restoration of peace and structural reforms. Inflation, which stood at 2.3 percent year-on-year in March 2026, is expected to stabilize below the BCC's target (7 percent), with a projected level of 6.9 percent at end-December 2026.

10. Despite our efforts to exercise greater fiscal prudence, the state of our public finances for the remainder of 2026 will depend heavily on how the armed conflict in the eastern part of our country unfolds and on the repercussions of the war in the Middle East.

- In the absence of strong corrective measures, the decline in performance by the revenue collection agencies seen in the first quarter of 2026 could continue for the remainder of the year. Unless government authority is restored in the illegally occupied eastern provinces, the resulting loss

of fiscal revenue due to the suspension of activity by the revenue collection agencies could persist through 2026. In addition, to prevent any fuel shortages resulting from the war in the Middle East, we have rolled out measures to expedite customs clearance procedures and to temporarily suspend certain parafiscal charges and various fees on imports of petroleum products.

- In addition to the revenue measures described above (see Letter of Intent, paragraph 6), we will continue to: (i) gradually reduce negative taxation on petroleum products, in particular by reinstating excise taxes in the pricing structure of petroleum products supplied to mining companies and by accelerating the conversion of a portion of the gains resulting from the exchange rate appreciation recorded in the last quarter of 2025 and from increased volumes in consumption taxes; (ii) strengthen implementation of the traceability system for products subject to excise duties; (iii) update and implement the tax exemption management plan; (iv) expedite the studies conducted to ensure a more informed adoption of the implementing texts for the measure aimed at excluding beer, telecommunications, and forestry companies from the petroleum subsidy and tax exemptions; (v) adjust the average border price (PMF) by the Commission for Monitoring the Pricing Structure of Petroleum Products to formalize the introduction of positive excise tax rates into the pricing structure of petroleum products intended for the mining sector; (vi) reinstate the 8 percent VAT rate on essential goods (reduced to 1 percent in the 2026 initial budget law), given the control over inflation since last year; (vii) increase excise duties on vehicles (from 10 percent to 20 percent on passenger vehicles and from 10 percent to 15 percent on commercial vehicles) and on plastic articles and products (from 1 percent in the 2026 initial budget law to 10 percent); and (viii) accelerate the digitization of the DGI (while ensuring the interconnection of information sources across its various departments), by cross-referencing data from the DGI database with other relevant information sources such as the National Institute of Statistics (INS) business census, as well as the results of the survey conducted in 2025 by the Inspectorate General of Finance (IGF). We will also ensure that the tax exemption management plan is updated and implemented.

- On the expenditure side, we plan to step up efforts to rationalize spending, including through savings on payroll costs arising from an audit of payroll data and the expected implementation of the new wage policy project with IMF technical support. We will also continue our efforts to reduce government spending and exercise greater discipline in terms of transfers and subsidies.

- In short, this should result in a residual financing requirement for 2026 of 0.7 percent of GDP more than the forecasts made in the second review. This residual gap, which stems from the budgetary impact of the war in the Middle East and from additional public investments funded by Eurobond proceeds, will be filled by using a portion of the Eurobond proceeds to cover the Eurobond-funded portions of the projects in 2026 and through the issuance of government securities.

- Given the cash flow pressures linked to the repercussions of the ongoing conflict in the eastern part of the country, we will be extremely vigilant in preventing the accumulation of domestic payment arrears. To this end, we will set up a monitoring mechanism within the Ministry of Budget to strengthen control over budget execution, in particular by ensuring close monitoring of

commitments and payments throughout the fiscal year, as well as regular monitoring of the age of outstanding arrears.

- In line with our objective of using the fiscal space made available by the IMF budget support to strengthen the financing of infrastructure projects with a significant economic impact, we will closely monitor the related mechanism for ringfencing resources in a BCC subaccount, as well as their use, as adopted by the Council of Ministers in December 2025. For greater efficiency, transparency, and public accountability, we reiterate our commitment to prohibit any use of emergency procedures in the execution of investments (including investments financed using Eurobond resources) and to publish a biannual report on the use of external resources allocated to support the government budget.

11. External stability is expected to continue improving in 2026, although this remains subject to uncertainties regarding terms of trade linked to the repercussions of the war in the Middle East. While the trade balance might benefit from particularly favorable external conditions—notably historically high copper and cobalt prices—these gains would likely be partially offset by a sharp rise in the oil import bill due to the knock-on effects of the war in the Middle East and by higher dividend repatriations. Overall, this should lead to a further narrowing of the current account deficit, which could fall to 1.9 percent of GDP in 2026. This expected strengthening of the external position should support the continued accumulation of international reserves, which could attain the recommended minimum threshold of three months' import cover by 2027. Building up such adequate buffers remains essential to absorb potential shocks. The projections remain subject to heightened external vulnerabilities, particularly due to uncertainty regarding price trends for both critical minerals and petroleum products amid the ongoing volatility caused by the war in the Middle East. Upside risks also remain, especially regarding the implementation of the recommendations of the IMF technical assistance mission aimed at correcting methodological weaknesses identified in the compilation of balance of payments data. The implementation of these recommendations could lead to a substantial downward revision of goods imports, partially offset by an upward revision of services imports and FDI dividend repatriations.

12. This outlook is subject to heightened downside risks. The heightened downside risks stem mainly from the humanitarian, socio-political, economic, and fiscal repercussions of the ongoing armed conflict in the eastern part of the country and the sharp reduction in development aid flows. Furthermore, the repercussions of the war in the Middle East pose an additional threat to the outlook (economic activity, inflation, public finances, external stability), including through potential disruptions to fuel, fertilizer, and sulfuric acid supplies. Potential inflationary pressures from volatile prices for imported basic foodstuffs remain a concern. Potential shortfalls in fiscal revenues and international reserves could also emerge in the event of a sudden reversal of currently high commodity prices (copper, cobalt, etc.), including from a possible weakening of global demand due to possible negative repercussions of the war in the Middle East or of recent increases in import tariffs. Upward risks to the outlook could also arise if the ongoing peace talks accelerate and lead to an effective cessation of hostilities, combined with the related prospect of significant United States investment under the Strategic Partnership Agreement between our country and the United States.

C. Macroeconomic Policies and Structural Reforms Underpinning the ECF Arrangement

Fiscal Policy

13. The formulation and implementation of our fiscal policy remains anchored in the following fundamental principles: (i) the absence of any direct monetary financing of deficits, i.e. a strict commitment of expenditure according to available resources, in accordance with the Public Finance Law and the Organic Law on the BCC; (ii) the preservation of a moderate risk of debt distress; (iii) consistency with monetary and exchange rate policy; (iv) the development of contingency plans to allow budget execution under programs supported by the ECF and RSF to remain agile in the face of possible future shocks; and (v) the need to build up fiscal savings conducive to the implementation of the roadmap for the eventual transition to a fiscal framework that does not rely on extractive sector resources. We therefore remain committed to publishing regularly revised quarterly fiscal commitment plans (by end-June 2026 at the latest for the third quarter of 2026, and by end-September 2026 at the latest for the last quarter of 2026), in line with the program objectives in terms of the fiscal deficit, preservation of the moderate risk of government over-indebtedness, and prevention of the accumulation of payment arrears.

Improvement of the Effectiveness of Tax and Customs Administrations

14. We will intensify our efforts to mobilize domestic revenue, building on the domestic revenue mobilization plan adopted in September 2025. Our objective remains to increase central government fiscal revenue (excluding special accounts) from 11.7 percent of GDP in 2025 to 13 percent of GDP in 2028, gradually converging to the average of resource-rich countries in Sub-Saharan Africa (19 percent of GDP) in the medium- to long-term. To this end, we will accelerate implementation of the short- to medium-term plan domestic fiscal revenue mobilization plan (**structural benchmark, September 2025**), in line with the IMF technical assistance recommendations, starting by including high-yield components in the 2026 draft supplementary budget law.

15. We are continuing the efforts aimed at modernizing and strengthening the performance of the three revenue agencies, namely the Directorate General of Taxes (DGI), the Directorate General of Customs and Excises (DGDA), and the Directorate General of Administrative, State, Judicial, and Participation Revenues (DGRAD). The related reform priorities, which build, among others, on the findings of the latest assessment of tax administration performance using the Tax Administration Diagnostic Assessment Tool (TADAT) methodology (2023) and recent IMF technical assistance missions to follow up on these findings, include:

Tax Policy

- *Acceleration of the implementation of the standardized VAT invoicing system*. Effective December 1, 2025, the widespread adoption of the standardized VAT invoicing system for

enterprises subject to VAT (**structural benchmark, September 2025**) is gradually gaining momentum, with the lifting in May 2026 of the moratorium that had been granted to address the operational difficulties encountered by taxpayers in the process of certifying their corporate invoicing systems, following close consultation with the Federation of Businesses of Congo (FEC) within the framework of a joint FEC–Finance Ministry–DGI commission. A roadmap has been developed to improve the operational effectiveness of the platforms deployed (SYGDEF, e-UF, e-MCF, and business intelligence tools) and to expand certification capabilities, thereby enabling professional bodies and other indirect actors to record billing transactions. To date, of the 12,703 taxpayers subject to VAT listed in the DGI registry, 7,922 are registered in the SYGDEF system, of which 6,315 are already operational and able to issue standardized invoices. Going forward, we will conduct systematic checks to verify the validity of any VAT deduction by requiring the prior issuance of a standard invoice. Combined with the accelerated expansion of online filing to synthetic tax centers, these measures will help combat tax fraud more effectively. We expect this reform to generate additional tax revenue of at least CDF 500 billion in 2026 and significantly more in the medium term.

- *Acceleration of the optimization of tax expenditures with a view to broadening the tax base*. The updated assessment of tax expenditures, which is presented in the annex to the 2026 budget law, shows that tax expenditures represented nearly 26.5 percent of the central government's domestic revenue in 2024 (3.4 percent of GDP). More than half of the revenue shortfall stemmed from special tax regimes, primarily in the extractive sector (32 percent) and government contracts that use external financing (24 percent), while taxes on oil accounted for 11.5 percent. We will continue to include an updated tax expenditure assessment in the budget laws. Following the exclusion of mining companies and their subcontractors from oil subsidies as of August 2026, we will finalize, by the end of June 2026, the preliminary studies necessary for a more informed adoption of implementing regulations to extend the exclusion from oil subsidies and tax exemptions to beer, telecommunications, and forestry companies. In line with the recommendations of the IMF technical assistance, and given the notable progress made by the working group on estimates of tax expenditures, we plan to move on to the analytical and management aspects of these tax expenditures during the updated assessment under the 2027 budget law. To this end, we will eliminate the delay in developing the strategy for the optimization of VAT exemptions, finalizing it by March 2027. Furthermore, as part of the ongoing revision of the Investment Code, we will ensure that ineffective tax incentives are replaced with more neutral tools (tax credits, accelerated depreciation, etc.) if necessary, conducting a cost-benefit analysis of the incentives provided for in the Code and acting accordingly based on the results, while ensuring that a robust monitoring framework is put in place.

- *Better exploitation of excise duty revenues*. Our aim is to gradually increase the excise revenue ratio from the current 0.8 percent of GDP to the African average of 1.6 percent of GDP by 2027. To this end, we will adopt by end-September 2026 the draft revision of the Excise Code, prepared by the DGDA in collaboration with AFRITAC Central, taking into account legislative, economic, and institutional developments. We will raise excise taxes on (i) plastic articles and products (from 1 percent to 10 percent) and (ii) vehicles (from 10 percent to 20 percent on passenger vehicles and from 10 percent to 15 percent on commercial vehicles). We will also consolidate the tax on sulfuric

acid introduced in the 2025 Supplementary Budget Act and, by September 2026, restore excise taxes within the pricing structure of petroleum products for mining companies. Our approach will continue to prioritize efforts to support traditional excise duties (which are performing quite well elsewhere in Africa), including further increases in excise duties on cigarettes and alcohol.

- *The finalization, in collaboration with the World Bank, and submission to Parliament by December 2026 of the new General Tax Code (comprising direct and indirect taxation) as well as a separate Excise Code (taking into account IMF comments) and a General Code on provincial taxation.* At the same timeline, we will ensure the transmission for information to the Council of Ministers of three sections of a Non-Tax Revenue Code covering (i) Domain revenues, (ii) Participation revenues, and (iii) non-tax procedures, following technical validation by the relevant sectoral ministries. We will subsequently submit to Parliament a comprehensive Non-Tax Revenue Code by December 2028 (including government property revenue, participation revenues, administrative and judicial revenues, as well as non-tax procedures). Starting in January 2027, following the transmission for information of the first three sections of the Non-Tax Revenue Code to the Council of Ministers, these texts will be transmitted to the LOGIRAD team for integration into the IT system. Administrative and judicial revenues will follow the same process in December 2027, with transmission for information to the Council of Ministers and onward transmission to the LOGIRAD team in January 2028, before submission to Parliament by end-December 2028 at the latest, with a view to implementation in 2029.

- *The continuation of our work on the harmonization of provincial taxation*. We have prepared a revised draft of Ordinance-Law No. 69-006 of February 10, 1969 on real taxation, notably in its provisions concerning property tax, with technical assistance from the IMF. During the conference on the permanent consultation framework of provincial finance ministers, which we plan to hold by end-December 2026, we will adopt the preliminary draft law establishing the nomenclature of the taxes, duties, and fees of the provinces, based on the conclusions of the work to harmonize the various texts (property tax, rental income tax, vehicle tax, and duties).

- *The signing of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, abbreviated as "MAC," drawn up by the Council of Europe and the Organization for Economic Co-operation and Development (OECD) in 1988*, with the aim of strengthening efforts to combat tax base erosion and profit shifting to jurisdictions with preferential tax regimes. We commit to making every effort to achieve the signing of the above-mentioned Convention by March 2027.

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

- *The development of a legal framework and the establishment of the Regulatory Authority for Gambling and Similar Practices.* In April 2025, the government adopted, and submitted to Parliament a draft law on the fundamental principles applicable to the gambling sector in order to clean up this

sector, better protect national savings, increase the revenues mobilized in this sector through the introduction of an ordinary law tax regime, with specific taxes on winnings and gross gaming revenues, and combat money laundering. We then issued a more detailed press release on March 5, 2026, regarding the procedure for paying the various taxes (operating license tax and VAT). We undertake, pending the enactment of the law, to set up the Gambling Regulatory Authority.

Tax and Customs Administration

- *The intensification of efforts to better secure the taxpayer registry* through biometric registration of taxpayers and better integration of different sources of information, which remain highly fragmented to date. We will ensure that the mechanism for sharing information among revenue collection agencies is further modernized by relying more on automation and digitalization to set up a platform for sharing information within and among revenue collection agencies. We believe that such an integrated system of different databases, based on essential taxpayer data (including commercial flows, bank data, and assets), and accompanied by a systematic link between tax registration and tax returns, will ensure better cross-checking of information for various revenue collection agencies, leading to more effective tax audits (including computerized document checks), which currently yield less than 15 percent of their potential. In order to clean up the DGI's taxpayer registry as much as possible, we will ensure that the DGI's data is cross-referenced against other relevant sources of information, such as the business census conducted by the INS (and immediately target the 100 largest unregistered companies with high revenue), and against the results of the survey conducted in 2025 by the IGF. We will also make it standard practice to restrict access to public procurement contracts to only those entities identified by the DGI, and we will complete the linkage between the tax administration's data repository and information system of the Directorate General of the Treasury and Public Accounting (DGTCP) by 2027.

- *Intensified collection of outstanding balances* by sorting them by amount and age and focusing primarily on the most recent cases with the highest potential return.

- *Finalization of the strategy to promote tax compliance by September 2026 as rescheduled,* taking into account the initiatives carried out in this area by certain civil society actors. To this end, we will ensure that taxpayers are better informed and that the management of tax dispute follow-up is further modernized by making the National Tax Mediation Commission operational by the end of October 2026.

- *The implementation of the DGDA's 2026–2028 modernization program, financed by a US$300 million bank loan*. By May 2026, we will approve the framework document to launch, as from the third quarter of 2026, the effective implementation of the DGDA modernization program, which is structured around nine key areas. Its key priorities include the installation of a mechanical weighbridge at the *Kasumbalesa* customs post (on the border with Zambia) and the acquisition of sophisticated non-intrusive scanners (container scanners, volume scanners) and spectrometers to improve the quality of imported goods inspections and the volume and moisture content of mineral exports. In May 2026, we installed six weighbridges. Starting in December 2026, we will connect

these weighbridges to the SYDONIA World platform and to the scanners to produce cross-referenced data on goods imports and mineral exports.

- We will subsequently ensure that this data, which is integrated with the SYDONIA World platform, is transmitted to the government's financial data warehouse, to which revenue collection and various audit and oversight agencies (CEEC, OCC, Mining Division, CTCPM) will have access.

- *Acceleration of the strengthening of the operational capacities of the mineral analysis laboratory under contract with the DGI and the controls by the DGDA of material flows for mineral exports*, with a view to allowing for a more appropriate assessment of the volumes and mineral and moisture content of exports. In February 2026, we received approval from the Ministry of Mines to start operations at the mineral analysis laboratory under contract with the DGI. This should promote better compliance with tax rules, including through the expected strengthening of the DGI's audit capacities thanks to better calculations of the tax bases and tax obligations of mining companies.

- *Acceleration of computerization and digitalization*. We will also continue our digitalization efforts, in collaboration with our development partners (European Union, French Development Agency, etc.). We are working to make up the delay in the rollout of the integrated tax management system (ERP) at the DGI by integrating corporate income tax and personal income tax. Following deployment of the LOGIRAD software at the DGRAD, within some government agencies (Mines, Hydrocarbons, Telecommunications, Directorate General of Migration, Land Affairs, and Environment) across the country, we plan to expand it to the remaining tax authorities. Our goal remains to gradually switch over to a fully digitized system.

Improving the Efficiency of Public Spending

16. We will continue to strengthen the control of security-related spending, which has increased sharply since 2023 following the intensification of the armed conflict in the eastern part of our country. Regarding exceptional security spending, we reiterate our commitment to carry out a systematic annual review by a committee (Finance – Budget – Defense) and to send a report to the country's senior leadership, starting at end-November 2026 for expenditures (as rescheduled) covering the period 2023–2025. We remain committed to intensifying our efforts to limit as much as possible the use of emergency procedures in the execution of these expenditures, given their continuing importance, and to systematically regulating exceptional security expenditures on a quarterly basis, in accordance with the Interministerial Order of December 2024 on the manual on expenditure execution procedures. We will consolidate security spending centers and subject the execution of such spending to prior review for compliance by both the budget officer and the deputy appropriations manager. In addition, the government will adopt a decree on special procurement in the field of defense by June 2025 (as rescheduled) in order to more effectively provide a framework for the process of acquiring equipment for this sector.

17. We are continuing the diligent implementation of our strategy to clear domestic payment arrears following the timetable adopted by the government in December 2024 and based

on an independent audit of the stock of certified domestic arrears in December 2022, while ensuring budgetary sustainability.

- In accordance with the updated roadmap of November 13, 2023, we: (i) made two payments of approximately US$5 million in December 2024 and a payment of approximately US$7.4 million for small claims (those amounting to US$150,000 or less) in early January 2026; (ii) scheduled, for 2026, three payments of approximately US$7.4 million each and a fourth payment of US$7.4 million by April 2027; and (iii) identified the beneficiaries of the largest claims since July 2025, after they had opened securities accounts to hold the Treasury bonds that will be delivered to them. In this connection, we will work in coordination with the BCC to expedite the procedures for opening securities accounts to facilitate implementation of this operation. The updated status at end-March 2026 of the stock of certified and validated domestic arrears is US$45.2 million in small claims and US$897.9 million in large claims.

- We plan to conduct an initial early redemption of these securities once the technical requirements have been met and as cash becomes available pursuant to the October 2023 decree laying down the terms and conditions for the securitization of certified domestic arrears and the organization of the buyback of securitized domestic public debt.

- We will ensure that the payments planned under this strategy are made, while maintaining an appropriate balance with cash flow constraints, in order to preserve fiscal sustainability.

- We will continue to refrain from making any payments outside the framework of this strategy, in line with our objective of consolidating and strengthening transparency in domestic debt management.

18. We remain committed to strengthening the coverage, level, and effectiveness of our social spending. The IT for social spending at end-December 2025 was not achieved despite significant progress in safeguarding social spending (85 percent of planned expenditures were executed in 2025, well above last year's execution rate). Constraints remain due to cash flow pressures caused by the ongoing armed conflict, on the one hand, and the withdrawal of US funding and the reduction in international health assistance, on the other. However, we remain committed to allocating adequate resources to these priority social expenditures for 2026 and beyond, including through increased efforts to further mobilize fiscal revenues and step up efforts to streamline lower-priority spending. The expected decentralization of the expenditure authorization process in the pilot sectoral ministries since February 2026, including the Ministry of Health and the Ministry of Education, should also help to ensure smoother execution of priority social expenditure. Moreover, we have broadened the scope of the IT on social spending beyond the three health programs[4] to include other equally high-priority social spending, namely: (i) developing social action centers and

[4] At end-December 2025, of the three health programs covered by the IT on social spending, the Reproductive, Maternal, Neonatal, Infant, and Adolescent, & Nutrition (SRMNEA-Nut) program had an implementation rate of 129 percent, while disbursements for the vaccination program supported by GAVI and the project cofinancing program supported by the Global Fund have been postponed. However, significant efforts are being made to secure funding for the three key health programs in the 2026 budget year.

extending and populating the Single Social Registry (RSU) across the country to support the implementation of social programs targeting vulnerable populations; (ii) prepositioning humanitarian kits in the provinces most affected by internal displacement caused by armed conflict and natural disasters; and (iii) providing 2,000 public elementary schools with desks and benches. Failure by the two ministries to execute expenditures in the first quarter of 2026 is primarily due to delays in the procurement process. We will ensure that we meet the IT on social spending set for end-June 2026.

19. We will redouble our efforts to optimize the fuel price subsidy. We will continue to diligently implement the November 2023 roadmap to limit oil company shortfalls, in line with the findings of the May 2023 audit of the price structure and the July 2023 IMF technical assistance mission. These reforms, together with our efforts to increase transparency, through the systematic monthly publication of price structures and the certification of losses and revenue shortfalls, have made it possible to substantially reduce losses and shortfalls since 2024. Given these encouraging results, we are working to continue the deployment of the roadmap, which is based on the following priority areas:

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

- *Continue efforts to streamline fuel subsidies.* Following the launch of the molecular marking program in the southern and eastern supply zones in August and September 2024, respectively, since August 2025 we have been effectively implementing the May 2025 Interministerial Order that excludes mining companies and their subcontractors from oil subsidies and tax exemptions. These measures, together with stricter enforcement of mining companies' compliance with the requirement to purchase fuel exclusively from authorized distributors, have enabled us to better optimize taxation and parafiscal taxes on oil and to better control the volumes released for consumption, thereby generating savings of US$121 million by end-December 2025. We also plan to reinstate excise taxes in the price structure of petroleum products supplied to mining companies and their subcontractors by September 2026, and we are working to finalize in June 2026 the preliminary studies needed for a more informed adoption of implementing regulations to extend the exclusion from oil subsidies and tax exemptions to beer, telecommunications, and forestry companies.

- *Limiting the rate at which new shortfalls are generated.* To prevent the knock-on effects of the war in the Middle East from undermining the positive momentum in earnings growth recorded since the fourth quarter of 2025, in March 2026 the Petroleum Product Price Monitoring Committee (CSPPP) made an initial upward adjustment to fuel prices for mining companies operating in the southern region, followed by an upward adjustment of prices at the pump in all regions in April. We

continue to monitor the situation closely and will ensure that we proactively make further price adjustments as necessary.

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

- *Continue the positive momentum of repayment of liabilities to oil companies.* We repaid US$288.3 million in 2024 in respect of partial arrears in 2023, and US$309.5 million in 2025 in respect of the balance of the 2023 debt, as well as those for Q1 and Q2 2024, the two largest repayments for the period, through two syndicated bank loans of US$145 million (disbursed in February 2024) and US$214 million (disbursed in January 2025). The repayment of these syndicated loans is guaranteed by a portion of the parafiscal charge included in the fuel price structure. Thus, the stock of liabilities for 2024 has been fully paid. Thanks to the exclusion of mining companies from subsidies and tax exemptions, exchange rate appreciation, the decline in global fuel prices in 2025, and our updated calculations of transportation costs, we achieved net gains of US$121 million in 2025. We are working to set up an effective mechanism to collect these gains. We remain committed to repaying the stock as it accumulates, with a view to fully eliminating all subsidies when the economic situation improves.

- *Further strengthening transparency in the calculation and certification of losses and revenue shortfalls attributable to oil companies* by enhancing the operational capacity of the Strategic Product Price Regulation Committee and involving all relevant ministries.

- *Commit to implementing dynamic strategies to respond to the growing demand in the domestic economy for petroleum products* by updating the systems for monitoring and evaluating the country's supply of petroleum products and by recommending that products be offered at more competitive ex-refinery prices. We are also working to (i) further diversify our sources of supply for petroleum products; (ii) build a strategic reserve of 50,000 m^3 by June 2026; and (iii) speed up work on reinforcing the pipeline supplying the western region.

20. We will accelerate civil service reforms with a view to achieving sustainable control of the wage bill. In line with its commitment to modernize public administration management, against a backdrop of increased pressure to raise salaries, the government will adopt its new salary policy by December 2026 to promote greater efficiency, equity, and fairness (by reducing as much as possible non-objective disparities in treatment within the civil service), while ensuring the budgetary sustainability of the wage bill with technical support from the IMF and the World Bank. Our objective remains to ensure that the wage bill does not exceed 35 percent of tax and non-tax revenues (excluding special accounts and SICOMINES) in the medium term. More generally, the civil service reform remains focused on the following strategic priorities:

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

- *Adoption of a new wage policy*: A new wage policy will be adopted by December 2026, in close consultation with the social partners and with technical support from the IMF and the World Bank. It

will serve as a guiding principle for all government actions relating to the remuneration of public employees.

- *Rigorous management of recruitment and mechanization*: Pending the adoption of this new wage policy, new recruitment and integration of civil servants into the official payroll system will remain limited to what is strictly necessary.

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

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

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

- *Purging civil service records*: The biometric identification (FRAP) for all public employees will be pursued in order to exclude anyone who is in an irregular situation. This database will be interconnected with payroll information by October 2027 in order to identify ineligible employees.

- *Workforce transparency*: The publication of the directory of civil servants will be extended to the entire country by end-July 2026.

- *Reform of the social security system and pension management*: Efforts to reform the social security system for all public employees will be continued, in particular through the implementation, as of July 1, 2026, of the provisions of Law No. 25/049 of July 1, 2025 amending and supplementing Law No. 22/031 of July 15, 2022 establishing the special social security regime for public employees. Following the resumption in May 2025 of the retirement program using a quarterly sequenced approach, in strict compliance with the Fiscal Commitment Plan (*Plan d'Engagement Budgétaire* – PEB) for the period, the government retired close to 2,000 public employees, who were switched over to the register of the National Social Security Fund for Public Employees (CNSSAP). We will systematize this process over the course of the fiscal years, in line with available fiscal space.

Priority 3: Improving Efficiency and Optimizing Public Services

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

- *Optimization of organizational frameworks*: In 2025, the government reviewed the organizational structures of 45 public services and then provided training for the relevant secretaries-general. It plans to continue this reform for the remaining 30 services. This process aims to streamline structures, clarify missions and responsibilities, eliminate redundancies, and promote a culture of performance and efficiency. Regular organizational audits will identify bottlenecks and avenues for continuous improvement.

- *Capacity development and results-based culture*: Pursuant to Decree No. 24/13 of February 17, 2024, on administrative regulations concerning the vocational training of career public employees in government public services, continuing training and skills development programs are now being organized at the National School of Administration to strengthen the expertise of public employees, with the support of development partners. The focus is above all on project management, public policy evaluation, and results-oriented approaches to improve the quality and impact of services delivered to citizens.

21. We will accelerate efforts to strengthen the quality of public investment management in order to maximize returns in a context of heightened budget constraints. We will redouble our efforts to ensure rigorous implementation of investment spending, particularly that financed from domestic resources, in order to guarantee not only its quality but also its consistency with the budgetary framework and the allocated ceilings, thereby preventing significant overspending. To this end, the Ministry of Planning issued a circular in February 2026 setting out guidelines for the preparation of capital expenditure forecasts for the 2027 financial year, in accordance with the Decree on the Management of Public Investments. This circular reinforces the obligation that all public investment projects first be entered into the Ministry of Planning database, which feeds into the multiyear public investment program (PIP), and that, in order to be eligible, the sectoral ministry must submit technical, economic, financial, and environmental assessments before the budget is approved. The environmental component of these assessments must be based on the new climate assessment methodology appended to the ministerial decree revising the public investment management procedures manual, adopted in February 2026 (RM10), with technical support from the IMF. To this end, we will strengthen the operational capacities of staff and ensure that the effective disbursement of the pre-investment funds is restored so that feasibility studies can be carried out within the specified time frame. A quarterly evaluation of the pre-investment fund will be conducted to ensure proper execution. A ministerial order establishing a unique identifier for public investment projects was adopted in August 2025, making it mandatory to apply the new codification of investment projects and to update it. In addition, we will step up efforts to diligently implement the following measures, most of which are taken from the roadmap adopted by the government in early November 2023 on the basis of the recommendations of the report (January 2023) on public investment management assessment (PIMA):

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

- By September 2026, develop the computer applications incorporating the new codification of public investment projects. The specifications to develop these applications will be finalized in June 2026, and these specifications include a roadmap for this purpose. To ensure that these applications interface properly with the expenditure chain, we will revise the budget classification system in collaboration with IMF technical staff.

- Ensure that, with technical assistance from the IMF, national guidelines for project appraisal are in place, which set minimum standards for feasibility analysis, cost estimation, and risk assessment for all public investment projects above a defined threshold. A roadmap outlining all the steps and realistic deadlines for implementing this national directive will be finalized following completion of the IMF's technical assistance this year (2026).

- Publish, on a quarterly basis, the payments made per investment project, distinguishing between those included in the budget law and those that are not, with the first report due for investments made in 2025 (**structural benchmark, March 2026**). The first report has been published. We remain committed to including in the investment annex to the draft budget laws only projects that have been the subject of a feasibility study and prior registration in the PIP prepared by the Ministry of Planning.

- Adopt a detailed roadmap for the implementation of measures relating to the process of integrating climate considerations into public investment management in line with the methodology for the ex-ante assessment of the climate impact of public investment projects appended to the new ministerial order revising the public investment management procedures manual. This roadmap specifies the following key stages: (i) adoption of the regulatory framework and integration of management tools; (ii) the phased pilot phase; (iii) operationalization of the pre-investment fund; (iv) stakeholder training (operational staff and decision-makers); and (v) climate impact assessments of public investment projects prior to their inclusion in the public sector investment program appended to the 2027 budget law.

- Revise the legal and regulatory framework for public-private partnerships (PPPs), with a view in particular to (i) including a reference to climate risk analyses during the preparation of PPPs; (ii) making the Ministry of Budget responsible for managing the budgetary risks of PPPs throughout the life cycle of projects, on the one hand, and the Ministry of Finance responsible for ensuring the effective management of risks related to indebtedness (mainly external debt) connected to PPPs, on the other hand; and (iii) ensuring harmonization with all sectoral legal texts governing this type of contract to facilitate their implementation. To this end, a preliminary draft law amending Law No. 18/016 of July 9, 2018 on PPPs was prepared in April 2026 with the support of the consultant hired for this task and is currently being finalized by the technical committee. This draft law will be submitted to Parliament by August 2026 following its adoption by the Council of Ministers (RM9). Furthermore, in March 2026 we also amended the Operational Guide for PPP Projects to ensure appropriate assessment standards, particularly with regard to climate impacts and the comprehensive analysis of fiscal risks arising from PPPs.

- Improve the quality of the public investment program by signing an integration protocol for capturing externally funded projects among the Aid and Investment Management Platform (PGAI), the Department of Planning and Budgeting (DPB), and the Project and Program Oversight Unit (CSPP). A first draft of this integration protocol has been finalized and will be approved by August 2026.

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

- Conduct a study by July 2026 (as rescheduled) on the advisability of creating a single office with a view to strengthening the framework for the monitoring and coordination of externally funded projects, possibly based on the integration of the CSPP, the Central Coordination Office (BCeCo), the Fragile States Financial Unit (CFEF), and the Support Unit for the National Authorizing Officer of the European Development Fund (COFED).

22. We will further strengthen our vigilance in monitoring and preventing risks related to public debt. This is all the more crucial given our historic and successful entry into international markets with the issuance of a US$1.25 billion Eurobond (1 percent of GDP) in April 2025. The issue was oversubscribed (four times the amount issued) and secured more favorable terms than expected, with a rate of 8.75 percent on the €600 million tranche with a 5-year maturity, and 9.5 percent on the €650 million tranche with a 10-year maturity—more competitive than those of our peers and significantly more competitive than the average rates offered in our domestic market (10–12 percent for a maturity of 6–18 months).

- We will therefore step up efforts to strengthen our debt management capacities, with IMF technical support. To this end, we have set up and put a credit risk analysis committee into operation, tasked with assessing the risks associated with debt operations, including direct loans, guarantees, and on-lending transactions involving the central government and state-owned enterprises. We will ensure that its action plan is fully implemented and systematically included in the process of evaluating new obligations.

- To reduce refinancing risks, we will accelerate our efforts to deepen the domestic government securities market and develop a secondary market, in line with the recommendations of the IMF's technical assistance. An agreement was also entered into by the Ministry of Finance and the BCC regarding their respective responsibilities for the timely repayment of the debt related to the

Eurobond, notably by opening a debt service reserve account at Citibank London and a subaccount at the BCC that will be periodically funded via an automatic debit mechanism.

- We also remain committed to ensuring transparency and full disclosure regarding all public debt obligations by strengthening data collection, validation, and publication processes, including for state-owned enterprises and provinces, and by gradually expanding the coverage of debt reports. To this end, we will continue to publish regular annual reports and quarterly bulletins covering public and guaranteed debt, domestic debt, arrears, and contingent liabilities. This information will be systematically shared among relevant institutions—including the Ministry of Finance (including the DGDP) and the BCC—as well as with the IMF, to ensure enhanced coordination, comprehensive risk assessment, and prudent public debt management.

- To this end, we will ensure enforcement of the decree adopted by the government in April 2025 supplementing and amending Decree No. 09/61 of December 3, 2009, on the creation and organization of a government agency called "General Directorate of Public Debt" (DGDP). This decree aims to strengthen the organizational framework of the DGDP in order to increase its analytical, operational, and advisory capacities, while improving its governance by consolidating its role as the centralized public debt management agency, thereby enabling it to better control the scope of public debt. We will also strengthen the implementation of (i) the interministerial decree of December 2020, which provides that the DGDP is responsible for evaluating and monitoring all new debt contracts by requiring its opinion on any new government commitment; and (ii) the Ordinance-Law of September 2023, which harmonizes the legal framework for public debt management. More broadly, we will continue to strengthen our debt management capabilities by accelerating implementation of the medium-term strategy (2026–2028) adopted in November 2025, with technical support from Central AFRITAC.

- We renew our commitment to avoiding the accumulation of: (i) arrears on external debt servicing; (ii) salary arrears in the civil service; and (iii) the use of advances from the BCC to central government. Furthermore, we remain committed to not using BCC deposits as collateral/security for central government loans and to repaying advances already granted in accordance with the agreed schedule. The present value of new loans to be contracted by the public sector in 2026 is estimated at US$2.8627 billion.

Modernization of Public Financial Management (PFM)

23. We are continuing to implement our multiyear strategic plan to modernize public financial management that was adopted in August 2022. These reforms, coordinated by the Public Finance Reform Steering and Guidance Committee (COREF), continue to be guided by a regularly updated action plan, with technical and financial support from development partners, including use of the results of the last public financial management assessment (Public Expenditure and Financial Accountability, or PEFA), the conclusions of which will be presented in October 2026.

24. Our PFM modernization priorities focus on:

- *Strengthening adherence to the expenditure chain as strictly as possible in order to limit as much as possible the expenditure carried out through emergency procedures*. The proportion of spending executed under emergency procedures fell significantly, from 21 percent and 16 percent in June and September 2025, respectively, to 11 percent in December 2025, reflecting our efforts to bring this ratio below 8 percent as diplomatic progress leads to a de-escalation of the security situation. Apart from exceptional security expenditure (which are eligible for the emergency procedure, remain high and represent almost 94 percent of expenditure executed under emergency procedures due to the ongoing armed conflict), the use of emergency procedures for other categories of expenditure was limited to less than 6 percent for the whole of 2025. In line with our commitment to promote greater budgetary transparency and public accountability, on the Ministry of Budget's website we published quarterly reports, in December 2025 for Q3 2025 and March 2026 for Q4 2025, detailing the nature and amount of expenditure, distinguishing between expenditure carried out under standard procedures, under exceptional procedures, and those carried out outside the expenditure chain, as well as the execution of expenditure by volume, type, institution, and through the stages of the expenditure chain (**continuous structural benchmark**). As part of this same effort to strengthen public accountability, we are also committed to resuming the systematic publication of the budget review laws on the Ministry of Finance's website. We will also redouble our efforts in compliance with the Interministerial Order adopted in December 2024 on the procedures manual for executing expenditures and clarifying emergency expenditure procedures. We will also ensure that we strengthen the planning and prioritization of exceptional security expenditure o that only expenditure that is urgent is channeled through the "simplified" emergency procedure, and the "accelerated" procedure is used for less urgent expenditure, in line with the related strategy adopted in December 2025. We will also strengthen the framework for expenditure eligible to be carried out under the simplified procedure for reasons of national security (as specified in the Interministerial Order of December 2024), ensuring that the budget allocation of such expenditure is confirmed in advance by the deputy appropriations manager assigned to the Ministry of Finance. Based on the confirmation of budget allocation, this expenditure must then be regularized quarterly, in accordance with the procedures manual, as was the case in December 2025 and March 2026 for expenditure committed under the emergency procedure in Q3 2025 and Q4 2025, respectively. We remained convinced that stricter adherence to the expenditure chain, combined with improved effective implementation of standard procedures, honest budgeting (based on realistic macrofiscal assumptions and greater coordination among the departments involved), and increased transparency through the systematic quarterly publication of the implementation of the cash flow plan, should ultimately contribute to strengthening the budgetary credibility.

- *Accelerate the operationalization of the decentralization of expenditure authorization*. In February 2026, we began operationalizing phase 1 of the decentralization of expenditure authorization at the first four pilot line ministries: National Education, Rural Development, Health, and Public Works (**structural benchmark, February 2025**). The expenditure authorization centers of these pilot ministries are now equipped with furniture, equipment, and offices, and the related expenditures are covered by the operating accounts of the public accountants held with the BCC and replenished by the Central Treasury Accounting Officer (ACCT). With a view to more optimal and

transparent cash management in the framework of decentralized expenditure execution, we commit to: (i) restricting the use of the exceptional procedure for the provision of funds within the decentralized chain exclusively to "imprest accounts" for minor expenditures, confidential research funds, and special intervention funds by adopting by end-July 2026 the draft order establishing the operating procedures for imprest accounts units and revenue collection units, as well as the related draft guide; (ii) ensuring the effective implementation of the daily automatic balancing mechanism (centralization of operating account balances to the designated Treasury account at the close of each day, followed by systematic reallocation at the opening of the following day), pending the reconfiguration of our decentralized chain software by December 2026, such that the ACCT only replenishes the operating accounts of the pilot ministries' accounting positions after the public accounting officer has taken over the expenditure file following its prior authorization (verification of supporting documents confirming the delivery of the associated goods or services); (iii) ensuring that authorizing officers prioritize the payment of expenditure via bank transfer, resorting to cash payments (Art. 87 of the RGCP) only in exceptional cases duly justified by technical or specific constraints giving rise to such exceptions. With the IMF's technical support, we have also begun work aimed at producing, by June 2026, a balance sheet for the first quarter of 2026 based on the new system by each of the accountants of the first four pilot ministries, presenting their budgetary and accounting transactions, as well as a balance sheet consolidated by the ACCT presenting the transactions of the first four pilot ministries for the first quarter of 2026, while ensuring that the financial relationships between the DTMF and the ACCT—particularly through the transfer of funds from the general Treasury account to the ACCT's designated Treasury account—are reflected therein (**structural benchmark, June 2026)**. In addition, in order to clean up liaison entries, we will establish, by June 2026, accounting procedures for clearing account 5881, "Other Internal Fund Transfers," to eliminate any suspense items in this account by the final close. In preparation for phase 2 of the rollout of decentralized expenditure authorization for the four other pilot ministries (National Defense, Agriculture, Secondary and University Education, Fisheries and Livestock) in September 2026, we have also deployed the decentralized chain software at these five ministries and provided the assigned accounting positions with furniture, IT equipment, and offices. We are working to finalize all the prerequisites so that the accounting positions assigned to these ministries for pilot phase 2 can begin actively using the various modules of the information system developed as part of the authorization decentralization process for the payment of these ministries' expenditures by September 2026 (**structural benchmark, September 2026**). These prerequisites will include, in particular, the opening of operating accounts of the public accountants responsible for expenditures at the BCC, staff recruitment, the establishment of the Ministry of Secondary and University Education's Finance and Administration Department, and user training (delegated payment officers and key members of their authorization centers). By June 2027, we will also produce a balance sheet for the first quarter of 2027 based on the new system by each of the accountants of the four ministries participating in pilot phase 2 and their inclusion in the balance sheet consolidated by the ACCT. Pending the full rollout of decentralized authorization to all line ministries at a date to be agreed at the next program review, which should help alleviate the bureaucratic burdens arising in the centralized expenditure chain (due, inter alia, to redundant controls, the failure to budget for projects, and the budget's low credibility), we will adopt, by October 2026, a roadmap to streamline

the centralized expenditure chain and then proceed with the decentralization of at least 10 additional ministries in 2027.

- *Operationalize the Directorate General of Treasury and Public Accounting* (DGTCP) in assuming its accounting and cash management functions. The DGTCP has been fully operational since February 2026. In accordance with the decree amending and supplementing the 2022 decree setting out the DGTCP's framework and organizational structure, since August 2024 we have had support and operational staff (categories C and D) and category B officers (division chiefs and bureau chiefs) in the various central departments (regulatory departments) of the DGTCP (**structural benchmark, August 2025**). A total of 938 staff members and officers, including 136 in the accounting positions of the pilot ministries, were deployed. We have provided these officers and staff with office space in a building that we provided to the DGTCP in December 2025. We have also equipped the ACCT and the six accounting positions with suitable furniture, offices, and computer equipment in a building acquired in December 2025 through co-financing with the World Bank as part of the ENCORE project. These accounting positions of the decentralized ministries began actively using various modules of the information system developed as part of the authorization decentralization process in February 2026 to execute the 2026 budget in a decentralized manner, thereby making the DGTCP fully operational (**structural benchmark, February 2026**). In addition, apart from the funding allocated in the state budget, a mechanism for sharing resources between the BCC and the DGTCP has been agreed on; however, this remains insufficient given the significant financial needs required for the DGTCP's proper functioning and expansion at the provincial level. As a result, we are working to explore additional options to ensure adequate and stable resources for the DGTCP's effective operation, including—starting with the 2026 draft supplementary budget law—application of a 0.3 percent withholding for the benefit of the DGTCP on all expenditures accepted by the accounting officers, as provided for in the decree establishing the DGTCP's creation, organization, and operation. To ensure that the operational capabilities of DGTCP staff and officers and accounting positions in decentralized ministries are continuously built up over time, we will develop a continuing education program for them by end-June 2026. By August 2026, we will also prepare a roadmap outlining the steps leading to the phased rollout of the remaining DGTCP officers at the provincial level by June 2027.

- *Finalize the putting into service of the ACCT accounting position in order to restore the accounting function in the expenditure chain* and to allow the six accounting positions created to pay the expenses of the decentralized ministries. To this end, in April 2025 we adopted *three of the remaining texts necessary for the exercise of the accounting function* (**structural benchmark, April 2025**), *namely* (i) the decree amending and supplementing the decree establishing the framework and organic structures of the DGTCP; (ii) the decree amending and supplementing the decree on administrative regulations applicable to public accounting officers; and (iii) the decree amending and supplementing the decree on public expenditure payment and accounting procedures. This accounting framework was supplemented by the adoption of: (i) the order on the compendium of government accounting standards and (ii) the order establishing the State's account nomenclature.

- *We have also finalized the following draft decrees and orders, which are essential to the performance of accounting functions, and which we intend to adopt by the end of September 2026*:

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

  (b) Order establishing the procedures for producing the public accounting officer's management account;

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

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

  (e) Order establishing the procedures for the installation and service delivery of public accounting officers;

  (f) Order revising Ministerial Order No. 007/CAB/MIN/FINANCES/2023 of March 2, 2023, establishing the organization and operation of the national network of public accounting officers;

  (g) Decree establishing the operating procedures for imprest account units and revenue collection units (recently finalized with technical support from the IMF; pending official adoption, to serve as a basis for the execution of urgent minor expenditures through provisions of funds).

- In addition, by December 2026, we will adopt the following legislation:

  (h) Decree establishing the procedures for keeping inventory accounts;

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

- *Ultimately, all these efforts will enable us to maintain accounting records to produce accounting statements, journals, and balances*, in line with the Decree establishing the State's accounting standards.

- *Accelerate the implementation of the Treasury Single Account (TSA).* In line with the roadmap for implementation of the TSA, the Ministry of Finance and the BCC finalized the inventory of bank accounts of central and provincial government entities opened in commercial banks and at the BCC in September 2025. After the first census of bank accounts opened in commercial banks, the report identifies a total of 11,276 accounts. A second census was carried out by the BCC and identifies a total of 3,336 accounts. Based on these inventoried accounts, in October 2025 the BCC conducted a stress test on the impact of the account closure operation on the financial system, based on which we developed our bank account closure strategy in October 2025, with the support of AFRITAC Central (**structural benchmark, October 2025**). At end-April 2026, a total of 12,567 bank accounts held by central and provincial government agencies at commercial banks and the BCC had been

identified following harmonization efforts by the BCC and the Ministry of Finance. Based on this new calculation, we will update the stress test and the strategy for closing bank accounts in June 2026. An assessment of the BCC's software will be conducted by September 2026, with a view to making any necessary improvements to ensure adequate support for the TSA, in accordance with the functionalities defined in advance in the TSA agreement, with the IMF's technical support.

- *Bring the management of special funds and public institutions into compliance with the Law on Public Finance (LOFIP) and the General Regulations on Public Accounting (RGCP)*. To enhance operational efficiency in finalizing the reform of the TSA system, and following the instructions issued by the Head of State during the Council of Ministers meeting, the government is working to streamline special funds (SFs) and public institutions (PIs) and to lay down stricter regulations on the opening of special purpose accounts in the budget law. To this end, by October 2026, in collaboration with IMF technical assistance, we will adopt a roadmap for streamlining SFs and PIs (**structural benchmark, October 2026**), which will lay out options for streamlining SFs and PEs and identify the prerequisites necessary for assigning public accountants to SFs and PIs, including in particular (i) the necessary amendments to the regulatory framework to clarify and delineate the scope and competences of public funds (PFs) versus PIs, on the one hand, and to require that PFs and PIs be subject to the LOFIP and the RGCP, on the other; and (ii) the production of guidelines and the development of software applications and other IT measures necessary to ensure the effective deployment of public accountants to PFs and EPs. Based on this roadmap, which will be adopted in October 2026, we will fulfill the prerequisites identified for implementing the assignment of public accountants to eligible PFs and IPs by June 2027 (**structural benchmark, June 2027**). This reform will also have the advantage of strengthening the safeguards put in place to ensure the efficient and transparent use of the proceeds from the recent Eurobond for infrastructure projects with a significant economic impact (Letter of Intent, paragraph 7).

- *Improve cash management for smoother budget execution.* To this end, we have established a standardized classification of expenditure through the adoption in February 2026 of an Interministerial Order revising the organization and operation of the Cash Flow Plan Committee, as well as an interministerial decree on budget regulation in April 2026 in order to ensure greater consistency between expenditure commitments and the availability of budget appropriations. We will strengthen enforcement of these two interministerial decrees by institutionalizing weekly Cash Flow Plan Committee meetings in order to ensure greater consistency among the central government's budget execution planning tools (the cash flow plan, the budget commitment plan, and the procurement plan) and to implement as soon as possible the budgetary control measures recommended therein. We will also amend the regulatory framework by (i) adopting the Cash Flow Plan Development Guide (**structural benchmark, end-July 2026**), (ii) adopting the Guide for the Preparation of the Commitment Plan, including a clear definition of the term "budgetary arrears" (**structural benchmark, December 2026**), and by (iii) submitting to Parliament a draft amendment to the Public Procurement Code, introducing (iii.a) the requirement for the contracting authority to reserve funds prior to any contract signing and (iii.b) the concept of payment terms to enable the calculation of arrears for public procurement expenditures (**structural benchmark, September 2026**). The establishment of a technical committee and a strategic committee to oversee

cash flow management will enable us to strengthen the monitoring and regular updating of the cash flow plan with a view to managing our cash flow proactively.

- *Continue, in parallel, to implement the measures necessary to transition toward program-based budgeting by 2028, building on the ongoing decentralization of expenditure authorization*. To this end, by August 2026, we will adopt the draft manual for the preparation and execution of program-based budgeting, with technical support from Central AFRITAC, along with the draft guide to management dialogue and the draft guide on the preparation of the budget policy debate for use by the government and Parliament. We will also adopt, by September 2026, the budget models agreed on with IMF assistance to ensure broad consensus among stakeholders.

- *Accelerate the implementation of the roadmap adopted by the government in March 2025 for the transition to a fiscal framework excluding extractive sector resources,* in line with the recommendations of the IMF technical assistance mission of March 2024. In September 2025, with support from the IMF and GIZ, we adopted an Interministerial Order (Plan – Finance – Budget – National Economy – Mines – Hydrocarbons) amending and supplementing the Interministerial Order of August 9, 2006 establishing the Standing Committee for the Macroeconomic Framework (CPCM) that the now includes the modeling function of the fiscal analysis of resource industries (FARI) and strengthens the collection and centralization of extractive sector data, in collaboration with all other stakeholders (CTCPM, hydrocarbons ministries, revenue collection agencies, EITI, etc.) (**structural benchmark, September 2025**). To enhance operational efficiency, we are working to adopt internal rules of procedure by December 2026, including provisions to clarify quorum requirements, decision-making processes, and reporting deadlines, in order to ensure transparency and consistency in the committee's operations. Following the publication of the non-mining and non-oil budget balance in the budget documents for the 2025 and 2026 fiscal years and in the medium-term budget frameworks (MTBF) for 2025-2027 and 2026-2028, we are working to deepen the analysis of fiscal risks related to mineral price volatility, which will be the subject of an annex to the budget law (*see next item*) as well as to strengthen the capacity to analyze and forecast mining revenues using FARI models, developed with technical assistance from the IMF, GIZ, the World Bank through the ENCORE project, and the participation of EITI International. An international consultant was hired and proposed a basic version of these FARI models, which will serve as a basis for incorporating mining projects accounting for 80 percent of mining exports (of 2024) by August 2026 (**structural benchmark**, end-August 2026). To achieve this objective, we will take into account the projections from the baseline FARI model when preparing the 2027 draft budget law and will publish an annex to the 2027 budget law outlining the methodology used. To this end, we are committed to securing the necessary prerequisites, i.e. requirements for data-sharing, by implementing by August 2026 a digital platform at the CTCPM where mining projects will be required to publish their activity reports, financial statements, and feasibility studies. Strengthening technical capacity and validating cost and production assumptions and others will also be essential to guarantee the reliability and completeness of the projections.

- *Further strengthening our capacities for identifying, assessing, monitoring, and managing fiscal risks*. In keeping with the IMF's technical assistance recommendations, we classify these risks into the

following categories: (i) macroeconomic risks; (ii) public debt risks; (iii) risks related to public entities other than the central government; (iv) financial sector risks; (v) institutional risks; and (vi) long-term risks, particularly those related to climate change. As part of the fiscal risk statement appended to the 2026 budget law, we have introduced a section on the quantified analysis of fiscal risks related to climate change (**RM7, October 2025).** Over the years, we will systematize and refine the statement on fiscal risks (with a quantification of their associated budgetary costs), in the form of an annex to the budget law.

- *Strengthening the transparency and efficiency of public procurement*, in line with the March 2023 decree on public procurement procedures, which outlines the legal provisions necessary to enhance the identification and disclosure of beneficial ownership information, in accordance with the recommendations of the IMF technical assistance mission. In order to increase transparency in the awarding of public contracts, we are working to eliminate delays in the full deployment of the Integrated Public Procurement Management System (SIGMAP), in accordance with Decree No. 24/13 of October 14, 2024, on the electronic management of public procurement in the Democratic Republic of Congo and Order No. 001/ME/MIN.BUDGET/2025 of March 13, 2025, establishing the digital platform for the management of public procurement in the Democratic Republic of the Congo. In preparation for the transition toward fully digital public procurement by January 2028, we will update and accelerate the implementation of the 2024–2027 roadmap adopted by the Council of Ministers on October 18, 2024, which is structured around seven (7) priority areas: (i) strengthening of the regulatory framework for electronic public procurement management; (ii) carrying out of tests and updating of SIGMAP; (iii) production of SIGMAP and its implementation by user entities; (iv) acquisition of infrastructure and the establishment of shared service centers; (v) strengthening of SIGMAP security; (vi) user training; (vii) and migration to the full digitalization of public procurement. Once SIGMAP has become fully operational across the 20 pilot ministries by August 2026, we will ensure that it is integrated with the expenditure management software.

- *Continuing to strengthen the monitoring of the performance of state-owned enterprises (SOEs).* Our objective remains to improve the governance of SOEs in order to resolutely address their very worrying financial situations, placing a heavy burden on the State budget. We will continue to focus in particular on the main SOEs (the General Mining and Quarrying Company (Gécamines), the Bakwanga Mining Company (MIBA), the Water Distribution Authority (REGIDESO), the National Electricity Company (SNEL), the Aviation Authority (RVA), the National Railway Company of Congo (SNCC), and the Commercial Transport and Port Company (SCTP)). In line with our commitment to promote transparency in the management of SOEs, in August 2025 we published the 2024 financial statements of Gécamines on the website of the High Council of the Portfolio and will ensure that this becomes standard practice for the other structuring SOEs as from January 2028. We will also make it standard practice to publish, initiated in 2024, a report on the consolidated financial position of SOEs as an annex to the budget law starting with the 2027 budget law. In addition, by August 2026, we will adopt a roadmap for improving governance and restoring the financial situation of SOEs, based on the recommendations of the state portfolio review held in December 2024 and of the recent World Bank study on SOE performance (which concluded that their cumulative financial losses for the 2014–2023 period amounted to US$5.3 billion).

25. The government, in collaboration with the BCC, is continuing the implementation of reforms aimed at developing the public securities market. Government securities issuance operations increased sharply, with the total outstanding amount rising to 2.1 percent of GDP in 2025, compared with 1.4 percent in 2024 and 0.3 percent in 2023. The securities market in the Democratic Republic of the Congo remains shallow, however, with a predominance of fractional redemption Treasury bonds with a maturity of around 18 months (90 percent of the outstanding amount of government securities at end-2024). In order to deepen the market and extend maturities (which would further reduce refinancing risk), we will adopt, at a Cabinet meeting by September 2026 (as rescheduled), a roadmap to improve government securities market functioning, in line with the recommendations of the Central AFRITAC technical assistance.

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

MONETARY, FINANCIAL, AND EXCHANGE POLICIES

Monetary Policy

27. With inflation below the 7 percent target and money supply growth slowing, the BCC eased its monetary policy. At its meetings in January and April 2026, the BCC's Monetary Policy Committee cut the key interest rate by 250 and 150 basis points, respectively, bringing it down to 13.5 percent. The April 2026 Monetary Policy Committee meeting also lowered the marginal lending facility rate from 19 percent to 17.5 percent. However, after reducing the required reserve ratios on foreign currency deposits (demand and time deposits) in December 2025 from 13 percent to 11.5 percent and from 12 percent to 10.5 percent, respectively, and on demand deposits in local currency from 12 percent to 10.5 percent, these ratios were kept unchanged in April, given the heightened uncertainties related to the knock-on effects of the war in the Middle East. Monetary conditions have since eased, as evidenced by the increase in excess liquidity and improved interbank market conditions. Following the reduction in reserve requirements rates on foreign currency deposits, the BCC free up liquidity in CDF only, thereby reducing the volume of frozen reserve requirements from US$986.5 million to US$736.5 million. In parallel, the outstanding stock of BCC bills has increased substantially, and bills with longer maturities have recently been issued. The continued decline in the money supply (M2) largely reflects a valuation effect linked to CDF appreciation and affecting foreign currency deposits: at a constant exchange rate (August 2025), M2 would have grown by 12 percent, compared with the observed contraction of 9 percent. This shows that monetary transmission remains weak and subject to delays, with the initial effects of the easing currently manifesting primarily as an accumulation of excess liquidity rather than a broader monetary

expansion. The BCC is closely monitoring the inflation outlook and remains committed to mobilizing its available instruments to preserve long-term price stability. It will make its liquidity management more active and strengthen coordination with the Ministry of Finance in order to maintain price stability. The BCC will also continue to ensure that money supply growth remains broadly aligned with nominal GDP growth, including through adjustments to the reserve requirement ratio.

- Based on the roadmap developed in January 2026 regarding the lifting of reserve requirements (denominated in CDF on foreign currency deposits) that have been frozen since 2021, the BCC will conduct a more accelerated release over a three-year period, taking market conditions into account and conducting annual assessments to adjust the pace as necessary. We will enhance transparency and communication with a view to better guiding the anchoring of economic expectations during the normalization of the framework for the constitution of reserve requirements.

- The BCC is continuing its efforts to expand its toolkit to reinforce the effectiveness of its liquidity recovery operations, notably by extending the maturities of BCC bills and, if necessary, by raising the reserve requirement ratios on demand deposits in domestic and foreign currencies. In addition, in line with the recommendations of the IMF's March 2024 technical assistance mission, the BCC has already implemented various reforms aimed at strengthening the operational framework for monetary policy, including:

  (i) Make on-demand financing available through the permanent facility window that is open daily but at a higher rate. To this end, we will ensure the continued effectiveness of the standard refinancing facility in the form of an auction operation launched by the BCC in June 2025 in order to reduce banks' precautionary liquidity and incentivize them to trade exchange in the interbank market **(structural benchmark, June 2025)**, especially since we simultaneously abolished the short-term loan facility (7-day maturity). With this in mind, we will ensure effective enforcement of Instructions No. 4 and 6, adopted in June 2025 on the BCC's refinancing of banks and on eligible instruments and guarantees, respectively, in particular by ensuring that the IT platform developed to automate the processing of refinancing transactions are fully operational.

  (ii) Remunerate required reserves on domestic currency deposits, based on the findings of the ongoing study—to be completed by August 2026—and taking in account the BCC's financial conditions, in order to support greater financial inclusion and promote CDF use. To this end, the BCC has already integrated this principle into its Instruction No. 10 and has begun consultations with banks to encourage them to use this payment of interest as a lever to offer higher interest on deposits as well. In order to encourage the use of domestic currency, the BCC will speed up its reflection on the opportunity of introducing a significantly higher reserve requirement ratio for foreign currency deposits than for depositdenominated in domestic currency.

  (iii) Continually improve banks' databases to allow for regular, up-to-date, and rigorous analysis of their vulnerability to shocks, including CDF liquidity, USD liquidity, and exchange rate volatility. The first study was completed in January 2026.

(iv) Improve, by August 2026 (as rescheduled), the measurement of interest rates in the on new credit flows in order to be able to measure the effect of monetary policy decisions.

(v) Improve the liquidity management framework, including by further strengthening the coordination between monetary and fiscal policies. To this end, the Ministry of Finance will have to provide the BCC, on a weekly basis, with the elements of the cash flow plan needed to refine the analysis of liquidity forecast gaps and to implement a liquidity forecasting system, with technical assistance from the IMF. With this in mind, the cash flow plan technical committee will ensure that the BCC is regularly included in its weekly meetings.

Foreign Exchange Policy

28. We are resolutely pursuing the strengthening of the external sustainability of our economy in order to enhance its resilience to potential shocks. Foreign exchange reserves reached US$8.5 billion at end-December 2025, driven by strong copper exports and larger net foreign exchange purchases in the interbank market (US$1.7 billion). Despite the BCC's occasional currency sales, foreign exchange reserves continued to rise, standing at US$8.8 billion at end-March 2026. Our goal remains to achieve a cover of at least three months of imports by 2027. This implies an annual accumulation rate of around US$1.5 billion, supported by increased coordination of monetary and fiscal policies against the backdrop of heightened internal and external uncertainties, marked by the repercussions of the conflict in the eastern part of our country on the one hand and conflicts in the Middle East on the other. In addition, the BCC will begin building up gold reserves starting in 2026, in partnership with the state-owned company DRC Gold Trading S.A., while ensuring that robust governance safeguards are in place and that refining requirements are met to guarantee the liquidity of these gold reserves. This strategy, while helping to diversify our foreign exchange reserves amid heightened geopolitical tensions, should also help combat illicit gold trafficking.

29. We remain firmly committed to preserving exchange rate flexibility. The sharp rise in CDF last October highlighted banks' exposure to fluctuations in the foreign exchange market. With financial intermediation still limited, banks rely heavily on foreign exchange-related income and have generally maintained a structurally long position in USD, anticipating a continued depreciation of the CDF. Prior to the appreciation, the net open position (NOP) in foreign currencies accounted for 7.6 percent of equity, representing a moderate exposure. More recently, banks have reduced their NOP to about 3 percent. Although this lowers their direct exposure on the balance sheet, it could also reduce their ability to absorb market imbalances, thereby contributing to the volatility observed. Against this backdrop, we are working to further modernize the foreign exchange market framework to enhance its operational efficiency and transaction transparency. In particular, this modernization will help establish a methodology for calculating the reference rate that is much more resilient to large outlier transactions. To this end, the BCC is working to deploy, by end-June 2026 and with technical support from the IMF, a Bloomberg FXGO electronic platform that records interbank foreign exchange transactions, thereby enabling the direct derivation of the market reference rate. The Bloomberg FXGO platform will enhance foreign exchange market transparency by centralizing

quotes, price requests, and transactions on a traceable electronic channel. It will also help improve communication between the BCC and market participants by facilitating the rapid dissemination of information, reference prices, and aggregated data on market conditions. The BCC is also closely monitoring CDF liquidity developments and stands ready to inject more if needed, including by accelerating the unfreezing of the frozen stock of required reserves in domestic currencies resulting from the old system, in line with the related roadmap prepared in January 2026. This should help to mitigate disruptive volatilities on the foreign exchange market as much as possible, in line with the foreign exchange market intervention strategy adopted by the BCC in January 2025 (structural benchmark, January 2025). Our interventions on the foreign exchange market, which took place on ten occasions between November 2025 and early March 2026 in line with the intervention strategy adopted in January 2025, totaled US$440 million. However, after one year of use, we plan to review the appropriateness of certain indicators and/or alert and intervention thresholds. In particular, we plan to review the calculation of the net foreign exchange position and make it available on day D (rather than day D-2 as is currently the case) in order to improve monitoring.

30. In the same vein, we reiterate our commitment not to (i) impose or intensify restrictions on payments and transfers for current international transactions; (ii) introduce or modify multiple exchange rate practices; (iii) enter into bilateral payment arrangements inconsistent with Article VIII of the IMF Articles of Agreement; and (iv) impose or intensify import restrictions for balance of payments reasons.

Structural Reforms

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

- The prudent conduct of monetary policy will continue to be based on the absence of any moves by the BCC to finance the public budget deficit, following the Organic Law on the BCC and the Law on Public Finance. In this regard, we remain committed to continuing to respect the ceilings on changes in net lending to the government and on the net domestic assets of the BCC set out in the IMF's ECF arrangement. The BCC will also refrain from requiring new guarantees for central government loans, in accordance with its Organic Law. In addition, in line with our commitment to transfer the collateral deposits associated with existing maturing loans to international reserves, we closed the last collateral account that matured at end-March 2025 and transferred its balance to the BCC's account at the Bank for International Settlements.
- We are working to finalize implementation of the Forecasting and Policy Analysis System (FPAS) by June 2027, with technical support from the IMF and in accordance with the organizational framework established by Directive No. 081/25 of April 8, 2025, which outlines its missions, structure, and operating procedures. We will continue to take the necessary steps to improve the BCC's economic analysis and forecasting capabilities, as well as its communications, with the IMF's technical support.
- We remain committed to continuing to hold regular meetings of the Monetary Policy Committee according to a pre-established schedule, and to communicating information about its decisions

in a timely manner, including through a press release by the BCC and a press conference at the end of these meetings. Measures to enhance communication will also focus on the policies and reforms implemented by the BCC in an effort to increase their visibility.

32. The government and the BCC remain firmly committed to continuing to limit cash transactions at BCC counters. The instruction issued in July 2023 by the President of the Republic has already led to a substantial reduction in cash payments in domestic currency. We will continue these efforts by extending the restriction on cash payments in foreign currency at the BCC counters. These measures are also part of the implementation of the December 2022 anti-money laundering and financing of terrorism (AML/CFT) law. To this end, we will continue to strictly enforce the decree of June 20, 2024, which prohibits any cash or bearer payments made on behalf of the central government and its agencies at the BCC or commercial banks, in CDF or foreign currency, in excess of the thresholds specified by law. To reduce ML/TF risks, the Monetary Policy Committee meeting in April 2026 resolved, effective April 2027: (i) to restrict the importation of foreign currency banknotes exclusively to the BCC; and (ii) to prohibit cash payment in foreign currency.

Safeguards

33. We are working to implement the recently adopted safeguards matrix in order to strengthen the BCC's governance, accountability, transparency, internal control, and foreign reserves management mechanisms. We are working to implement the strategic plan adopted in December 2025 following the organizational audit of the BCC completed in October 2025. We are also accelerating implementation of the recommended measures to improve the functioning of the BCC's Board.

- Governance mechanisms are being strengthened, with efforts focused in particular on expanding the audit committee's role, improving internal audit methodologies, and implementing the new committee structures. Progress has also been made in external audit, compliance, information system security, and business continuity, and these efforts will continue.
- Following the BCC Board's adoption of accounting standards under IFRS, in accordance with its Organic Law, the BCC has made significant progress, notably with the publication of financial statements under IFRS for 2023 and soon (in June 2026) for 2024, while the impact of this transition on the BCC's recapitalization needs is currently being assessed. In addition, the BCC is now committed to ensuring that the annual audit of its accounts is conducted in a more timely manner, including certification, within the set time limits, of the monetary data necessary for the assessment of the performance criteria under the ECF arrangement. With this in mind, the accounts for the 2023 and 2024 fiscal years under the New Chart of Accounts were adopted by the BCC Board in August 2024 and August 2025, respectively, and published on the BCC website.
- The BCC will accelerate work on the other pending safeguards, including: (i) the adoption of a plan to close foreign currency accounts held at resident commercial banks; (ii) the strengthening of governance and control frameworks and arrangements in the areas of foreign reserve management, government payments, loans, currency management, and the transmission of

monetary data to the IMF via the Integrated Collection System (ICS) portal; and (iii) the launching of the BCC's compliance policy.

- The BCC and the Ministry of Finance commit to meeting their respective debt service responsibilities to the IMF in accordance with the joint BCC-Ministry of Finance TMU signed in May 2025.

Financial Sector

34. We will accelerate the implementation of recommendations to mitigate the vulnerabilities identified during the Financial Sector Stability Review (FSSR), with IMF technical assistance over the period 2023–2026. In particular, the BCC remains committed to:

- Closely monitoring the quality of the loan portfolio of financial institutions operating in the eastern part of the country under illegal occupation by M23 rebels. Even though the banking system's direct exposure to the affected eastern provinces remains quite limited (5 percent of total assets), the liquidity shortage in the area continues to affect economic activity, causing a widespread increase in defaults in the affected areas. The BCC has adopted temporary prudential easing measures, including facilitating the restructuring of loans affected by the crisis, waiving or forgiving late-payment penalties, granting grace periods, and prioritizing out-of-court settlements (Instruction No. 44, Amendment 2). These measures are supported by stricter requirements for monitoring, reporting to banking supervisors, and heightened vigilance regarding AML/CFT.
- Strengthening its supervisory capacity, by improving the risk-based supervisory framework, in order to align the BCC's regulation with the Basel standards. Following the pilot project, on-site inspections to assess credit risk have been ongoing since the second half of 2023. The Stress Testing Unit was set up within the Financial Stability Directorate to identify the financial system's major risks and exposures and to make appropriate recommendations. The operational implementation of risk-based supervision is progressing with the finalization of the third edition of bank ratings and the launch of the fourth. In addition, work is continuing with the IMF's technical support to set up a Consultative Committee on Combating Cybercrime under the leadership of the BCC, designed to strengthen the management of IT risks.
- Update Instruction No. 14, including the solvency and liquidity standards, with technical assistance from the IMF. This update to the regulatory framework aims to strengthen the requirements for the evaluation of weighted credit risk and the assessment of market risk, as well as operational risk. The same applies to the transposition of the liquidity coverage ratio (LCR – Short-Term Liquidity Ratio) under Basel III. In addition, we will move further toward aligning the "credit risk mitigation" (CRM) framework under the standard approach set out in Instruction No. 14 with that of Basel III. Instruction No. 14 will be completed in December 2026. To promote the development of the securities market, however, the BCC published a decision in March 2025 adjusting downwards (from 75 percent to 30 percent) the weighting of sovereign risks in domestic currency. To make it more effective, the human resources of the Financial Stability

Directorate (DSF) have been strengthened, and continuing education programs have been put in place.

- With the creation of the Financial Stability Directorate, the BCC is making decisive progress in the establishment of the financial stability function, with the support of the IMF Resident Advisor, in accordance with the financial stability mandate, with a view to strengthening macroprudential policies. The BCC will also continue to (i) strengthen the supervision of financial institutions covered by the banking law; and (ii) develop monitoring and early warning tools that can improve the analysis of interdependence and sectoral interconnections.
- In December 2025, the BCC established an emergency liquidity support framework for solvent financial institutions facing temporary illiquidity (Instruction No. 63), in line with the recommendations of the recent IMF technical assistance mission. This framework addresses liquidity in CDF, while discussions are ongoing regarding risk mitigation measures for liquidity in USD.
- Adopt, by September 2026, an instruction specifying the information to be included in banks' prevention and recovery plans, including liquidity crisis scenarios and scenarios involving the loss of one or more correspondent bank relationships. Building on these plans submitted by commercial banks in May 2025, the BCC will conduct a review of cross-border cooperation agreements with all the countries of origin of the parent companies of banks established in the DRC, with a view to integrating recovery and resolution planning.
- The government undertakes to set up a deposit protection system, in accordance with Article 69 of the Law on the Activity and Supervision of Lending Institutions. A draft decree on this subject is currently being drafted with technical assistance from the World Bank, with a view to adoption by December 2026.

35. We are continuing our efforts to improve financial inclusion and develop the financial sector.

- Thanks to the deployment of mobile phone payment solutions, the financial inclusion rate has exceeded 50 percent, marking an important step toward achieving the goal set in the 2023–2028 national financial inclusion strategy adopted by the government in July 2023. This progress is the result of a combination of initiatives, in particular (i) the strengthening of payment infrastructure with the entry into service of the national electronic payment switch and the gradual interconnection of credit institutions, microfinance institutions, and electronic money issuers; (ii) the launch in September 2025 of the "Visa Pay" platform, which improves the offer of digital services; (iii) consolidation of the regulatory framework through the publication of Instruction No. 58 on the interoperability of electronic payment systems; and (iv) the promotion of the MOSOLO national card notably issued at low cost in domestic currency to encourage the use of Congolese francs.
- Under the coordination of the committee responsible for overseeing this national strategy, we will continue to implement additional measures designed to improve financial inclusion,

including notably the implementation of an observatory to monitor the quality of financial services.

- The additional actions to be implemented in this area are related to the establishment of an electronic payment infrastructure, which is scheduled to be launched by end-July2026, with the support of the International Finance Corporation (IFC) in order to ensure a structured deployment in accordance with technical and institutional requirements.
- We are laying the groundwork to set up a stock market in Kinshasa, including by capitalizing on the favorable momentum following our country's historic and successful entry into international markets, in order to strengthen the mobilization of the resources needed to finance investments and private sector development, thereby supporting a sustainable acceleration of economic growth. To this end, we will expedite the preparation of the implementing texts and necessary infrastructure to ensure, once it has been adopted by Parliament and enacted, the effective implementation of the draft law on the organization and functioning of stock markets in the Democratic Republic of Congo, which was adopted by the government in April 2025. The draft law aims to establish a legal and institutional framework that meets the standards required to develop an efficient and transparent stock exchange and commodity exchange.

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

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

- We enacted an ordinance-law regarding the creation and operation of the Economic and Financial Criminal Court (TPEF) in March 2026 and the attached National General Economic and Financial Prosecutor's Office (PGNEF). By the end of June 2026, we will finalize a roadmap for effective implementation of this ordinance-law by March 2027 in order to more effectively combat corruption, illicit enrichment, and all forms of economic and financial crimes. Alongside development partners, we will align the implementation of this ordinance-law with international best practices, in particular by ensuring that the TPEF and the PGNEF are provided with adequate and stable human and financial resources and have the appropriate independence of action. In line with its prerogatives, we will also ensure that synergies are developed among the actions of the TPEF and oversight and investigation institutions such as the IGF, the National Financial Intelligence Unit (CENAREF), the Court of Auditors, and other public or independent bodies.
- *We will submit an anti-corruption draft law to Parliament before the end of the March 2026 session,* drafted in accordance with the United Nations Convention against Corruption (UNCAC) and international best practices, with technical support from development partners (United Nations Office on Drugs and Crime (UNODC), United Nations Development Programme (UNDP), the World Bank, and the IMF). This law will then serve as the legal framework guiding all our anti-corruption efforts. In the final version of this draft law, we will ensure that institutional independence is strengthened and implementation risks are reduced by directly incorporating minimum governance safeguards. To this end, we will ensure, inter alia, that provisions are

included to define: (i) clear mandates and a segregation of duties; (ii) transparent criteria for appointment and removal; (iii) budgetary autonomy; and (iv) accountability and supervision requirements. In terms of the provisions on mandatory asset disclosure, we will ensure that we prioritize senior officials and high-risk positions—both in terms of disclosure requirements and in our approach to compliance verification and the publication of asset declarations—in order to strengthen the feasibility, integrity, and preventive impact of the legal framework.

- *We will supplement this anti-corruption draft law with a draft law aimed at preventing conflicts of interest, which we intend to submit to Parliament by the September 2026 session*. The objective is to ensure a much more holistic approach to combating corruption, ranging from prevention to enforcement.
- *We will provide anti-corruption institutions with adequate human and financial resources* (*including* the *Court of Auditors, the EITI, the Observatory for the Monitoring of Corruption and Professional Ethics (OSCEP), the APLC, and the Ministry of Justice's Technical Unit for Combating Corruption*), in line with our commitment to promoting transparency and good governance, as well as the UNCAC and international best practices. After the senior staff of the Court of Auditors and its new magistrates took the oath of office on August 31, 2022, we have continued to strengthen the resources of the Court of Auditors. The IGF, whose operational capacity continues to be strengthened, is resolutely pursuing its control missions and will ensure reinforced, a priori control of the expenditure of SOEs, public institutions, and special funds.
- We will strengthen OSCEP's operational capacity, ensuring that it is provided with adequate financial and logistical resources, notably with support from the World Bank in the context of the expected increase in resources for the ENCORE project. We fully appreciate the importance of this strengthening, in particular to enable it to ensure effective applicability of Decree No. 25/15 of April 9, 2025, on the regime for declaration of the assets and interests of public employees of the State and members of their immediate families and to deploy its branches in the remaining 14 provinces. To ensure that the mandatory asset disclosure requirement takes effect by end-June 2026, while prioritizing senior officials and high-risk positions, we are working to adopt the related procedures manual in May 2026 and to complete development of the digital platform for the electronic submission of disclosures by December 2026. All these efforts should contribute to more effective prevention of illicit enrichment and conflicts of interest, promote public integrity, and punish related violations.
- *A workshop is planned to assess the current status of our general anti-corruption policies, particularly the National Anti-Corruption Strategy (2022–2026) adopted in October 2022*. Alongside development partners, this workshop will bring together representatives from the Ministry of Justice, the OSCEP, civil society, and other stakeholders in the anti-corruption sector.
- *We will ensure regular monitoring of the implementation of the priority action plan of the National Anti-Corruption Strategy (2022-2026)* adopted in October 2022 following the approval of the National Judicial Reform Policy (PNRJ). This monitoring is carried out by the Ministry of Justice, the APLC, the OSCEP, and other institutions, in collaboration with development partners.

- *We will activate all the implementing measures provided for by Law No. 16/012 of July 15, 2016, on the creation, organization, and functioning of the notary profession* by end-March 2027.
- *We will continue the work, in collaboration with the relevant agencies and jurisdictions, to extend, by June 2026, the coverage of data compilations on corruption cases to the 15 other provinces,* with technical assistance from the National Institute of Statistics and building on the pilot project conducted in August 2023 in 10 provinces.

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

- The government is continuing its efforts to establish a more adequate and predictable mechanism to finance the EITI in order to enhance the effectiveness of its missions. While the Democratic Republic of Congo's validation, finalized on October 13, 2022, showed a high overall score with respect to the EITI requirements, it also underlined the need for progress in strengthening transparency and publishing the beneficial owners of mining contracts.
- *We are committed to adopting, by October 2026, the draft decree on the registry of beneficial owners*.
- In line with our commitment to publish all new contracts (**continuous structural benchmark**), in accordance with the Mining Code and the requirements of the EITI standard, including renegotiated contracts, in March 2025 we published amendments (4 and 5) to the Kipushi zinc mine contract, four farmout agreements concluded by GECAMINE, one farmout agreement signed by MIBA, as well as a contract for the assignment of four operating permits for the KISENGE gold mine.[5] In addition, Gécamines' 2023 financial statements, including the auditors' comments, were published in April 2025. We are committed to doing the same in 2026 for the 2024 financial statements.
- *We will step up efforts to promote transparency in public procurement*, including through the computerization and digitalization of procedures, in collaboration with the World Bank (see point 24). While awaiting the full operationalization of SIGMAP, we commit to resuming systematic online publication of public procurement contracts as of June 2026.

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

- *Our strategy for combating money laundering and the financing of terrorism (AML/CFT) is guided by the revision of the AML/CFT Law (Law No. 22/068)* of December 27, 2022, enacted on July 1, 2025. It remains focused on the following priorities: (i) extension of the application of AML/CFT measures to

[5] According to Law No. 18/001 of March 9, 2018, amending and supplementing Law No. 007/2002 of July 11, 2002, on the Mining Code, mining contracts and their annexes and amendments are published in the Official Journal and on the Ministry of Mines website within 60 days of the date of signature.

the financial sector (beyond banks); (ii) prohibition of anonymous bank accounts; (iii) strengthening of wire transfer verification measures for politically exposed persons (PEPs); (iv) establishment of basic requirements for correspondent banking customer due diligence; and (v) strengthening of the procedures for declaring the assets of PEPs.

- *During the discussion on our 7th progress report in Tanzania in April 2025, the progress made in implementing the action plan, which is almost 75 percent executed, was welcomed*. The main additional elements of progress noted since the previous reports include: (i) the development of surveillance plans for documentary and on-site inspections, sectoral guidelines, training and awareness-raising plans for the three supervisory and regulatory (or oversight) authorities, namely CENAREF for Designated Nonfinancial Businesses and Professions (DNFBP), the BCC for lending institutions, and the Insurance Regulatory and Supervisory Authority (ARCA) for insurance companies; (ii) the full and effective deployment of the TRANSACTUS application for the receipt, processing, dissemination, and exchange of information among stakeholders; (iii) the operationalization in April 2025 of the platform of the National Committee for the Implementation of Targeted Financial Sanctions (CONASAFIC) (www.conasafic.cd) to allow regulated entities to have access to information on the lists of designated persons and entities; and (iv) the government's submission of the draft law amending Law No. 22/068 of December 27, 2022, on anti-money laundering and combating the financing of terrorism and proliferation (AML/FTP) to the National Assembly for the correction of the shortcomings identified in Recommendations 5, 6, 10, 11, and 20 of the FATF.
- *During the discussion on our 9th progress report on the action plan agreed with the FATF, which took place in person in Lisbon in January 2026, several additional steps forward taken to address the residual weaknesses of our AML/CFT framework were commended,* in particular by: (i) enacting, on July 1, 2025, Law No. 25/048 amending and supplementing AML/CFT Law No. 22/068 of December 27, 2022; (ii) introducing provisions into this law concerning the criminalization of terrorist financing and the independence of CENAREF to exchange information with other financial intelligence units (FIUs); and (iii) drafting the risk-based supervision plans and on-site control reports prepared by the supervisory and regulatory authorities (CENAREF and BCC for the nonfinancial and financial sectors, respectively).
- *During the discussion on the 10th progress report on the action plan agreed with the FATF, which took place in person in Swakopmund in April 2026, we provided a detailed account of the significant progress made in strengthening our AML/CFT framework*. In this regard, the Democratic Republic of Congo has highlighted, in particular:
    - Progress made in conducting off-site and on-site inspections covering all categories of regulated entities, in both the financial and nonfinancial sectors, under the leadership of regulatory and supervisory authorities, particularly the BCC and CENAREF.
    - The strengthened effectiveness of corrective measures and administrative and disciplinary penalties imposed that are intended to be effective, proportionate, and dissuasive in cases of identified violations.

  - Demonstration, through concrete case studies and consolidated statistical data, of the country's ability to identify, analyze, and address cases of terrorist financing, in line with its risk profile.

- *Following this review, the FATF expressed its satisfaction with the progress made*. The findings of this assessment will be presented at the next FATF plenary meeting with a view to considering an on-site visit—a crucial step prior to the Democratic Republic of Congo's removal from the FATF's gray list in October 2026.
- *In addition, our membership to join the Egmont Group is expected to be formally ratified at the 31st plenary meeting scheduled to take place in Baku from July 6 to 11, 2026,* marking a major step forward in strengthening CENAREF's international cooperation and its integration into the global network of financial intelligence units.

39. We will accelerate reforms aimed at improving the business environment, with a view to strengthening the private sector's role as a driver in promoting stronger, inclusive, diversified, and sustainable economic growth. In keeping with the strategic priority set by the government for this project since mid-2024, we are working to finalize, by June 2026 (as rescheduled), the development of the Strategic Business Climate Plan for Structural Economic Transformation (PSCATSE), which we launched in March 2025. In developing this PSCATSE and in the ongoing review of the Investment Code, we will prioritize strengthening legal certainty for investments, simplifying and standardizing the tax system, and improving the quality of human capital and public infrastructure as the main drivers of investment promotion, while taking care to avoid tax exemptions (especially those on profits) or at the very least limiting ourselves to targeted incentives (such as the accelerated depreciation of investment costs) that are transparent and non-discretionary. In the short and medium term, we:

- *Will adopt by July 2026, as rescheduled, an updated roadmap for the streamlining of tax regulations*, *accompanied by a credible implementation action plan,* to better protect taxpayers from possible tax harassment and to streamline corporate tax compliance procedures as much as possible. In particular, this will focus on: (i) streamlining non-tax revenue-generating acts, including revision of the nomenclature of central and provincial duties, taxes, and fees, which has been ongoing since mid-2025; and (ii) systematically publishing the schedule of audit missions to be conducted by the revenue collection agencies. With regard to non-tax revenue, we will complete, by end-August 2026, the work of codifying the government property revenue of the Ministries of Mines, Environment, Hydrocarbons, Land Affairs, Urban Development, and Housing. The technical commission will finalize the codification of judicial and participations revenues by December 2026.
- *By September 2026, as rescheduled, we will adopt a roadmap to streamline parafiscal charges* (collected by entities other than tax authorities), based on the inventory of parafiscal charges and subsidiary entities (budget annexes, public institutions, and expenditure departments) completed in June 2023, as well as on the recommendations of the IMF's technical assistance. To this end, in early September 2025, the Prime Minister launched the work of the Permanent Interministerial

Commission for Optimization of Parafiscal Taxation (COPIRAP) created by Interministerial Orders No. 003ME/BIN.BUDGET/ABS/2025 and No. 020/CAB/MIN/FINANCES/2025 of May 5, 2025. Following the adoption in January 2026 of a decree reclassifying the auxiliary bodies according to the categories of the LOFIP **(structural benchmark, January 2026)**, COPIRAP began its technical work. Once this technical work is completed, we are committed to using it as a springboard to adopt a roadmap for streamlining parafiscal measures by October 2026. In the meantime, we will ensure that the creation of new special purpose accounts is as limited as possible since the introduction of parafiscal measures to finance them would thwart our strategic objective of improving the business environment and further formalizing our economy.

- *By March 2027, as rescheduled, we will adopt an action plan to improve the functioning of the VAT credit refund mechanism*, based on the recommendations of IMF technical assistance. Specifically, we will ensure that we: (i) continue the differentiated monthly treatment of reimbursement requests based on risks; (ii) avoid as far as possible systematic ex-ante control of low-risk enterprises; (iii) limit the application of deferred payment of VAT on imports (or reverse charge VAT) to low-risk businesses that frequently have VAT credits due to the nature of their business; and (iv) certify with greater regularity the stock of VAT credit requests, beginning with a certification mission in July 2026. Furthermore, we remain committed to implementing, in the first half of 2027—subject to fiscal constraints—the comprehensive strategy on the reimbursement of the stock of VAT credits, taking into account the streamlining of exemptions, the simplification of refund procedures, and the improved use of economic data.
- *By end-March 2027, as rescheduled, we will adopt a roadmap for the introduction of online tax payments*.
- *In June 2025, we adopted a draft law revising the 2017 law on subcontracting*. We will ensure that the final version of this law clarifies the concept of "subcontractor" and defines its scope in order to mitigate any difficulties of application related to potential confusion (between the contracting authority and the main contractor, between subcontractor and supplier, etc.).
- *We will systematically publish all judicial decisions in commercial matters on a digital platform (SIGAJ) currently under development in collaboration with the UNDP, create commercial chambers within the courts of appeal, and continue to revitalize the Single Window for Business Creation*. *We will also work to clear (audited and validated) payment arrears* according to the mutually agreed schedules, while accelerating efforts to avoid the accumulation of new payment arrears, which are major factors in the financial suffocation of the private sector and in turn a threat to the stability of the financial sector.
- *The National Tax Mediation Commission (CNMF), created in September 2025 within the Ministry of Finance*, will become operational by end-October 2026. The purpose of the CNMF is to be a consultative, joint, and independent body responsible for providing advice to the Ministry of Finance with a view to resolving persistent disputes between taxpayers and the tax authorities before they are referred to the courts with jurisdiction.
- *We will accelerate reforms to strengthen controls and the management of disputes*, including through improved risk assessment (for instance, with respect to declared import values or

exemptions), better coordination within and among financial authorities, enhanced control frameworks to ensure uniform application of the law, and the deployment of a mechanism to monitor the quality and effectiveness of controls. More specifically, we will ensure stricter enforcement of the law on the status of career civil servants and the decree-law establishing the code of conduct for government officials, as well as the introduction of specific codes of ethics and professional conduct for revenue agency employees, accompanied by sanctions in case of violations.

- *We will also strengthen the operational capacities of internal and external inspections* while ensuring that the rules governing the management of disputes (including the incentive mechanisms of the financial administrations) do not encourage behavior contrary to the objective of maximizing fiscal revenues. We also remain committed to strengthening the operationalization of the Observatory for the Monitoring of Corruption and Professional Ethics (OSCEP), whose missions and the ongoing anti-corruption reforms specify penalties in cases of infringements and contribute to preventing and combating corruption and promoting public integrity. Furthermore, with technical and financial support provided by the government, and in collaboration with the World Bank as part of the ENCORE project, we will continue to implement Decree No. 25/15 of April 9, 2025, on the regime for the declaration of assets and interests by public employees and members of their immediate family. This initiative aims to strengthen transparency, prevent illicit enrichment and conflicts of interest, and promote the accountability and integrity of public officials, particularly by putting in place mechanisms to sanction breaches and practices that run counter to public values.

D. Structural Reforms Under the RSF Arrangement

40. We have completed, ahead of schedule, a reform measure that was due during the third review, in addition to two others that were already completed, and we are committed to redoubling our efforts to implement the other RMs underpinning the RSF arrangement. After appending to the 2026 budget law a quantification of the fiscal risks associated with natural disasters (RM7) and adopting by decree the national policy for natural disaster management (RM8), in February 2026, we adopted the methodology for assessing the climate impact of investment projects (RM10) by ministerial order, even though this RM was not due until end-June 2026. While some RMs that have not yet been completed are proceeding as planned, others, however, are at risk of schedule delays due to difficulties with internal coordination (RM4 and RM5) and with an external partner (RM2). We are working to resolve these coordination challenges as quickly as possible, while ensuring that we seek technical assistance as needed and adopt strategies to effectively implement each measure based on well-defined roadmaps to closely monitor progress.

Reform Area 1: Promote Forest Protection and Sustainable Mining Exports

41. We will strengthen the governance of our forest preservation policies. Strengthening sound forest management remains essential to curb deforestation rates and to achieve the government's ambitious climate change mitigation and adaptation goals. With this in mind, our government is planning a comprehensive package of reforms to address these challenges. These

reforms aim to: (i) promote the systematic (biennial) collection and publication of geospatial data on forest cover, deforestation, greenhouse gas (GHG) emissions, and forest concessions (RM3); (ii) strengthen the legal framework by addressing the weaknesses of the Forest Code with regard to: (a) safeguards and compensation measures; and (b) mechanisms to ensure transparency in the process of allocating logging concessions, conservation concessions, and forest concessions from local communities (RM1); and (iii) improve accountability in the sector through the publication of a performance audit by the Court of Auditors of the National Forest Fund (FFN), responsible for channeling revenues from forest concessions to reforestation efforts (RM2), followed by an action plan with a timetable prepared by the FFN in response to the challenges identified, which will in turn be audited (RM6). Committees have been set up for the implementation of all these measures. With regard to RM3, the first publication of forest geospatial data has been completed, and work on mapping and databases for forest concessions derived from the forest registry's geographic information system is proceeding as planned, with a view to their publication by November 2026. However, the initiative to amend the Forest Code (RM1) has faced delays due to coordination difficulties with an external partner responsible for supporting the upstream adoption of the forestry policy. Technical consultations are ongoing between our agencies, leading civil society organizations, and development partners with a view to the government adopting the forestry policy by June 2026. The measure concerning the Court of Auditors' audit of the National Forest Fund (RM2), scheduled for the fourth review, also experienced delays due to coordination difficulties regarding technical assistance from the IDI, but these delays were ultimately resolved. Updated roadmaps for measures 1, 2, and 3 have been adopted. With regard to RM2, after taking into account the IDI's comments, the Court of Auditors is working to finalize and approve the audit report for submission to the FFN management prior to its publication on the FFN website by end-July 2026.

42. The government will strengthen environmental and social guarantees in the mining sector to actively manage its impact on forests and the most vulnerable populations. Given the mining sector's significant impact on deforestation and GHG emissions, we remain committed to mitigating these pressures by (i) strengthening the legal framework to set forest protection norms (RM4) and (ii) requiring the timely publication of environmental and social impact assessments (ESIAs) and ex-post environmental audits of mining projects (RM5). An interministerial committee, chaired by the Minister of the Environment and composed of experts from the Ministry of the Environment (ACE), the Ministry of Mines (DPEM), the Office of the President, the Office of the Prime Minister, and the Ministries of Health, Hydrocarbons, Higher Education, and Research, has been established to implement the reform measures, with technical assistance from GIZ. However, the implementation of these RMs has been delayed due to coordination difficulties between the ACE and the DPEM. To resolve this impasse, the government has issued directives clarifying the roles and responsibilities of each of these two agencies, urging them to request any necessary technical assistance as soon as possible and to adopt strategies for the effective implementation of these RMs, supported by well-defined roadmaps. In addition, we are committed to systematically publishing starting in 2026 the environmental inspection reports conducted by the ACE to ensure greater public accountability.

43. The government, through the Ministry of Hydrocarbons, will encourage clean cooking by promoting the large-scale adoption of liquefied petroleum gas (LPG) as an alternative to firewood. More than 90 percent of households in our country use firewood as cooking fuels, making them a major driver of deforestation in peri-urban areas. LPG is the alternative chosen by the government as part of the master plan (Kinshasa City Master Plan 2022). It has health and gender equality benefits and has a lower carbon footprint overall while providing high calorific value. Affordability is an issue, however, as the cooking equipment needed to use LPG involves an upfront cost that is out of reach for most households. Market studies recommend not only building critical infrastructure but also lowering barriers to entry, i.e. subsidizing starter kits as well as LPG. In the medium term, the Ministry of Hydrocarbons will formulate a program to make LPG equipment more affordable for the most vulnerable households, to ensure widespread adoption of LPG. A roadmap outlining all the necessary steps will be prepared by July 2026.

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

44. Our country now has a legal framework organizing the management of natural disaster risks. In order to put in place an improved response to natural disaster risks, we finalized and adopted our national disaster risk management policy (RM8) in November 2025, with financial and technical support from development partners (the World Bank and UNDRR), which clarifies the institutional responsibilities of the Ministry of the Interior and the Ministry of Social Affairs. Our capital, Kinshasa, is the largest urban agglomeration in the French-speaking world, and its urban poor are particularly vulnerable to climate change. The government plans to make urban planning climate-responsive, through the adoption of (i) an Urban Planning and Building Code, which sets out provisions for risk-informed urban planning with its implementing decree, as well as (ii) a climate-sensitive urban reference plan for Kinshasa, which regulates construction in high-risk areas and the preservation of green areas. In addition, the Ministry of Budget has strengthened the management of climate-related fiscal risks by including, in an annex to the 2026 draft budget law submitted to Parliament in September 2025, a quantified analysis of the fiscal costs associated with natural disasters in the section devoted to the declaration of fiscal risks (RM7), in collaboration with IMF technical assistance.

45. Slash-and-burn agriculture is one of the main drivers of deforestation in our country. The underdeveloped agricultural sector is also one of the main factors in the high vulnerability of populations to climate hazards. To reduce the pressure of agricultural activities on forests in particular and to promote sustainable land management in general, the government will adopt, by decree, a national land use plan supported by a clear operational plan. This will serve as a basis for stimulating agriculture in anthropogenic savannas and degraded forests, while ensuring the forest protection. The process of developing this plan is proceeding as expected, based on the roadmap established for this purpose, which translates strategic guidance into concrete actions, each with clearly defined responsibilities. To date, the land use planning options have already been approved at the technical level, and the process of hiring a consultant is underway; this consultant will be tasked with translating these options into a structured draft that will follow all the necessary steps for its formal adoption.

Reform Area 3: Integrating the Climate Agenda into Public Investment Management

46. The government remains committed to integrating climate considerations into its public investment management. To this end, with technical assistance from the IMF, we adopted a ministerial order in February 2026 revising the public investment management procedures manual, to which a chapter was added setting out the methodology for incorporating climate considerations into the evaluation of public investment projects (RM10), although this was initially scheduled for the third review. This order, together with the various circulars issued by the Ministry of Planning, requires all public investment projects (including those funded by extrabudgetary funds) to take these impacts into account and assessments to be made public before a budget allocation is received (RM12). We are committed to allocating the necessary resources for training line ministries and implementing this methodology, including through the operationalization of the pre-investment fund. A detailed roadmap for the implementation of the financing and the publication of these assessments was prepared. The government will also update the legal and regulatory framework for public-private partnerships, mainly the PPP Law, with a view to including a reference to climate analyses, covering resilience of projects, as well as their impact on GHG emissions (RM9). An updated roadmap for this measure has been adopted. The final version of the preliminary draft amending the PPP Law has been approved by the interinstitutional commission of experts, with technical assistance from the African Legal Support Facility (ALSF), and submitted to the Council of Ministers for adoption before being sent to Parliament by June 2026. We remain committed to implementing our 2021 Nationally Determined Contribution. With this in mind, we have published the costed list of the priority projects of the Nationally Determined Contribution in both the 2026–2028 public sector investment program and on the Ministry of the Environment and Sustainable Development/Ministry of Planning website. The government will allocate the necessary budgetary appropriations (RM11). We have included in the PIP attached to the 2026 budget law an initial list of priority investment projects that have been costed and deemed ready for implementation.

E. Capacity Development and Improvement of Statistical Data

47. We are continuing to develop the capacities of the government and public entities with the support of development partners. We remain fully committed to diligently implementing the recommendations of the technical assistance missions, including the FSSR, PIMA, Tax Administration Diagnostic Assessment Tool (TADAT), and the World Bank's Country Climate and Development Report (CCDR), as well as that of the IMF, which enabled a comprehensive diagnosis of governance weaknesses. We appreciate the support of the two resident experts in Kinshasa in the field of PFM and taxation, financed by the Belgian agency for international cooperation (Enabel) and who work in close collaboration with the IMF's technical assistance teams, as well as the support made available to the BCC since October 2023 by the IMF's Monetary and Capital Markets Department for the operationalization of the BCC's Financial Stability Unit. We would also welcome renewed funding from the Japanese government to replace the resident expert from the IMF's Fiscal Affairs Department, whose term has come to an end, particularly to ensure close support for the public accountants recently deployed as part of the operationalization of the DGTCP and the expenditure authorization decentralization process.

48. In September 2025, we adopted the draft Ordinance-Law ratifying the African Charter on Statistics, to which the DRC acceded in June 2022. This ordinance-law should make it possible to harmonize the national statistical system and ensure the autonomy of INS resources.

49. We completed the pilot census mapping in May 2025 as part of the work for the second general population and housing census (RGPH2). On March 23, 2026, under the patronage of the President of the Republic, the government organized a roundtable of donors to mobilize resources for RGPH2. With the support of the government and the assistance of technical and financial partners (UNFPA, the World Bank, the AfDB, UNICEF, Côte d'Ivoire, Japan, etc.), we will finalize the national census mapping campaign by December 2026, after which we will begin work on the general population census, with data collection scheduled for July 2027.

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

After publishing the new revised GDP series up to 2019 according to the 1993 System of National Accounts (SNA), with 2005 as the base year, we updated the series of provisional accounts up to 2022 and 2023. These accounts were published in June 2025. We finalized the 2023 final accounts last February with technical support from Central AFRITAC, and these accounts will be published following approval by the Commission on Statistical Studies and National Accounts. We are continuing work on the rebasing of GDP according to the 2008 SNA with 2022 as the base year. Work on the implementation of activity and product classifications, as well as the initialization of the ERETES database (a tool for the compilation of national accounts), was completed in 2023. The processing of sources, which began last year, is continuing with technical support from the AfDB and Central AFRITAC. The remaining specific surveys are currently being conducted with financial support from the AfDB. The first summary tables for the new base year are expected to be produced by end-December 2026.

- We are continuing discussions with the IMF to ensure rigorous implementation of the recommendations of its recent technical assistance mission aimed at correcting methodological weaknesses identified in the compilation of balance of payments data in order to bring it into line with international standards, particularly those of the *Balance of Payments and International Investment Position Manual, Sixth Edition* (*BPM6*) and the International Merchandise Trade Statistics (*IMTS 2010*). The implementation of these recommendations could lead to a significant downward revision of goods imports due to inadequate accounting for the temporary and transit imports of goods. A partial offsetting is expected through an upward revision of imports of services and repatriation of FDI dividends.
- We will consolidate the quarterly transmission of financial soundness indicators to the IMF, initiated in March 2023 by the BCC, with a view to their publication. In addition, the BCC is committed to producing improved and updated monetary data, through better coordination among the staff involved and in close collaboration with the IMF's recent technical assistance.

- We will continue to support the National Statistics Institute and the other institutions responsible for producing official statistics data in fulfilling their missions while strengthening institutional coordination, in close cooperation with technical and financial support from our development partners. Priorities at this level continue to focus on debt data, for SOEs and provinces in particular, enhancing the quality and frequency of data transmission by the BCC, and improving the reliability of economic indicators.
- After improving our fiscal statistics through the preparation and regular publication of the Table of Government Financial Operations (TOFE) in the *GFSM 2014* format, prepared until now on the basis of the version of the TOFE in the *GFSM 1986* format for the IMF statistical yearbook, we now aim to improve the quality of our output by soon producing a TOFE that complies with the *GFSM 2014* format, but is based directly on detailed primary data. Our continued efforts are focused on using the General Balance of Treasury Accounts (BGCT) as the main source of the TOFE in the *GFSM 2014* format, through the implementation of the new accounting system.
- We will continue to improve the quality and dissemination of public debt statistics, in particular by strengthening data collection, validation, and consolidation processes, and by gradually expanding the scope of debt coverage to SOEs and provinces. To this end, we will continue to publish regular annual reports and quarterly debt bulletins covering public and guaranteed debt, domestic debt, arrears, and contingent liabilities. We will also improve institutional coordination among the relevant entities—in particular the Ministry of Finance (including the DGDP) and the BCC—to ensure the consistency and reliability of the data. In addition, we will continue to strengthen the reporting of statistical data to the quarterly public sector debt (QPSD) database co-managed by the World Bank and the IMF, ensuring the quality, completeness, and timely dissemination of the data.
- We will also strengthen the collection, coordination, and harmonization of data on external financing to improve coverage and consistency across different sources (balance of payments, budgetary accounts, and public debt). This will enhance transparency and improve the quality of macroeconomic management and public policy analysis, including debt sustainability analyses.
- We welcome the support of the IMF Statistics Department, which enabled us to make progress in the electronic dissemination of statistical data and metadata (e-GDDS/National Summary Data Page (NSDP) under the e-GDDS framework). We will consolidate publication of our data on the NSDP page, with technical assistance from the IMF, which makes it possible to prepare metadata describing current practices in the production and dissemination of macroeconomic statistics.

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

51. The performance of the ECF-supported program is satisfactory overall despite the repercussions of the ongoing armed conflict in the eastern part of the country.

- All but one of the quantitative performance criteria and one continuous PC on the non-introduction/modification of MCPs were met at end-December 2025 (Table 1). The performance criterion relating to the ceiling on the cash-based domestic budget deficit was not met due to expenditure overruns related to the ongoing hostilities, despite diplomatic progress.

- The ITs were also met, except for those relating to the floor on social spending and the ceiling on expenditure under emergency procedures, mainly due to still-high exceptional security spending linked to the ongoing armed conflict (Table 1).
- Progress on structural reforms is much clearer, with all the structural benchmarks foreseen in the third review having been met (Table 2).

52. Quantitative performance criteria and structural benchmarks (Tables 1 and 2) were proposed for the remainder of the year and beyond. The fourth review is scheduled to be completed on November 15, 2026, based on end-June 2026 as the reference date for periodic performance criteria. Under the RSF, monitoring will be done through the RMs, which are presented in Table 3. The performance criteria, IT, and key concepts and indicators are set out in the attached TMU, which also specifies the nature and frequency of data and information to be provided for monitoring the performance of the ECF-supported program. Under the leadership of the Minister of Finance, the Minister of Budget, and the Governor of the BCC, a technical troika chaired by the Ministry of Finance and comprising the Ministry of the Budget and the BCC is responsible for monitoring program implementation. The Technical Committee for Reform Monitoring and Evaluation will provide for coordination, technical secretariat functions, and liaison with the IMF for the transmission of information to IMF staff, in accordance with the TMU.

Table 1. Democratic Republic of the Congo: Quantitative Performance Criteria and Indicative Targets Under the 38-Month Extended Credit Facility Arrangement [1/]

	2025																2026								2027	
	End-March				End-June				End-September				End-December				End-March				End-June	End-Sept.	End-Dec.		End-March	End-June
	IT				PC				IT				PC				IT				PC	IT	PC		IT	IT
	CR No. 25/023	Adjusted	Actual	Status	CR No. 25/195	Adjusted	Actual	Status	CR No. 25/195	Adjusted	Actual	Status	CR No. 26/02	Adjusted	Actual	Status	CR No. 26/02	Adjusted	Actual	Status	CR No. 26/02	Proposed	Proposed	Proposed	Proposed	Proposed
Quantitative Performance Criteria																										
Floors on changes in net international reserves of the BCC (US$ millions)	0	0	195	Met	400	33	508	Met	400	309	526	Met	800	815	1035	Met	0	-45	17	Met	400	300	300	600	0	400
Ceilings on changes in net BCC credit to central government (CDF billions) 1/	0	-66	252	Not met	513	1,558	255	Met	513	422	-689	Met	513	638	-440	Met	0	181	-318	Met	0	-580	-580	-580	0	0
Ceilings on changes in net domestic assets of the BCC (CDF billions)	-603	-669	-119	Not met	0	1,045	-1,273	Met	0	-112	517	Not Met	560	685	-2,502	Met	0	181	-156	Met	0	0	0	0	0	0
Floors on the domestic fiscal balance (cash basis, CDF billions)	-501	1,208	-1,595	Not met	-2,000	-2,062	-1902.6	Met	-1,000	-42	-2,376	Not Met	-3,283	-3,147	-4,691	Not met	-1,600	-1,512	-1,382	Met	-2,000	-3,000	-3,000	-5,349	-1,138	-2,135
Continuous Performance Criteria																										
Ceilings on the accumulation of external payment arrears (US$ millions)	0		0	Met	0		0	Met	0		0	Met	0		0	Met	0		0	Met	0	0	0	0	0	0
Ceilings on the levels of foreign currency assets of the BCC held with domestic correspondents (US$ millions) 2/	200		146	Met	200		200	Met	200		200	Met	200		200	Met	200				200	200	200	200	200	200
Ceilings on contracting or guaranteeing of new external debt by the public sector (present value, US$ millions)	3,000		308	Met	3,000		722	Met	3,000		732	Met	3,000		802	Met	3,000		310.429	Met	3000	3,000	3,000	3,000	3,000	3,000
Indicative Targets																										
Floors on revenues of the central government (CDF billions)	4,900		5,723	Met	12,600		13,409	Met	20,700		21,944	Met	27,100		29,352	Met	7,844		5,601	Not Met	15,358	15,329	23,694	31,931	9,034	18,456
Floors on social spending (CDF billions)	27		0	Not met	80		37	Not met	134		96	Not met	156		132	Not met	35		0	Not Met	92	70	130	167	42	106
Ceilings on the accumulation of wage arrears of the central government (US$ millions)	0		0	Met	0		0	Met	0		0	Met	0		0	Met	0		0	Met	0	0	0	0	0	0
Ceilings on the wage bill (CDF billions)	9,442		2,610	Met	9,715		5,459	Met	10,597		8,763	Met	12,046		12,076	Met	3389		2743	Met	6777	6827	10241	13655	3736	7472
Ceilings on central government expenditures executed under emergency procedures (in percent of total domestically financed expenditures)	10%		15.6%	Not met	10%		21%	Not met	8%		15.6%	Not met	8%		11%	Not met	8%				8%	8%	8%	8%	8%	8%
Adjustors																										
Appuis budgétaires du FMI (US$ millions)																					196	196	196	603	0	525
Budget support (US$ millions)	23		0		716		0		716		664		1,097		1,068		142		34		480	123	172	591	15	30
External debt service payments (US$ millions)	49		37		116		125		154		219		305		276		98		89		232	242	315	414	69	164
Domestic arrears payments (CDF billions)	-326		-5		-60		-122		-500		173		-230		-401.82		-100		-197		-300	-300	-900	-1,200	-300	-600
Domestically-financed investment, excluding SICOMINES (CDF billions)	1,458		496		900		1,126		2,582		2,268		2,857		2,936		1003		818		1604	979	1,927	4,011	954	1,909
Central government revenues (CDF billions)	5,191		5,723		14,000		13,481		22,000		21,944		28,968		29,352		8,257		5,601		15,853	16,135	25,477	33,969	9,228	19,428
Memo items																										
Central government expenditures executed under emergency procedures excluding security spending (in percent of total domestically financed expenditures)			10%				2.10%				3%				2%											

Memo: end of period exchange rate 2024: US$1 = CDF 2850

Sources: Congolese authorities and IMF staff estimates and projections

1/ Ceilings are positive to account for some operations pending regularization at end December 2024

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

Table 2. Democratic Republic of the Congo: Prior Action and Structural Benchmarks Under the ECF Arrangement			
Measures	**Objective**	**Deadline**	**Status**
equest for an ECF arrangement			
Issue an interministerial order on the expenditure procedures manual, where the latter revise the procedures and govern the nature of eligible exceptional expenditures.	Strengthen adherence to normal expenditure chain procedures.	Prior action	Met
Continuous			
Publish a detailed quarterly report on the execution of expenditures by emergency procedure (simplified procedure), including regularization amount of the previous quarter.	Strengthen adherence to normal expenditure chain procedures.	Continuous (3 months after the end of the quarter)	Met
Publish a detailed quarterly report on the execution of expenditures by volume, type, and institution, distinguishing between expenditures carried out through different procedures.			Met
Publish mining contracts.	Improve the transparency of mining contracts.	Continuous	Met
First Review			
I. Prior Action			
Issue revised 2025 spending plans in line with the revised program and administrative tools to support agreed changes in policy.		Prior action	Met
II. Structural Benchmarks			
Adopt an FX intervention policy.	Increase the effectiveness of foreign exchange market interventions.	January 2025	Met
Adopt a roadmap for the transition toward a resource-based framework, in line with the recommendations of the IMF technical assistance.	Reduce the countercyclicality of expenditures.	March 2025	Met
Adoption by the government of the three decrees necessary to restore the accounting function in the expenditure chain (see MEFP, ¶22).	Strengthen adherence to normal procedures in the expenditure chain.	April 2025	Met

Table 2. Democratic Republic of the Congo: Prior Action and Structural Benchmarks Under the ECF Arrangement (Continued)			
Measures	**Objective**	**Deadline**	**Status**
Second Review			
The BCC should create a standard refinancing instrument ready for use in the form of an auction operation, eliminate the short-term lending facility, (MEFP, ¶25).	Strengthen the transmission of monetary policy.	June 2025	Met
Finalize and activate the expenditure chain software in four pilot line ministries (MEFP, ¶22)	Decentralization of the expenditure authorization process.	June 2025	Met
Deploy accountants in the four pilot ministries. (MEFP, ¶22).	Decentralization of the expenditure authorization process.	August 2025	Met
Deploy agents and managers to their positions of employment (MEFP ¶22) to establish the administrative structures of the DGTCP, in accordance with the decree amending and supplementing the 2022 decree establishing the framework and organizational structures of the DGTCP.	– Decentralization of the expenditure authorization process.	August 2025	Met
Conduct a stress test on the impact of account closures and develop the accounts closure strategy.	Establishment of the TSA.	October 2025	Met
Generalize the use of the standardized VAT billing system to all companies subject to VAT.	Raise the ratio of taxes to GDP.	September 2025	Not met (implemented with delay)
Adopt a revenue mobilization plan, including VAT-related tax expenditures, in a coordinated manner among the various revenue collection departments.	Improve the mobilization of domestic revenues.	September 2025	Met
Revise the interministerial order establishing the CPCM to include the FARI modelling function, and strengthen the collection and centralization of extractive sector data, in collaboration with all stakeholders. (MEFP, ¶22)	Improve the forecasting of natural resource revenues.	September 2025	Met

Table 2. Democratic Republic of the Congo: Prior Action and Structural Benchmarks Under the ECF Arrangement (Continued)			
Measures	**Objective**	**Deadline**	**Status**
Third Review			
Adopt, in the Council of Ministers, and submit to Parliament a revised 2026 Budget Law consistent with the program objectives set out in the updated Memorandum of Economic and Financial Policies (MEFP).		Prior action	Met
Publish, on a quarterly basis, the payments made by investment project, distinguishing between those included in the budget law and those that are not	Improve public investment management	March 2026	Not met (implemented with delay)
Operationalize the interfaced expenditure chain in the four pilot ministries, including through the acquisition of the necessary equipment and office space and the opening of operating accounts	Deployment of accountants	February 2026	Met
Make the DGTCP operational as of January 1, 2026, by completing the prerequisites for the installation of its deployed staff and the use of its accounting system for the pilot ministries, with a view to producing the balance of accounts (including acquisition of equipment and office space for all deployed DGTCP staff).	Operationalization of the DGTCP	February 2026	Met
Adopt in the Council of Ministers the Decree on the Reclassification of Auxiliary bodies.	Improve budgetary control and transparency	March 2026	Met

Table 2. Democratic Republic of the Congo: Prior Action and Structural Benchmarks Under the ECF Arrangement (Continued)			
Fourth Review			
Incorporate into the FARI model mining projects representing 80 percent of mining exports.	Enhance forecasting of mining revenues	August 2026	
Accountants in the four pilot ministries shall produce, for the first quarter of 2026, a trial balance generated from the new system, presenting their budgetary and accounting operations. The DGTCP must produce a consolidated trial balance presenting the operations of the four pilot ministries.	Operationalize the decentralization of authorization	June 2026	
Operationalize the interfaced expenditure chain in the four other pilot ministries, including through the acquisition of the necessary equipment and office space and the opening of operating accounts.	Installation of accountants	September 2026	
Adopt the Treasury Plan Preparation Guide.	Strengthen cash management	July 2026	Proposed
Submit to Parliament a draft amendment to Law No. 10/010 of April 27, 2010 on public procurement in order to introduce the requirement for commitment appropriations to be reserved by the contracting authority before any contract signature, as well as the concept of a payment deadline to enable the calculation of arrears related to public procurement expenditures.	Control budget arrears	September 2026	Proposed
Adopt a roadmap for the rationalization of special funds (SFs) and public establishments (PEs), which will propose options to rationalize SFs and PEs and identify the prerequisites necessary for the assignment of public accountants to eligible SFs and PEs, in collaboration with IMF technical assistance (MEFP, ¶24).	Consolidate expenditure rationalization	October 2026	Proposed

Table 2. Democratic Republic of the Congo: Prior Action and Structural Benchmarks Under the ECF Arrangement (Concluded)			
Fifth review			
Adopt the Budget Commitment Plan Preparation Guide, including a clear definition of the concept of "budget arrears".	Control budget arrears	December 2026	*Proposed*
Based on the roadmap for the rationalization of special funds (SFs) and public establishments (PEs), complete the identified prerequisites in order to operationalize the assignment of public accountants to eligible SFs and PEs (§24).	Strengthen oversight of public establishments	June 2027	*Proposed*

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

Pillar	Reform measure	Diagnostic	Expected outcome	Implementing partner	Technical assistance	Date	Status	Prospective BOP Risk Reduction
Promote forest protection and sustainable mining exports	**RM1. Forest exploitation concessions.** The government will adopt amendments to the forest law to define the process to allocate concessions (forest, conservation and community forest concessions) specifying (i) social and environmental safeguard and compensation measures, (ii) mechanisms to guarantee the transparency of the allocation process and monitoring of the implementation of environmental and social management plans.	CCDR, CCIA	Government defines protection rules for forests in DRC's laws. Complete information - on concession award processes, concessions awarded, and environmental and social management plans - is published. This allows citizens to hold the government and concession holders accountable for how they manage forests.	Ministry of Environment and Sustainable Development (MEDD)	WB CAFI AFD	March 2026	Not Met. Delayed due to coordination problems with external partners in approving the Forestry Policy.	*Improved fiscal and external sustainability.* - Enhances transparency of forestry and mining sector, attracting more external investment and promoting net exports. - Contains impact of natural disasters on fiscal, external and real sectors
	RM2. Governance in the forest sector. The Court of Accounts will publish a performance audit that evaluates the reforestation operations financed by the National Forestry Fund (FFN).	DRC Governance Diagnostic, C-PIMA, CCIA	Public institutions are held accountable for the climate results they deliver. Enhanced reforestation efforts given the mandate of the FFN.	Court of Accounts (CDC) FFN	INTOSAI Development Initiative (IDI)	June 2026	In Progress	

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

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

Pillar	Reform measure	Diagnostic	Expected outcome	Implementing partner	Technical assistance	Date	Status	Prospective BOP Risk Reduction
	RM5. Mining norms. The government will systematically publish the environmental and social impact assessments of all approved mining projects, accompanied by their management plans and summary reports, as well as ex-post environmental audits.	CEM, CCDR, C-PIMA, CCIA	DRC has rules to protect the most valuable forest zones (virgin forests/peatlands) from mining activities. DRC as a solutions country provides transition critical minerals at an affordable human and environmental cost.	ACE DPEM FNPSS	CAFI GIZ	September 2027	In Progress	
	RM6. Governance in the forest sector. The FFN drafts a reform action plan in response to the audit, whose implementation will be revised by the Court after one year.	DRC Governance Diagnostic, C-PIMA, CCIA	Public institutions are held accountable for the climate policy results they deliver. Enhanced reforestation efforts given the mandate of the FFN.	FFN CDC	IDI	September 2027	In Progress	
Build resilience to climate natural disasters	**RM7. Climate fiscal risks.** Starting with the 2026-2028 fiscal risk statement (FRS), the Ministry of Budget will integrate a quantified analysis of natural disasters in the FRS published in annex to the budget law.	C-PIMA, CCIA	Natural disasters have an important impact on DRC's public finances, and their analysis supports better fiscal planning. Quantification of risks will better inform risk management by the Government.	Ministry of Budget – Directorate General for Budget Planning and Programming (DGPPB)	FAD	October 2025	Met	

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

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

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

Attachment II. Technical Memorandum of Understanding

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

A. Definitions

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

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

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

- The variables denominated in U.S. dollars will be converted into Congolese francs (CDF) using the program exchange rate of 2845.06 CDF per one US dollar.
- The variables denominated in SDRs will be valued at the program exchange rate of CDF 3735.05 per SDR.
- The variables denominated in euros will be valued at the program exchange rate of 2991.78 CDF per euro.
- Variables denominated in currencies other than the U.S. dollar, SDR, or euro will first be converted to U.S. dollars at the official exchange rate on December 31, 2024, USD/currency (taken from *IMF International Financial Statistics*) and then converted to Congolese francs using the CDF/USD program exchange rate.
- For the purposes of program monitoring, the price of gold is set at US$2,610.85 per troy ounce, corresponding to the LBMA PM price in effect on December 31, 2024.

5. The **quantitative performance criteria** (PCs) included in the program, as defined below, refer to the net international reserves of the BCC, the foreign currency assets of the BCC held with domestic correspondents, the net credit of the BCC to the government, the net domestic assets of the BCC, external payment arrears, subscriptions or guarantees of new external debt by the public sector, and the domestic fiscal balance (cash basis). Performance criteria are set for end-June 2026 and end-December 2026, while indicative targets are set for end-March 2026, end-September 2026, end-December 2026, and end-March 2027.

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

B. Quantitative Performance Criteria and Adjusters

Floors on Changes in the BCC's Net International Reserves

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

8. Definition: **Gross international reserves** are defined in accordance with the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6), as the sum of the following: (i) the BCC's monetary gold holdings held abroad; (ii) SDR holdings held abroad; (iii) foreign exchange cash holdings; and (iv) convertible claims on non-residents, such as foreign deposits and foreign securities. The following items are excluded from the definition of gross international reserves: foreign currency claims on residents, assets in nonconvertible currency, assets whose availability is subject to conditions, and assets that are in any manner encumbered or pledged, including without limitation, reserve assets used as pledges or guarantees for third-party external liabilities and swap transactions, and the foreign currency proceeds of the DRC sovereign Eurobond issued on April 9, 2026, deposited in BCC accounts abroad and earmarked for project financing by the central government.

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

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

- **Budget support** (BS): NIR floors will be adjusted upward by an amount equivalent to 50 percent of the surplus of BS over programmed levels (corresponding to budget support, excluding from the IMF). The NIR floors will be adjusted downward by an amount equivalent to 50 percent of the shortfall collected compared to the programmed levels.
- **External debt service payments:** NIR floors will be adjusted, either (i) upward by an amount equivalent to the underpayment of external debt service compared to programmed amounts, or (ii) downward by an amount equivalent to the excess of external debt service payments compared to the programmed amounts.

- **Proceeds from privatizations in convertible foreign currency** (PPDC): the NIR floors will be adjusted upward by an amount equivalent to 50 percent of the total surplus of the PPDC over programmed levels. There will be no downward adjustment in the event of a shortfall.

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

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

13. For the purposes of program monitoring, valuation effects resulting from changes in exchange rates or asset prices are excluded. All foreign-currency-denominated assets and liabilities taken into account in the calculation of net international reserves (NIR) are valued at fixed exchange rates and accounting prices. All values not denominated in U.S. dollars are converted into U.S. dollars using the program exchange rates and the gold price defined in paragraph 4.

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

14. Definition : The BCC's **foreign currency assets held with domestic correspondents** are defined as BCC assets: (i) of any denomination other than the Congolese franc; (ii) held with institutions or subsidiaries domiciled in the Democratic Republic of the Congo; (iii) but excluding BCC deposits used as guarantee/collateral for central government borrowing (as defined in §15) and the foreign-currency proceeds of the DRC sovereign Eurobond issued on April 9, 2026. The ceiling on the BCC's foreign currency assets held daily with domestic correspondents must remain below the threshold specified in the table of quantitative performance criteria, with a tolerance of five working days should this be exceeded.

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

Ceilings on Changes in BCC Net Domestic Assets

16. Definition: **BCC net domestic assets** (NDA) of are defined as the monetary base (see §17) minus net international reserves (see §7) minus external assets excluded from the international reserves, minus **the Treasury securities payable to the BCC** (§21), minus, as of December 2022, the reserve requirements of deposit-taking institutions. Based on this definition, the BCC's NDA include: (i) net credit to the government (central government (see §20); (ii) credit to the private sector; (iii) credit to public enterprises; (iv) credit to commercial banks; (v) other claims on the rest of the economy (on other financial institutions and other nonfinancial institutions); and (vi) other net assets.

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

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

- **BS**: The NDA ceilings will be adjusted downward by an amount equivalent to 50 percent of the total BPS in excess of the programmed level. The NDA ceilings will be adjusted upward by an amount equivalent to 50 percent of the shortfall in the amount collected compared to the programmed levels.
- **IMF budget support** (IMF-BS): NDA ceilings will be adjusted downward by an amount equivalent to 100 percent of IMF budget support in excess of programmed levels (corresponding to IMF budget support). NDA ceilings will be adjusted upward by an amount equivalent to 100 percent of the shortfall relative to programmed levels, without prejudice to the obligation to refrain from any direct monetary financing.
- **External debt service payment**: the NDA ceilings will be adjusted (i) downward by an amount equivalent to the underpayment of debt service compared to the programmed amounts; and (ii) upward by an amount equivalent to the excess of external debt service payments over the programmed amounts.

19. Definition: **IMF-BS** includes all external loans disbursed to the central government by the IMF, excluding those provided for balance of payments support.

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

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

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

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

- **BS**: the NCG ceilings will be adjusted downward, by an amount equivalent to 50 percent of the surplus of BPS over the programmed level. In the event of a shortfall, the NCG ceilings will be adjusted upward by an amount equivalent to 50 percent of the shortfall relative to the programmed levels.
- **IMF-BS**: NCG ceilings will be adjusted downward by an amount equivalent to 100 percent of IMF-BS in excess of the programmed level. NCG ceilings will be adjusted upward by an amount equivalent to 100 percent of the shortfall relative to programmed levels, without prejudice to the obligation to refrain from any direct monetary financing.
- **External debt service payments:** The NCG ceilings will be adjusted (i) downward by an amount equivalent to the underpayment of debt service relative to programmed amounts, or (ii) upward by an amount equivalent to the external debt service overpayment relative to programmed amounts.
- **Proceeds from privatizations**: The NCG ceilings will be adjusted downward by an amount equivalent to 50 percent of the total surplus of privatization proceeds over the programmed levels. There will be no upward adjustment for shortfalls.

Floors on the Domestic Fiscal Balance

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

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

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

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

26. Definition: **Externally financed investment** is defined as disbursements from bilateral and multilateral creditors to the central government for specific project expenditure.

Ceilings on the Accumulation of External Payment Arrears

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

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

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

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

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

31. Definition: The **present value** (PV) of new external debt is calculated by discounting all scheduled disbursements and debt service payments (principal and interest), on the basis of a program discount rate of 5% and taking into account all conditions of the loan, including projected disbursements, maturity, grace period, payment schedule, entry fees, and management fees. The PV is calculated using the IMF "DSA template", which is based on the loan amount and the

aforementioned parameters. In the case of loans for which the grant element is zero or below, the present value is equal to the face value.

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

33. Reference period: For each year, the ceiling on new external debt contracted or guaranteed by the State (PPG) is monitored on a cumulative basis from end-December of the previous year up to the test date of the current year (year-to-date measurement).

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

C. Indicative Targets

Floors on Central Government Revenues

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

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

- Revenues should be recorded on a cash basis, and flows should be recorded when cash is received. Exceptional advance payments will be treated as if they had been received on the normal due date.

Floor on Social Spending

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

- Health spending

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

- Social spending includes: (i) interventions aimed at promoting social action centers (social service centers) to strengthen the provision of social services, protect vulnerable groups, and build shelters for children separated from their families; and (ii) the expansion of the Unified Social Registry (RSU) for vulnerable individuals.

- Education and humanitarian spending

  - Education spending includes the provision of desks and benches to more than 2,000 schools across the country.
  - Humanitarian spending includes the pre-positioning of humanitarian kits in high-risk provinces most affected by conflict, internal displacement, and related crises.

Ceilings on the Accumulation of Central Government Wage Arrears

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

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

Ceilings on the Wage Bill

39. Definition: The **wage bill** is defined as the total remuneration paid to public service employees (see §38), including permanent benefits.

Ceilings on central Government Expenditures Executed Under Emergency Procedures

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

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

D. Data to be Reported for Program Monitoring Purposes

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

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

Table 1. Democratic Republic of the Congo: Overview of Data Required to be Reported by the Authorities (continued)				
7	**Government deposits with the BCC and commercial banks:** By type, entity, and currency	BCC	Monthly	10
8	**BCC guarantees** Promissory notes, term deposits, insured deposits, or any other type of guarantee contracted by the BCC with local commercial banks (by bank, category, terms, and currency); for guarantees, detailed information on payments related to guaranteed loans, and terms of such loans and associated guarantees.	BCC	Monthly	10
9	**BIS 2D BIS USD statement of account** Statement of account (downloadable electronic data format) provided by the BIS for the two-day deposit account in USD opened in the books of the BCC to record IMF-related disbursements.	BCC	Monthly	10
10	**Monitoring of monetary criteria** Net international reserves, BCC net credit to the government, BCC net domestic assets, BCC foreign currency assets held with domestic correspondents.	BCC	Monthly	15
11	**Monetary Data** Monetary survey and detailed Net credit to government	BCC	Bi-weekly	3
12	**BCC cash payments** BCC and government cashier operations, by currency and execution procedure	BCC	Monthly	10
13	**BCC local currency budget**	BCC	Monthly	3
14	**Commercial bank balance sheets** Detailed tables of assets and liabilities, for each depository institution and aggregated, broken down by national currency and foreign currency.	Financial Intermediaries Supervision Directorate (DSIF)	Monthly	10
15	**Financial soundness indicators (FSI)** Capital adequacy, asset quality, profitability, liquidity, sensitivity to market risks.	Financial Intermediaries Supervision Directorate (DSIF)	Monthly	10
16	**Interest rate term structure** Deposit-taking institutions and the BCC	Financial Intermediaries Supervision Directorate (DSIF)	Monthly	10

Table 1. Democratic Republic of the Congo: Overview of Data Required to be Reported by the Authorities (continued)				
17	**Foreign exchange budget**	BCC (Directorate of Banking Operations and Markets (DOBM)	Weekly	5
18	**Statistical digest** Main productions	BCC	Monthly	15
19	**Commodity exports and imports** Value and volume	BCC	Monthly	15
20	**Transactions on the capital and financial accounts of the balance of payments**	BCC	Quarterly	15
21	**GDP estimates and forecasts**	CESCN	Quarterly	45
22	**Expenditures executed under emergency procedures** Amounts approved by the Emergency Expenditures Commission and amounts paid and regularized by the BCC.	Emergency Committee	Quarterly	15
23	**Customs and excise revenues** Including mining, by category	Directorate General of Customs and Excise (DGDA)	Monthly	40
24	**Revenues from direct and indirect taxes**	DGI	Monthly	40
25	**Revenues from the mining sector** By nature	DGI	Monthly	40
26	**Subscriptions to corporate income tax (IBP)**	DGI	Annually	20
27	**Nontax revenue** Excluding provinces, including revenues from the mining sector	Directorate General of Administrative, Judicial, State, and Participation Revenue (DGRAD)	Monthly	20
28	**Proceeds of privatization**	DGRAD	One-off, for asset sales	15
29	**Indicators of national production**	National Institute of Statistics (INS)	Monthly	15
30	**Consumer price index**	INS	Weekly	5

Table 1. Democratic Republic of the Congo: Overview of Data Required to be Reported by the Authorities (continued)				
31	**Estimation of the fiscal cost of the fuel pricing policy**	Ministry of Economy (validation by the Ministry of Finance)	Quarterly	40
32	**External arrears** Discounted amounts	Ministry of Finance (Directorate General of Public Debt (DGDP))	Monthly	15
33	**External debt service** Interest and principal, detailed by creditor	Ministry of Finance (Directorate General of Public Debt (DGDP))	Monthly	10
34	**Central government domestic debt** Debt stock and debt service, by category and creditor	Ministry of Finance (Directorate General of Public Debt (DGDP))	Quarterly	15
35	**Public external debt contracted** Including by central or local governments, public enterprises (Gécamines, Sicomines, SNEL, MIBA) and the BCC; Details on the associated guarantees/collateral.	Ministry of Finance (Directorate General of Public Debt – DGDP)	Ad hoc, where a loan contract is signed	15
36	**Public external debt stock** Including that of central or local governments, public enterprises (Gécamines, Sicomines, SNEL, MIBA) and the BCC; associated amortization schedules.	Ministry of Finance (Directorate General of Public Debt – DGDP)	Annually	30
37	**Status of natural resource revenue collection**	Ministry of Finance (Technical Committee for Monitoring and Evaluation of Reforms (CTR))	Quarterly	20

Table 1. Democratic Republic of the Congo: Overview of Data Required to be Reported by the Authorities (concluded)				
38	**Government cash flow plan** Execution and projections	Ministry of Finance (Directorate General of the Treasury and Public Accounts (DGTCP)	Weekly	5
39	**Treasury bills and bonds** Issuance amounts, maturities, and interest rates; amortization	Ministry of Finance (Securities Committee)	Weekly	3
40	**Mining exports** By mineral and company, with annual projections	Ministry of Mines (Technical Mining Coordination and Planning Unit – CTCPM)	Monthly and quarterly	10
41	**Budget arrears** Up-to-date stock	Ministry of the Budget (Budgetary Control Directorate – DCB)	Annually	15
42	**Budget monitoring statement**	Ministry of Budget (Directorate General of Budgetary Policy and Programming – DGPPB)	Monthly	10
43	**Wage arrears** Stock, including details by category	Ministry of the Budget (Payroll Directorate)	Monthly	60
44	**Projected expenditure commitment plan**	Ministry of the Budget (Budgetary Control Directorate – DCB)	Quarterly	10
45	**Economic situation report Prepared for the weekly meeting with the Prime Minister**	Ministry of Planning (Macroeconomic Studies Directorate – DEME)	Weekly	3

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

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

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

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

INTERNATIONAL MONETARY FUND

DEMOCRATIC REPUBLIC OF THE CONGO

June 12, 2026

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION, THIRD REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUEST FOR WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF PERFORMANCE CRITERIA AND FINANCING ASSURANCES REVIEW; AND SECOND REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT AND REQUEST FOR REPHASING OF ACCESS—DEBT SUSTAINABILITY ANALYSIS

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

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

The Democratic Republic of the Congo (DRC) remains at moderate risk of external and overall debt distress, unchanged from the last Debt Sustainability Analysis (DSA), with some space to absorb shocks.[1] Debt-carrying capacity continues to be assessed as weak, reflecting still-low—albeit improving—reserve import coverage and persistent structural challenges.[2] Stress tests indicate breaches of external debt solvency and liquidity thresholds, as well as the public debt-

[1] See IMF Country Report No. 25/195.

[2] The DRC's Composite Index (CI) score is estimated at 2.62, based on the April 2026 WEO update and the 2024 World Bank Country Policy and Institutional Assessment (CPIA), released in July 2025. Accordingly, the country's debt-carrying capacity remains classified as weak.

to-GDP benchmark, pointing to vulnerability to adverse shocks, particularly those associated with weaker export performance. While some shock-absorbing capacity exists, it remains constrained by narrow fiscal buffers and high exposure to commodity price volatility. In addition, the recent Ebola outbreak adds health, fiscal, and economic downside risks. Since the last DSA, the authorities have accessed international bond markets for the first time through an maiden Eurobond, with proceeds earmarked for infrastructure investment. Going forward, prudent borrowing policies—prioritizing concessional financing—remain important, alongside strengthened debt management and enhanced domestic revenue mobilization to mitigate risks, create fiscal space for further high-quality investment, and bolster economic resilience.

PUBLIC DEBT COVERAGE

1. Public and publicly guaranteed (PPG) external and domestic debt covers debt contracted or guaranteed by the central government, the Central Bank of Congo (*Banque Centrale du Congo*, BCC), provinces, and state-owned enterprises (SOEs). The Directorate-General for Public Debt (*Direction Générale de la Dette Publique*, DGDP)[3], under the Ministry of Finance, publishes quarterly and annual debt reports on its website, covering both domestic and external debt on a residency basis. These reports include the debt of the central government, *Sicomines* (a joint venture between the Congolese government and Chinese investors) and *Gécamines*, government-guaranteed external debt of SOEs, and the BCC.[4] Other public institutions are legally prevented from contracting external debt without prior government approval and are unlikely to access external financing in the absence of an explicit government guarantee. *Sicomines*' legacy infrastructure loans are serviced through the joint venture's mining profits and backed by a government guarantee that can only be called after 2040. These guaranteed loans are included in PPG external debt and are expected to be fully repaid before the guarantee could be called. Moreover, the 2024 renegotiated agreement replaces further infrastructure loans with grant-based financing.[5] On this basis, they do not give rise to additional contingent liability risks under the baseline. Data on private sector external debt remain limited, and the private sector is assessed not to be borrowing externally.

2. While current reporting covers key parts of the public sector, gaps remain due to the lack of regular and comprehensive debt reporting from some public institutions and provincial governments. To address these shortcomings, the authorities have committed to take steps

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

[4] SOEs account for approximately 40 percent of PPG external debt, with a portion managed by the government through escrow accounts (see World Bank (2026); Democratic Republic of Congo Economic Update, March 2026: From Parking Lot to Fast Lane: Reforming State-Owned Enterprises).

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

to strengthen the legal and institutional framework for debt management and transparency. These efforts are supported by IMF technical assistance and the World Bank's Sustainable Development Finance Policy (SDFP), under which Performance and Policy Actions (PPAs) are agreed to strengthen debt transparency and management.

- Under the SDFP PPA2 for fiscal years 2024 and 2025, the authorities have made progress in enhancing debt transparency through the regular publication of quarterly debt bulletins and annual debt reports. Coverage has expanded to seven strategic SOEs (SNEL, MIBA, Gécamines, Sodimico, Sonahydroc, REGIDESO, and RVA) and an increasing number of provinces. This includes the publication of the 2023 annual debt report and the third and fourth quarterly bulletins for 2024, which extended coverage to two additional SOEs (ONATRA and SNCC) and two additional provinces (Kasai Central and Tanganyika), while reporting on PPG external and domestic debt, domestic arrears, and contingent liabilities.

- Under SDFP PPA2 for fiscal year 2026, the focus shifts to strengthening risk management. The authorities are (i) establishing and operationalizing a Credit Risk Analysis Committee (CARC) through an interministerial order (*arrêté*), (ii) publishing the CARC operational manual, and (iii) approving a three-year action plan to guide its work, including the assessment of risks related to on-lending, guarantees, and direct borrowing by the central government and SOEs.

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

Public and Publicly Guaranteed Debt Coverage

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

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

1	**The country's coverage of public debt**	The central, state, and local governments, central bank, government-guaranteed debt, non-guaranteed SOE debt		
		Default	**Used for the analysis**	**Reasons for deviations from the default settings**
2	Other elements of the general government not captured in 1.	0 percent of GDP	2.0	Adjusted to account for incomplete reporting by some public institutions.
3	SoE's debt (guaranteed and not guaranteed by the government) 1/	2 percent of GDP	7.0	Adjusted to account for incomplete coverage of the SOE sector.
4	PPP	35 percent of PPP stock	0.0	
5	Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5.0	
	Total (2+3+4+5) (in percent of GDP)		14.0	

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

BACKGROUND AND RECENT DEVELOPMENTS

3. Despite its vast natural-resource endowment, the DRC remains among the world's poorest and most fragile countries, reflecting persistent structural weaknesses. Economic activity is characterized by a narrow and insufficiently diversified production base, heavily concentrated in the extractive sector. This structure leaves the economy highly exposed to commodity-price volatility, external demand shocks, and supply-chain disruptions. These vulnerabilities have been exacerbated by a gradual deterioration in the security situation in the eastern provinces in recent years, which intensified in 2025, placing additional pressure on public finances through higher security-related and humanitarian spending.

4. The economy demonstrated resilience in 2025, despite the difficult security environment. Real GDP growth moderated slightly to 5.7 percent, reflecting a slowdown in the extractive sector as copper production growth eased and cobalt exports were suspended for much of the year, partly offset by stronger activity in the non-extractive sector, notably commerce and telecommunications. Inflation declined sharply in 2025, driven by a large appreciation of the Congolese franc in the second half of the year, bringing end-year inflation down to 2.3 percent. While inflation is expected to converge back toward the BCC's target over the medium term, the economy remains highly exposed to supply shocks and exchange-rate volatility given its high import dependence and extensive dollarization. Fiscal pressures intensified in 2025, as elevated security-related spending led the domestic fiscal deficit to exceed program targets, despite revenues remaining broadly on track and supported by strong mining receipts. The external position strengthened, with the current account deficit narrowing to about 3.7 percent of GDP, supported by robust mining exports and a marked improvement in the services balance, while gross international reserves increased to about 2.4 months of non-aid-related imports by end-2025. Further reserve accumulation is expected over the near term, supporting gradual convergence toward reserve import-coverage adequacy benchmarks.

5. Central government external arrears in the DRC largely date back to the pre-HIPC Completion Point period, with additional arrears related to *Gécamines* contributing to the overall stock. By end-2025, external arrears are estimated at about US$238 million (around 0.3 percent of GDP). Pre-HIPC arrears to four non-Paris Club official bilateral creditors amount to roughly US$60 million (about 0.1 percent of GDP) and are either under negotiation or subject to ongoing reconciliation. The authorities have maintained active engagement with these creditors through bilateral meetings and regular correspondence to enhance information sharing and facilitate progress toward resolution. Consistent with the Fund's arrears policy for official bilateral creditors, these pre-HIPC arrears to non-Paris Club creditors continue to be deemed away, as the underlying Paris Club agreement is adequately representative and the authorities have demonstrated best efforts to resolve the outstanding claims. In addition, the DRC has arrears to external commercial creditors, comprising claims on the central government and on *Gécamines*, each amounting to less than 0.2 percent of GDP. The authorities continue to engage these creditors in good faith with a view to reaching collaborative agreements.

6. Public debt declined by 4.8 percentage points of GDP in 2025, with the public-debt-to-GDP ratio falling from 22.8 percent in 2024 to 17.9 percent in 2025. This reduction was primarily driven by valuation effects—which accounted for about 3.7 percentage points of GDP—following the sharp

appreciation of the Congolese franc in the second half of the year. As public debt is largely denominated in foreign currency and valued at the end-period exchange rate, while nominal GDP is measured using the annual average exchange rate, the late-year currency appreciation mechanically compressed the debt-to-GDP ratio in 2025. Debt dynamics were further supported by a favorable interest-rate–growth differential, which reduced the debt ratio by about 1.8 percentage points of GDP, alongside other residual debt-reducing factors. These effects were partially offset by the primary fiscal deficit, which contributed 2.2 percentage points of GDP to debt accumulation.

- **External public debt declined from 14.1 percent of GDP in 2024 to 10.1 percent in 2025, reflecting weaker-than-anticipated external borrowing and the aforementioned valuation effects stemming from the exchange-rate appreciation.** Despite the decline in the GDP ratio, external debt increased somewhat in U.S. dollar terms. Newly contracted external borrowing amounted to about US$1.6 billion in 2025, of which about US$1.1 billion was concessional multilateral debt, with a corresponding PV of US$801.7 million. Multilateral creditors therefore continued to account for the bulk of the external creditor base (Text Table 3).
- **Domestic public debt declined from 8.6 percent of GDP in 2024 to 7.8 percent in 2025, and remained largely composed of domestic arrears.** The stock of domestic arrears is estimated at about 3.8 percent of GDP in 2025, mainly comprising VAT arrears to exporters and reconciled legacy arrears, with a small amount of arrears from provinces (Text Table 2).[6] Treasury bills and bonds amounted to around 2.3 percent of GDP, reflecting continued reliance on short-term domestic securities. Debt to the BCC—amounting to 1.7 percent of GDP and covered by a *protocole d'accord* that is being serviced—is now included in domestic debt within the DSA perimeter. This treatment differs from previous assessments, where such claims were consolidated within general government, and reflects the need to capture these obligations as explicit and serviced central government liabilities.

7. The authorities accessed international capital markets for the first time in April 2026 through a maiden Eurobond issuance, expanding the set of available public financing instruments. The issuance amounted to US$1.25 billion (about 1.0 percent of GDP) and comprised two tranches: a five-year tranche of US$600 million and a ten-year tranche of US$650 million, with final maturities in 2032 and 2037. The tranches carry fixed coupons of 8.75 percent and 9.50 percent respectively, payable semi-annually, and feature three equal principal amortizations in the last three years of each maturity. Investor demand was strong, with total orders far exceeding the issuance amount. The Eurobond issuance contributes to diversifying financing sources and lengthening the maturity profile of public debt relative to domestic instruments, which typically carry shorter maturities of up to 18 months and slightly higher

[6] Certified VAT arrears comprise mining-sector claims validated through two IGF certification exercises covering 2021–22 and 2023–24. These claims amount to US$2.14 billion, or 1.9 percent of GDP, and underpin the VAT arrears repayment strategy adopted in March 2025; they are therefore included in the domestic debt stock. A further US$1.08 billion, or 0.9 percent of GDP, in reported VAT arrears remains subject to certification. Pending validation, these reported claims are excluded from the baseline debt stock, as they may include duplicate, ineligible, or otherwise unfounded amounts.

nominal interest rates. The proceeds are intended to support a pipeline of priority public investment projects, including infrastructure in the transport and energy sectors (Box 1).

Text Table 2. Democratic Republic of the Congo: Total Domestic Debt, 2025

	2025		
	Nominal in US$ million	in percent of GDP [4/]	in percent of total domestic debt
Stock of Treasury bills and bonds	2,566.3	2.3	28.9
VAT arrears [1/]	2,140.0	1.9	24.1
Reconciled legacy arrears [2/]	2,053.3	1.8	23.1
Arrears from provinces	143.5	0.1	1.6
Arrears to oil companies	0.0	0.0	0.0
Debt to BCC [3/]	1973.2	1.7	22.2
Total	8,876.3	7.8	100.0

Sources: Congolese authorities and IMF staff calculations.

1/ Represents certified claims of the mining sector, based on two IGF certification exercises covering 2021–22 and 2023–24. These claims underpin the VAT arrears repayment strategy adopted in March 2025.
2/ Includes validated and certified arrears under the domestic debt clearance strategy, as well as certified arrears pending validation, and signature of the relevant *protocoles d'accord*.
3/ Includes residual claims of the BCC on the Treasury arising from the regularization of past central bank advances under the December 2021 *Protocole d'accord* and its May 2022 *Avenan*t.
4/ Converted at the end-year exchange rate.

Text Table 3. Democratic Republic of the Congo: Decomposition of Public Debt and Debt Service by Creditor 2025-27[1]

	Debt Stock[4/] 2025			Debt Service					
				2025	2026	2027	2025	2026	2027
	(in M US$)	*(Percent total debt)*	*(Percent GDP)*	*(in M US$)*			*(Percent GDP)*		
Total	20,424.3	100.0	17.9	2,040.7	3,899.4	1,612.5	2.2	3.2	1.2
External	11,548.0	56.5	10.1	835.4	985.3	1,075.6	0.9	0.8	0.8
Multilateral creditors	7,152.0	35.0	6.3	268.5	354.1	489.6	0.3	0.3	0.4
IMF[2/]	3,736.2	18.3	3.3	147.3	189.4	296.3	0.2	0.2	0.2
World Bank	3,031.5	14.8	2.7	90.5	104.0	116.3	0.1	0.1	0.1
AfDB	244.6	1.2	0.2	5.5	5.5	5.7	0.0	0.0	0.0
Other Multilaterals	139.7	0.7	0.1	25.2	55.1	71.2	0.0	0.0	0.1
o/w: European Investment Bank	28.9	0.1	0.0	9.8	10.1	9.9	0.0	0.0	0.0
Arab Bank for Economic Development in Africa	38.9	0.2	0.0	1.0	1.6	2.9	0.0	0.0	0.0
Bilateral creditors	3,704.5	18.1	3.3	445.0	416.3	425.2	0.5	0.3	0.3
Paris Club	84.2	0.4	0.1	4.0	4.2	3.2	0.0	0.0	0.0
o/w: France	31.6	0.2	0.0	4.0	4.2	3.2	0.0	0.0	0.0
Exim Bank of Korea	52.5	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Paris Club	3,620.3	17.7	3.2	441.0	412.1	422.0	0.5	0.3	0.3
o/w: Exim Bank of China	3,229.2	15.8	2.8	412.6	384.6	388.8	0.4	0.3	0.3
Exim Bank of India	97.8	0.5	0.1	19.5	17.2	16.9	0.0	0.0	0.0
Bonds	...	...	...	...	...	...	...	...	...
Commercial creditors	691.6	3.4	0.6	121.9	214.9	160.8	0.1	0.2	0.1
o/w: FG Hemisphere	81.5	0.4	0.1	-	-	-	-	-	-
Financial Investment Holding	10.4	0.1	0.0	7.1	7.0	3.5	0.0	0.0	0.0
Domestic	8,876.3	43.5	7.8	1,205.3	2,914.2	536.9	1.3	2.4	0.4
T-Bills	195.3	1.0	0.2	137.1	214.8	-	0.1	0.2	0.0
T-Bonds	2,371.0	11.6	2.1	879.2	2,139.4	-	0.9	1.8	0.0
Loans	-	-	-	3.0	-	-	0.0	0.0	0.0
Arrears	4,336.8	21.2	3.8	150.1	518.5	497.2	0.2	0.4	0.4
Debt to BCC[3/]	1,973.2	9.7	1.7	35.9	41.5	39.8	0.0	0.0	0.0
Memo items:									
Collateralized debt	2,601.6	12.7	2.3						
Contingent liabilities	2,969.9	14.5	2.6						
o/w: Public guarantees	92.7	0.5	0.1						
o/w: Other explicit contingent liabilities	2,877.2	14.1	2.5						
Nominal GDP (in M USD)	113,883.7	...	...	92,805.7	120,377.6	129,560.5	...	...	...

Sources: Congolese authorities and IMF staff estimates.
1/ As reported by country authorities according to their classification of creditors, including official and commercial creditors. Debt coverage is consistent with the DSA.
2/ Includes the net negative SDR position following the SDR allocation retroceded to the government and used for budget support.
3/ Includes residual claims of the BCC on the Treasury arising from the regularization of past central bank advances under the December 2021 *Protocole d'accord* and its May 2022 *Avenant*.
4/ Based on the exchange rate at the end of the year.

Box 1. Maiden Eurobond Issuance—Macro-Financial Implications and Investment Pipeline

The DRC issued its maiden sovereign Eurobond in April 2026 in a context of large infrastructure needs and compressed public investment. Under the authorities' National Development Plan, total investment needs for 2024–28 are estimated at US$95 billion (about 100 percent of GDP). Under the ECF-supported program approved in January 2025, domestically financed public investment was initially envisaged at 9.6 percent of GDP over 2025–27, but repeated security shocks and spending pressures led to a downward revision to about 4.5 percent of GDP, resulting in a substantial shortfall relative to program objectives.

To partially restore planned investment levels, the authorities have identified a scaled-down pipeline of seven priority projects, centered on infrastructure with large economic and social returns. Given that the pipeline is larger than the Eurobond envelope, implementation will be supported by a broader financing mix, including budgetary resources and ECF and RSF disbursements, with project execution phased in line with available financing and implementation capacity.

Eurobond proceeds are intended to finance additional public investment over 2026–28, with projected disbursements of approximately US$650 million in 2026, US$600 million in 2027—equivalent to an annual investment scale-up of about 0.4–0.5 percent of GDP during 2026–27. The project pipeline is concentrated in transport, energy, and urban infrastructure, including airport expansion, national road rehabilitation, and electricity generation and transmission projects.

Key safeguards are being put in place by the authorities to ensure the effective and transparent use of Eurobond proceeds. These include ring-fencing funds in dedicated project and central bank accounts, establishing a high-level oversight committee under the Prime Minister, formalizing debt-service arrangements with the central bank, committing to standard procurement procedures with strengthened ex post controls, and ensuring independent reporting by UNDP. The authorities will also ensure that only projects with high economic returns are selected.

Box 1. Maiden Eurobond Issuance—Macro-Financial Implications and Investment Pipeline (Concluded)

From a macroeconomic perspective, the investment scale-up is expected to have a modest but positive impact on medium-term GDP, with growth effects materializing gradually as projects are implemented and become operational. During the implementation phase, Eurobond-financed investment is assumed to be import-intensive, with an estimated import content of about 50 percent, implying higher capital goods imports and a temporary widening of the current account deficit in 2026–28. The Eurobond issuance provides a front-loaded boost to the financial account in 2026, but the net impact on reserve accumulation is expected to be limited, as proceeds are largely absorbed by investment spending and partly substitute for domestic U.S.-dollar-denominated financing.

The issuance increases the share of commercial external debt and results in higher external debt service over the medium term, reflecting fixed coupon payments and amortization in the outer years. At the same time, the moderate size of the issuance (about 1.0 percent of GDP), its amortizing structure, and the extension of average maturities relative to existing domestic securities mitigate near-term refinancing risks. These effects are incorporated in the baseline projections underpinning this DSA, which continue to assess the DRC at moderate risk of external and overall debt distress, with some space to absorb shocks. Realization of the expected growth benefits will depend on timely project execution and effective public investment and debt management.

MACROECONOMIC FORECASTS AND POLICY ASSUMPTIONS

9. The projections underlying this DSA are based on the macroeconomic framework underpinning the third review of the ECF-supported arrangement and the second review of the RSF-supported arrangement (Box 2).

- GDP growth is projected to average about 5.5 percent over 2026–30, reflecting a gradual moderation in the pace of mining production expansion, partly offset by stronger growth in the non-extractive sector. Sustained commodity prices, solid global demand for the DRC's exports, and improved non-extractive activity a favorable export outlook. Non-extractive growth is expected to be underpinned by continued expansion in agriculture, manufacturing, construction, and services, including commerce and telecommunications, in line with recent trends. At the same time, import growth—linked to public investment, security-related spending, and higher energy and transport costs associated with the conflict in the Middle East—is expected to partly offset these gains in the near term. As a result, the current account deficit is projected to narrow to 1.9 percent of GDP in 2026 and to below 1.5 percent of GDP over the medium term, a stronger external trajectory than in the previous DSA. Key risks to this outlook include a potential escalation of the conflict in the eastern region, renewed volatility in global commodity prices, and a prolonged deterioration in geopolitical tensions in the Middle East, which could weigh on growth, trade performance, and import costs.

- Foreign direct investment (FDI) assumptions have been revised downward relative to the previous DSA. FDI is now projected at around 2 percent of GDP over the medium term, reflecting a lower-than-previously projected outturn for 2025 and more conservative assumptions regarding new project development amid heightened global uncertainty. Nevertheless, investment inflows are expected to remain significant, particularly in the mining sector, supported by favorable medium-term demand prospects, capacity expansion in existing projects, and investments related to climate resilience and adaptation. Near-term risks remain, however, including from tighter global financial conditions and heightened uncertainty, which could weigh on the pace of new investment commitments.
- Multilateral creditors remain the main sources of external financing. Excluding IMF financing, newly contracted external borrowing is projected to rise to around US$4.0 billion in 2026, from about US$1.6 billion in 2025. This increase reflects elevated near-term financing needs and the scaling up of public investment, as envisaged in the DRC's borrowing program, including higher projected disbursements from multilateral creditors beyond the World Bank. While the bulk of new borrowing is expected to remain concessional, the share of non-concessional financing is projected to increase gradually over the medium term, consistent with the authorities' expanded access to non-concessional financing, as reflected in the Eurobond issued in 2026.
- The stock of Treasury bills and bonds increased in 2025, reaching about US$2.6 billion (2.3 percent of GDP) and accounting for close to 30 percent of total domestic debt. While the overall level of domestic debt remains moderate, the gradual increase in reliance on Treasury bills and bonds contributes to a rising domestic debt service burden over the medium term. As a result, domestic debt service relative to revenues is projected to increase and peak in the early 2030s, before easing thereafter. At the same time, the more favorable terms secured on the 2026 Eurobond relative to domestic borrowing suggest scope for domestic financing conditions to improve over time, particularly if market confidence strengthens and the investor base deepens.

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

		2019-24	2025	2026	2027	2028	2029	2030	2031-45
Real GDP	Current	5.3	5.7	5.6	5.5	5.5	5.5	5.5	5.0
(annual percentage change)	Previous	5.3	5.3	5.3	5.4	5.4	5.4	5.4	4.5
Consumer prices, period average	Current	12.0	7.4	3.5	6.4	7.0	7.0	7.0	7.0
(annual percentage change)	Previous	12.0	8.8	7.1	7.0	7.0	7.0	7.0	6.3
Fiscal Balance [2/]	Current	-2.0	-2.4	-2.4	-2.4	-1.7	-1.7	-1.5	-0.8
(percent of GDP)	Previous	-2.4	-2.3	-1.7	-1.6	-1.5	-1.7	-1.4	-1.4
Current Account Balance	Current	-3.3	-3.7	-1.9	-1.4	-1.2	-1.1	-1.4	-0.9
(percent of GDP)	Previous	-3.5	-3.2	-2.4	-2.8	-3.2	-3.6	-4.2	-3.5
Exports of Goods and Services	Current	37.6	39.8	44.4	43.4	42.9	42.0	41.5	29.2
(percent of GDP)	Previous	37.7	46.1	46.6	46.2	45.5	44.7	43.6	25.9
Foreign Direct Investment	Current	2.9	2.0	2.0	2.0	2.0	2.0	1.9	1.9
(percent of GDP)	Previous	3.0	3.2	3.2	3.2	3.2	3.2	3.0	1.9

[1/] The previous vintage refers to the DSA conducted in June 2025.

[2/] Fiscal balance on a commitment basis. This measure includes accrued spending and may differ from the cash balance due to the accumulation/clearance of arrears and other timing or accounting factors.

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

- **Debt drivers:** The public-debt-to-GDP ratio declined to 17.9 percent in 2025, with external public debt falling to 10.1 percent of GDP, reflecting favorable valuation effects, contained net borrowing, and strong nominal GDP growth. Over the medium term, public debt is projected to rise modestly, peaking at 20.1 percent of GDP in 2027, driven by continued—though narrowing—fiscal deficits, elevated security spending and the scaling up public investment, before resuming a gradual decline as fiscal consolidation takes hold. Compared with the previous DSA, the fiscal deficit is wider in 2026, reflecting persistent spending pressures, including from the security situation, the authorities' response to external shocks, and higher capital spending. Disbursements under the ECF- and RSF-supported arrangements contribute to meeting financing needs while helping contain external debt vulnerabilities. Residuals in the debt decomposition remain sizable in some years, reflecting reserve accumulation, valuation effects from price and exchange-rate movements, and timing differences between loan disbursements and spending, including the upfront recording of the Eurobond proceeds in 2026 while the associated project execution is phased over the near term. The baseline assumes broadly stable exchange rate conditions. However, given the high level of dollarization and the large share of foreign-currency-denominated debt, exchange rate movements remain an important source of risk to debt dynamics, with depreciation potentially reversing recent valuation gains.

- **Fiscal adjustment and economic growth:** The primary deficit widened to 2.2 percent of GDP in 2025 and is projected to edge down to 2.0 percent in 2026, before narrowing more steadily over the medium term and approaching balance by 2033. This trajectory reflects the authorities' continued reliance on fiscal policy to address pressing security and development needs—including higher infrastructure spending—alongside progressive consolidation supported by stronger revenue mobilization and more efficient use of public resources. Over 2026–30, the primary deficit is projected to average broadly in line with recent historical levels. The envisaged adjustment is underpinned by a combination of tax policy and administration measures, including restoring the VAT rate on selected goods, raising excise taxes, reducing fuel-related subsidies and tax expenditures, and strengthening compliance through improved tax administration and enforcement. Realism tools suggest that the pace of fiscal adjustment is achievable and that projected growth—averaging about 5.5 percent over the medium term—is not unusually high relative to historical outcomes. Despite an expansionary fiscal stance in the near term, growth is not projected to accelerate markedly, suggesting that supply-side constraints, including infrastructure gaps, security-related disruptions, and structural bottlenecks, continue to weigh on economic performance (Figure 4). Finally, compared with the previous DSA, the projected contribution of investment to growth increases only slightly, while its composition shifts toward a larger contribution from government capital. This reflects, primarily, the recent incorporation of the revised national accounts for 2017-23—which features sizable revisions of the historical investment base and, especially, of its decomposition into private and public investment—and, to a smaller extent, the projected scaling up of public

investment, partly financed by Eurobond proceeds. At the same time, conservative assumptions on private investment and FDI, together with implementation lags high import content, and absorptive-capacity constraints, temper the overall growth payoff.

Box 2. Macroeconomic Assumptions for 2026-36

Real GDP growth: Real GDP growth moderated slightly to 5.7 percent in 2025, with still-strong extractive sector activity—driven by higher copper and zinc production—partly offset by disruptions related to the suspension of cobalt exports. Growth in the non-extractive sector strengthened, supported by agriculture, manufacturing, construction, commerce, and telecommunications. Over the medium term, real GDP growth is projected to average about 5.5 percent over 2026–30, before gradually moderating toward about 5 percent over the long term. This trajectory reflects sustained—though progressively slowing—mining output growth, favorable commodity prices, the scaling up of public investment following the slowdown in recent years, and continued expansion of non-extractive sectors, supporting gradual economic diversification. Long-term real growth over 2032-46 is underpinned by continued strong population growth through 2050 (close to 3 percent annually), in line with UN estimates, and by a steady buildup of capital and productivity growth (each close to 1 percent per year), assuming gradual implementation of structural reforms and key infrastructure investment, in a context of macroeconomic stability.

Inflation: Inflation dynamics are largely driven by exchange rate developments in a highly dollarized economy. The sharp appreciation of the Congolese franc in late 2025 generated a sizeable one-off disinflationary effect, brining end-period inflation down to 2.3 percent, although average inflation still remained at 7.4 percent in 2025. Average inflation is projected to decline further to 3.5 percent in 2026, before converging back to the BCC's target of around 7 percent from 2027 onward. This path reflects improved exchange-rate conditions, the lagged effects of earlier monetary tightening, and the unwinding of previous supply shocks and inflationary pressures. Maintaining inflation close to target will require the BCC to pause further easing in the near term and remain ready to tighten monetary policy as needed to anchor expectations and manage exchange-rate volatility.

Primary fiscal balance: The primary fiscal deficit is expected to moderate only slightly in the near term, reaching 2.0 percent of GDP in 2026 and 1.8 percent in 2027, reflecting elevated security-related spending pressures, high development needs, and the scaling up of public investment. Over the medium to long term, the primary deficit is projected to narrow gradually, approaching 0.5 percent of GDP by 2031, supported by enhanced revenue mobilization—including in the non-extractive sector—and a gradual moderation in expenditure growth. Capital spending is expected to remain significant throughout the projection period, reflecting the authorities' efforts to address infrastructure gaps. Revenue projections cover central government collections and SOE revenues, with the latter assumed to be sufficient to service their own debt obligations.

Current account balance: The current account deficit narrowed to 3.7 percent of GDP in 2025, supported by robust mining exports and an improved services balance, despite strong import growth and higher dividend repatriation. The external position remains closely linked to developments in the mining sector. Mineral exports are projected to grow strongly in 2026, supported by elevated prices, the resumption of cobalt exports, and sustained demand for transition-related commodities, despite uncertainties related to the Middle East conflict. Imports are also expected to increase in the near term—reflecting security-related needs, investment-driven demand for capital and intermediate goods, and higher fuel and transport prices. As a result, the current account deficit is projected to narrow to 1.9 percent of GDP in 2026 and to below 1.5 percent of GDP over the medium term, as stronger exports more than offset higher imports. Over the longer term, as economic diversification progresses and mining exports grow more slowly than GDP, the current account deficit is expected to widen modestly, while remaining moderate by historical standards. The baseline already incorporates higher fuel and transport costs following the onset of the Middle East conflict—reflected in higher imports and weaker reserve accumulation—while risks remain tilted to the downside in the event of renewed commodity price volatility or disruptions to key inputs used in mining.

Box 2. Macroeconomic Assumptions for 2026-36 (Concluded)

Financing: External financing is expected to comprise a mix of concessional and non-concessional loans from multilateral, bilateral, and commercial creditors, alongside FDI and grants. Grants are expected to continue supporting public investment, while ECF and RSF disbursements, together with World Bank support, help close near-term external financing gaps. The favorable terms secured on the 2026 Eurobond, relative to domestic borrowing conditions, suggest scope for domestic financing conditions to improve over time, particularly if market confidence strengthens and the domestic investor base deepens. However, the DSA baseline remains conservative and assumes that residual financing needs are met through the domestic securities market on terms broadly in line with the recent track record and current market depth. Specifically, foreign-currency-denominated Treasury bills are assumed to account for about 50 percent of issuance, while foreign-currency-denominated Treasury bonds with maturities of up to three years account for about 30 percent through 2036, consistent with prevailing rollover conditions.

Gross official reserves: Gross official reserves are projected to continue increasing gradually, reaching about three months of non-aid-related imports by 2027. Reserve accumulation is supported by strong export performance, improved current-account dynamics, and the catalytic role of the ECF- and RSF-supported arrangements. However, higher fuel and transport costs are expected to weigh on the pace of reserve accumulation in the near term, and buffers remain below adequacy benchmarks.

COUNTRY CLASSIFICATION AND DETERMINATION OF SCENARIO STRESS TESTS

11. The DRC's debt-carrying capacity remains classified as weak (Text Table 5), unchanged from the previous DSA. This classification is based on the composite indicator (CI) score, which combines the World Bank's latest CPIA score with other key macroeconomic variables, including forward-looking elements. The DRC's CI score stands at 2.62, having improved from earlier vintages, mainly reflecting higher import coverage of reserves. However, the score remains within the range consistent with weak debt-carrying capacity. As a fragile and conflict-affected state, the DRC remains highly exposed to external shocks, including commodity price volatility and security-related disruptions. This underscores the importance of prudent borrowing policies, continued prioritization of concessional financing, and further strengthening of debt management practices.

12. The assessment of external and overall risks of debt distress is based on six standardized stress tests and applicable tailored stress tests, complemented by a customized climate-related disaster scenario. The standardized stress tests are conducted using LIC-DSF default settings and include shocks to real GDP growth, exports, the primary balance, the exchange rate, and other macro-fiscal variables. Three tailored stress tests apply to the DRC: the commodity price shock, the contingent liability shock, and the market financing shock. The commodity price shock is particularly relevant for the DRC, given the economy's heavy reliance on mineral exports.[7] The market financing shock now also applies,

[7] Under the debt sustainability framework, countries where commodity exports account for at least 50 percent of total exports of goods and services over the preceding three-year period are subject to a commodity price shock stress test. In the DRC, commodities accounted for approximately 98 percent of total exports of goods and services during the period 2023–25, far above this threshold, making the stress test highly relevant given the economy's strong dependence on mineral exports.

reflecting the DRC's outstanding Eurobond and associated exposure to rollover and market-access risks (Figure 6). The tailored contingent liability shock captures potential risks arising from SOEs, domestic arrears—including the possible certification of currently uncertified VAT arrears—and other off-balance-sheet exposures. It is calibrated conservatively, with a total shock size of 14 percent of GDP, including 7 percent of GDP to account for incomplete coverage of the SOE sector and an additional 2 percent of GDP to reflect incomplete reporting by certain public institutions and provinces to the DGDP. In addition, the customized disaster/no-adaptation scenario assesses the long-term debt implications of delayed or insufficient climate adaptation, drawing on CCDR estimates. Together, these stress tests assess the sensitivity of debt burden indicators to adverse shocks and inform the external and overall risk-of-debt-distress ratings under the LIC-DSF framework.

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

Debt Carrying Capacity	Weak

Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintage
Weak	Weak	Weak	Weak
	2.62	2.45	2.43

Calculation of the CI Index

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	3.108	1.20	46%
Real growth rate (in percent)	2.719	6.361	0.17	7%
Import coverage of reserves (in percent)	4.052	22.017	0.89	34%
Import coverage of reserves^2 (in percent)	-3.990	4.848	-0.19	-7%
Remittances (in percent)	2.022	3.211	0.06	2%
World economic growth (in percent)	13.520	3.637	0.49	19%
CI score			2.62	100%
CI rating			Weak	

Applicable Thresholds

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

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

Note: The current vintage refers to the April 2026 WEO and the World Bank's 2025 CPIA; the previous vintages refer to the April and October 2025 WEOs and, respectively, the 2023 and 2024 CPIAs.

EXTERNAL DEBT SUSTAINABILITY ANALYSIS

Baseline

13. Under the baseline scenario, all external public and publicly guaranteed (PPG) debt indicators remain below their applicable thresholds throughout the projection horizon. External PPG debt is projected at 13.3 percent of GDP in 2026, with its present value (PV) estimated at 10.7 percent of GDP, well below the applicable threshold of 30 percent, reflecting the continued predominance of concessional financing. External borrowing is projected to increase in the near term, following the issuance of the DRC's inaugural Eurobond in 2026 and alongside disbursements under the ECF- and RSF-supported arrangements. The Eurobond issuance contributes to higher external debt service over the medium to longer term, once repayments begin after the grace period; nevertheless, baseline external debt and debt-service indicators remain contained. Overall, the projected path of external public debt remains consistent with a moderate risk of external debt distress, conditional on the realization of the baseline growth and export assumptions (Figure 1).

Alternative Scenarios and Stress Tests

14. Notwithstanding the favorable baseline, external debt vulnerabilities persist, reflecting the DRC's structural characteristics, including limited economic diversification and high dependence on commodity exports. Under the most extreme standardized stress test, which assumes a sharp decline in exports, the PV of the external debt-to-GDP ratio and both debt-service indicators breach their respective thresholds (Figure 1). In this export shock scenario, nominal exports are assumed to decline by about 17 percent on average in 2027–28 relative to the previous year.[8] Given the dominant role of copper—accounting for roughly 70 percent of total exports—this shock can be interpreted as broadly equivalent to two consecutive large declines in international copper prices relative to the baseline. Breaches vis-à-vis liquidity thresholds are amplified by the non-concessional nature of the Eurobond, once amortization begins after the grace period, underscoring the sensitivity of debt-service indicators to adverse export and financing shocks. These results highlight the importance prioritizing concessional borrowing to the extent possible, building fiscal and external buffers during periods of favorable commodity prices, and advancing economic diversification to reduce vulnerability to commodity-price cycles and mitigate the risk of external debt distress over the medium term.

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

PUBLIC DEBT SUSTAINABILITY ANALYSIS

Baseline

15. The public debt-to-GDP ratio remains below the applicable benchmark under the baseline scenario. However, risks persist. While Treasury bill and bond issuance is expected to remain moderate, the recognition of uncertified domestic arrears to suppliers could increase domestic debt and, consequently, total public debt. In addition, the realization of guarantees and other contingent liabilities, including those related to SOEs and other public entities, could weigh on the debt trajectory. These risks underscore the need for continued vigilance in fiscal management, stronger arrears monitoring, and enhanced oversight of fiscal risks and contingent liabilities.

Domestic Public Debt Vulnerabilities

16. The DRC's domestic debt increased in recent years in U.S. dollar terms, owing to greater reliance on domestic issuance—particularly short-term Treasury bonds—which has heightened rollover risks and exposure to domestic market conditions (Text Figure 1). Most domestic issuance is denominated in U.S. dollars, consistent with the highly dollarized financial system. While the stock of domestic debt remains contained when expressed as a share of GDP, domestic debt-service ratios are projected to rise over the medium term, driven by the larger stock of domestic securities, their short maturity profile, and relatively high borrowing costs. Domestic borrowing remains concentrated at the short end of the maturity spectrum—typically around 18 months, with coupon payments every six months—reflecting bank's asset-liability management constraints. Given their reliance on short-term deposit funding, banks prefer shorter-maturity government securities to limit duration risk, which—together with shallow market depth and high dollarization—constrains the development of longer-term local-currency issuance. This structure heightens vulnerabilities through rollover and interest-rate risks and underscores the importance of sustained progress in domestic market development, prudent debt management, and close monitoring of rollover and sovereign-bank nexus risks.[9]

17. Looking ahead, domestic debt is projected to decline temporarily in 2026, reflecting a short-lived reduction in domestic financing needs. In particular, the issuance of the DRC's inaugural Eurobond in 2026 has provided an alternative source of financing, creating scope to temporarily reduce reliance on net domestic issuance in the near term. The favorable Eurobond terms relative to domestic borrowing conditions may also support the development of the domestic securities market over time, including by helping lower yields, lengthen maturities, and strengthen investor confidence. Over the medium term, however, the DSA baseline remains conservative and assumes that domestic financing conditions evolve broadly in line with the recent track record. Accordingly, the domestic debt-to-GDP ratio is projected to remain broadly stable in the 6–7 percent range, reflecting the combined effects of gradual arrears clearance, continued reliance on domestic securities to meet residual financing needs, and the gradual resumption of domestic issuance as external debt-service obligations increase, including once Eurobond

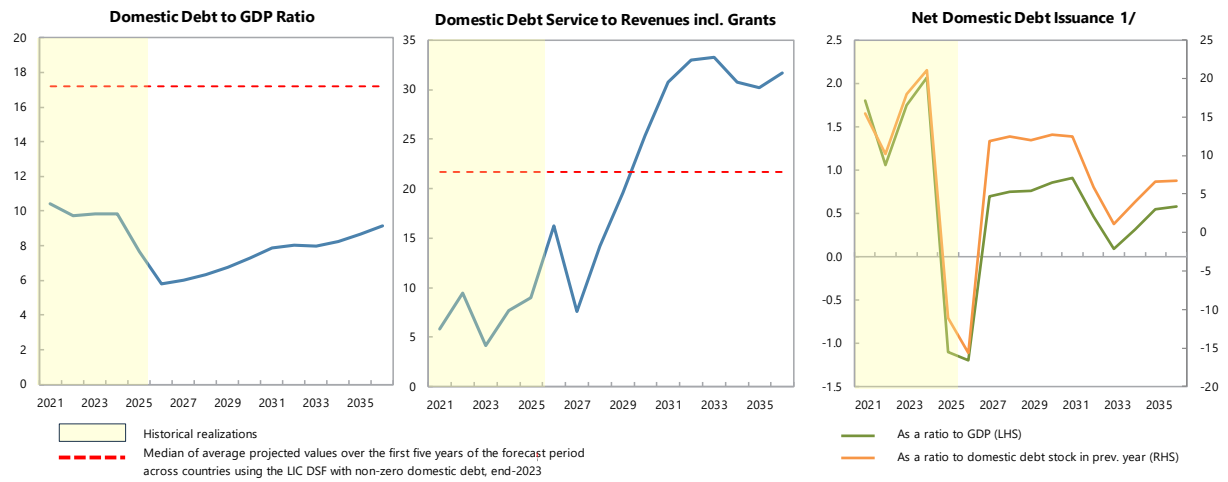
[9] Banks' claims on the government stood at about 12.2 percent of total banking sector assets at end-March 2026, up from 10.7 percent a year earlier, but remain moderate compared to regional peers.

amortization begins after the grace period. The authorities' medium-term debt strategy, which aims to diversify financing sources and gradually lengthen maturities over time, should help mitigate macroeconomic and financial-stability risks, supported by ongoing efforts to deepen the domestic securities market and improve debt management.

Alternative Scenarios and Stress Tests

18. Stress tests underscore the DRC's continued vulnerability to export and commodity price shocks, reflecting the economy's heavy reliance on the mining sector. The most extreme stress test for the PV of public debt-to-GDP ratio corresponds to a sharp decline in exports (Figure 2). Under this scenario, the PV of public debt rises sharply and exceeds the applicable benchmark of 35 percent from 2028 through 2033, before falling below the benchmark thereafter as growth recovers and fiscal adjustment resumes. While temporary, the breach highlights the sensitivity of public debt dynamics to adverse export developments, particularly those affecting mineral prices and production.

Text Figure 1. Democratic Republic of the Congo: Indicators of Domestic Public Debt, 2021–36 (Percent)



Borrowing Assumptions (average over 10-year projection)	Value
Shares in new domestic debt issuance	
Medium and long-term	48%
Short-term	52%
Borrowing terms	
Domestic MLT debt	
Avg. real interest rate on new borrowing	2.0%
Avg. maturity (incl. grace period)	2
Avg. grace period	1
Domestic short-term debt	
Avg. real interest rate	5.6%

Sources: Country authorities, and staff estimates and projections.

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

CLIMATE CHANGE VULNERABILITIES

19. The macro-fiscal assumptions underlying the DSA baseline incorporate public investment needs related to climate adaptation, benchmarked against estimates from the World Bank's Country Climate and Development Report (CCDR).[10] The CCDR suggests that annual public investment of at least 3–5 percent of GDP would be required to mitigate climate-related shocks under the SSP1-1.9 scenario, which assumes sustainable development pathways, low greenhouse gas emissions, and global warming limited to below 2°C by 2100. These investment needs are partially reflected in the baseline through higher public investment and associated financing requirements over the medium to long term.

20. In the absence of adequate adaptation, climate change is expected to generate significant fiscal and balance-of-payments pressures. Under the CCDR's pessimistic SSP3-7.0 scenario—characterized by high inequality, limited climate action, and global warming of around 4°C by 2100—real GDP losses could reach up to 13 percent by 2050. These losses are driven primarily by labor heat stress, urban flooding, and declining rain-fed agricultural yields, with adverse spillovers to exports and fiscal revenues. In a no-adaptation scenario, offsetting these climate-induced shocks would require additional public investment of about 1.4–6.0 percent of GDP per year relative to the baseline. These costs are incorporated into the DSA through a customized climate stress test ("Disaster, no adaptation"), calibrated using CCDR estimates. The scenario assumes that the additional costs materialize through (i) higher public investment and (ii) increased imports of capital goods, and includes the occurrence of a natural disaster in 2026, modeled as a 10-percentage-point increase in the public debt-to-GDP ratio, a 1.5-percentage-point decline in real GDP growth, and a 3.5-percent reduction in exports relative to the baseline.

21. Under the customized disaster (no-adaptation) scenario, debt indicators deteriorate significantly, underscoring the long-term risks of delayed or insufficient climate adaptation. The PV of public debt-to-GDP breaches the applicable benchmark starting in 2033 and follows a persistently rising trajectory thereafter (Figure 2). Public debt service increases sharply under this scenario, exceeding 80 percent of revenues by 2035, reflecting higher borrowing needs and weaker growth and revenue outcomes. Likewise, the external debt-service-to-revenue ratio nears its threshold toward the end of the projection horizon (Figure 1). These results highlight that insufficient adaptation substantially increases the risk of debt distress over the long term, reinforcing the importance of front-loaded climate investment, continued access to concessional and climate-related financing, and integration of climate resilience into fiscal and debt management strategies.

RISK RATING AND VULNERABILITIES

22. The external and overall risk of debt distress for the DRC remains assessed as moderate, reflecting breaches of external debt burden thresholds and the public debt-to-GDP benchmark under stress tests, while baseline indicators remain below applicable thresholds. Under the baseline,

[10] See World Bank Group. 2023; Democratic Republic of Congo (DRC) Country Climate and Development Report; CCDR Series; World Bank Group.

public debt dynamics remain broadly stable, as stronger projected economic growth and revenue performance are partly offset by higher borrowing, including non-concessional financing. The PV of external debt is projected to decline gradually relative to GDP, while remaining broadly stable relative to exports over most of the projection horizon, consistent with the still predominantly concessional structure of external borrowing. External arrears, which are primarily pre-HIPC in origin, remain below 1 percent of GDP and are therefore considered *de minimis* under the Fund's sovereign arrears policies, with no bearing on the risk rating. By contrast, domestic arrears—owed mainly to suppliers of goods and services and to taxpayers, including VAT refunds—reflect weaknesses in public financial management and cash-flow execution, rather than issues of government insolvency or structural liquidity constraints. The authorities are implementing measures aimed at clearing existing arrears, strengthening commitment controls, and improving fiscal discipline, which are expected to gradually reduce arrears-related risks and support debt management over the medium term.

23. The DRC's low revenue mobilization capacity underscores the importance of preserving the borrowing space created by favorable commodity prices. While the DRC is mechanically assessed as having some space to absorb shocks under the LIC-DSF (Figure 5), weak revenue performance remains a key structural vulnerability. Under the ongoing ECF- and RSF-supported programs, revenues are projected to gradually increase to just under 15 percent of GDP over the medium term. Although this represents an improvement relative to historical levels, revenues remain well below the sub-Saharan Africa average of about 18 percent of GDP, limiting the authorities' ability to respond to shocks without additional borrowing. This gap highlights the importance of sustained revenue-mobilization efforts to strengthen fiscal buffers, reduce reliance on debt financing, and mitigate debt distress risks over the medium term.

24. Risks of debt distress for the DRC stem primarily from commodity-export concentration and the authorities' capacity to sustain structural reforms. The economy's heavy reliance on mineral exports makes it particularly vulnerable to fluctuations in global commodity prices, which remain a key source of risk to both fiscal and external stability. Adverse price movements could weaken export receipts, fiscal revenues, and external buffers, thereby increasing the risk of debt distress. Mitigating these risks will require building fiscal and external buffers during periods of favorable commodity prices, including by strengthening international reserves, enhancing domestic revenue mobilization, and ensuring that borrowed resources are used efficiently to support inclusive and resilient growth. Advancing economic diversification and private sector development, particularly in non-extractive sectors, will also be essential to reduce dependence on commodity exports. While some increase in non-concessional borrowing is underway following the DRC's access to international bond markets, priority should, to the extent possible, continue to be given to concessional financing to contain debt vulnerabilities while addressing critical development and security needs.

25. Despite the DRC's relatively low level of public debt, liquidity risks could constitute a source of vulnerability, particularly under adverse shock scenarios. These risks reflect the combination of high exposure to commodity price fluctuations, weak revenue mobilization, and rising debt-service obligations. While revenues are projected to increase gradually over the medium term, debt-service-to-revenue ratios rise markedly, especially under adverse shock scenarios affecting export performance and commodity prices (Figures 1 and 2). This underscores the importance of maintaining a prudent fiscal stance, including

carefully prioritizing new borrowing, and preserving available borrowing space. Strengthening the DRC's debt-carrying capacity through structural reforms is also critical to mitigating risks of debt distress. Key priorities include enhancing domestic revenue mobilization, improving public financial management and cash-flow planning, strengthening debt management, and increasing the efficiency and growth impact of public investment. Together, these measures are essential to building fiscal resilience and creating space for high-quality public investment, improving repayment capacity, and supporting durable and inclusive economic growth.

26. The Ebola outbreak adds health, fiscal, and economic downside risks. A rapid increase in cases or delayed containment could have significant health implications, particularly in densely populated and conflict-affected areas with limited health-system capacity. The authorities' response plan is estimated at about US$240 million, with a financing gap still to be filled, which could add to fiscal pressures if domestic resources are needed. Historically, these financing gaps created by public health crises have been filled by external sources, but uncertainty is higher, given the current ODA context and the fact the outbreak is in a conflict affected region. Economic spillovers could arise through localized disruptions to transport, trade, retail activity, mining logistics, agricultural production, and market access, with broader effects possible through cross-border restrictions, higher medical imports, export disruptions, and weaker external support.

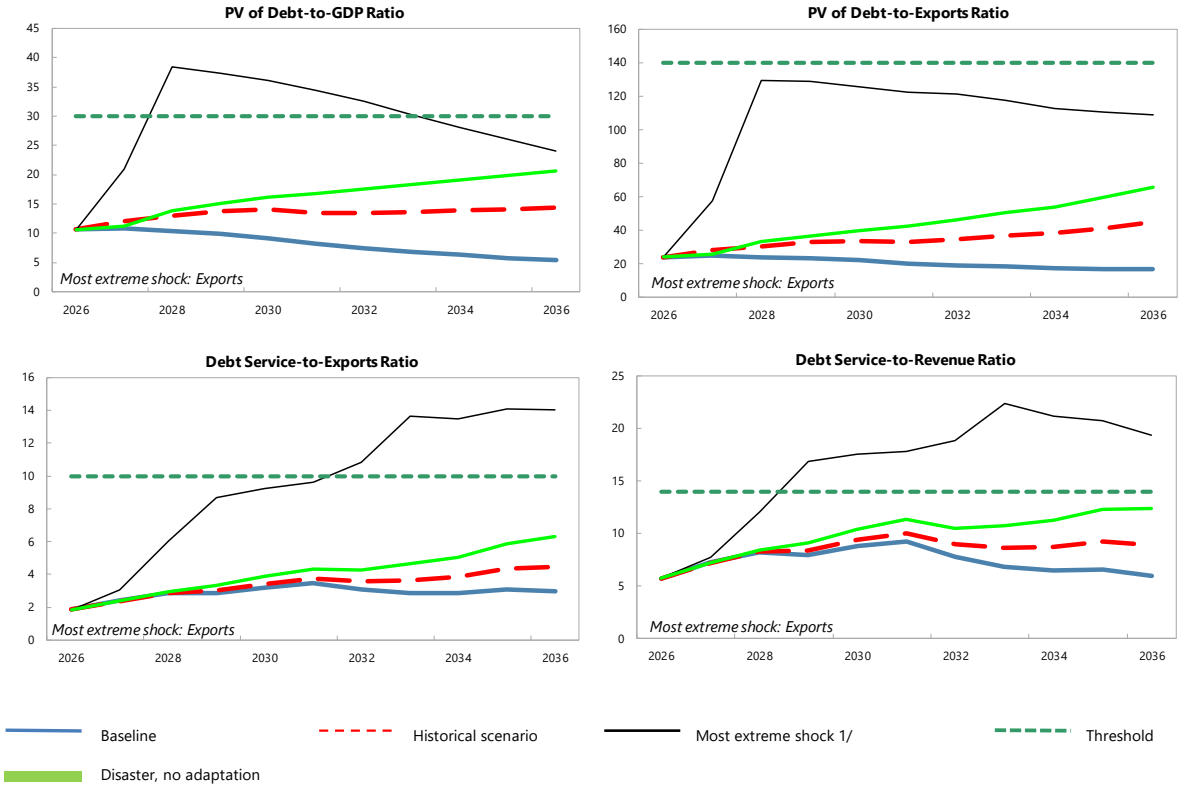
27. Finally, the Inga 3 project represents both a strategic opportunity and a potential source of risk fiscal and debt risks for the DRC. As a flagship hydroelectric project on the Congo River, it has the potential to expand domestic electricity supply, enable regional power exports, and support long-term growth, thereby strengthening the revenue base and reducing risks of debt distress over time if successfully implemented. However, the project's scale entails substantial upfront financing needs, potentially involving complex and partially non-concessional financing arrangements, which could heighten debt vulnerabilities. Delays, cost overruns, weak implementation capacity, or inadequate contractual safeguards could increase fiscal pressures and raise the risk of debt distress, particularly given the DRC's limited revenue base and exposure to external shocks. These considerations underscore the importance of transparent project appraisal, robust risk-sharing and governance arrangements, and a financing strategy that prioritizes concessional resources to the extent possible while limiting contingent liabilities, to ensure that Inga 3 effectively contributes to development objectives without undermining debt sustainability.

AUTHORITIES' VIEWS

28. The authorities broadly concurred with the moderate risk-of-debt-distress rating and the overall assessment of debt vulnerabilities. They expect debt-carrying capacity to improve over time, supported by the reform agenda and fiscal measures under the ECF- and RSF-supported arrangements. The authorities reiterated their commitment to strengthening debt management practices, including by enhancing reporting, monitoring, and transparency of SOE debt, provincial debt, and publicly guaranteed obligations, to improve fiscal oversight and risk management. They emphasized that market-based financing, including the recent Eurobond issuance, is intended to complement concessional resources and support high-quality infrastructure investment aimed at bridging critical development and infrastructure gaps and fostering inclusive growth. At the same time, they reaffirmed their intention to prioritize concessional financing wherever possible, while ensuring that any non-concessional borrowing remains

aligned with debt-management objectives and does not unduly increase debt distress risks over the medium term.

Figure 1. Democratic Republic of the Congo: Indicators of Public and Publicly Guaranteed External Debt under Alternative Scenarios, 2026-36



Customization of Default Settings

	Size	Interactions
Tailored Stress		
Combined CL	Yes	
Natural disaster	n.a.	n.a.
Commodity price	No	Yes
Market financing	No	No

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

Borrowing assumptions on additional financing needs resulting from the stress tests*

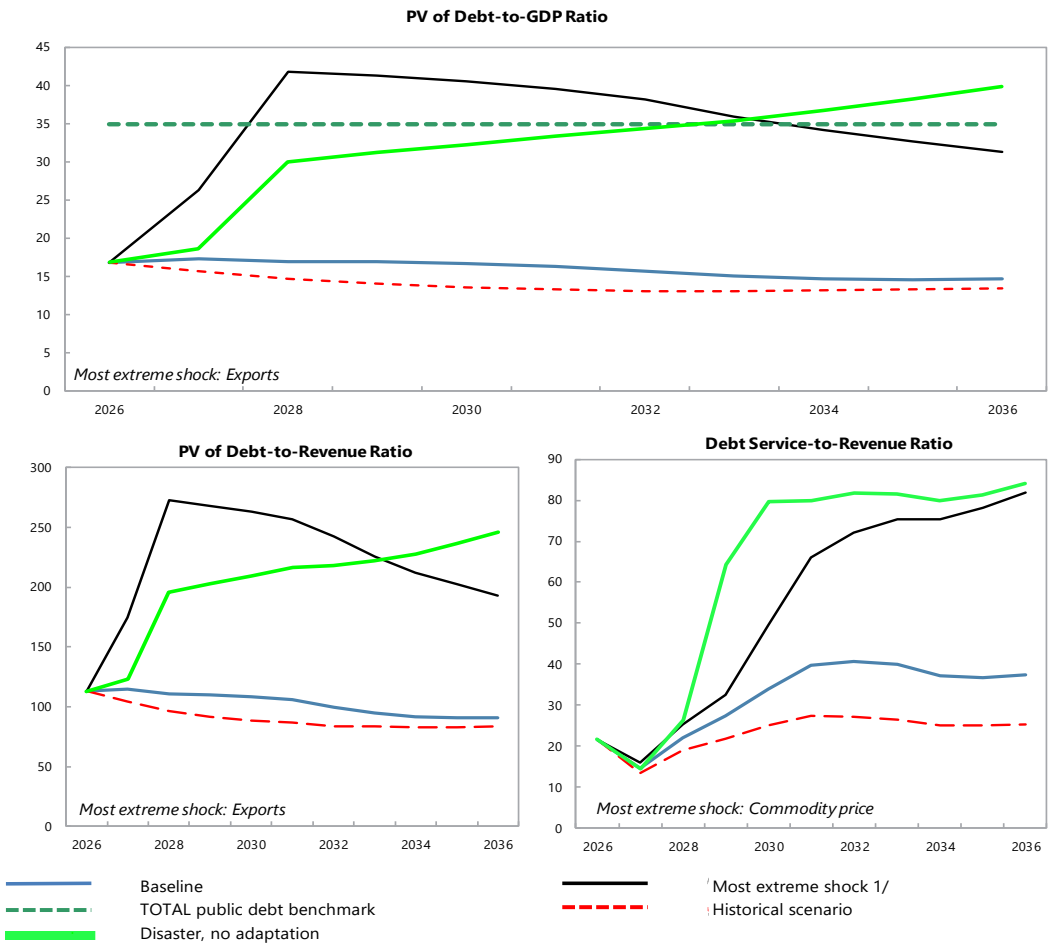
	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	4.6%	4.6%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	20	20
Avg. grace period	4	4

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

Sources: Country authorities and IMF staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2036. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most extreme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Figure 2. Democratic Republic of the Congo: Indicators of Public Debt under Alternative Scenarios, 2026-36



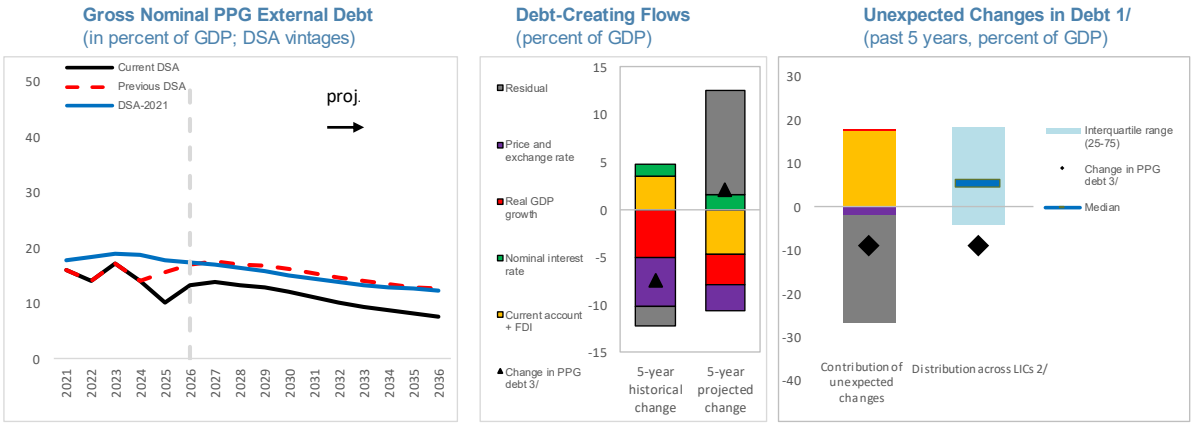
Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	26%	26%
Domestic medium and long-term	35%	35%
Domestic short-term	39%	39%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	4.6%	4.6%
Avg. maturity (incl. grace period)	20	20
Avg. grace period	4	4
Domestic MLT debt		
Avg. real interest rate on new borrowing	2.0%	2.0%
Avg. maturity (incl. grace period)	2	2
Avg. grace period	1	1
Domestic short-term debt		
Avg. real interest rate	5.6%	5.6%

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

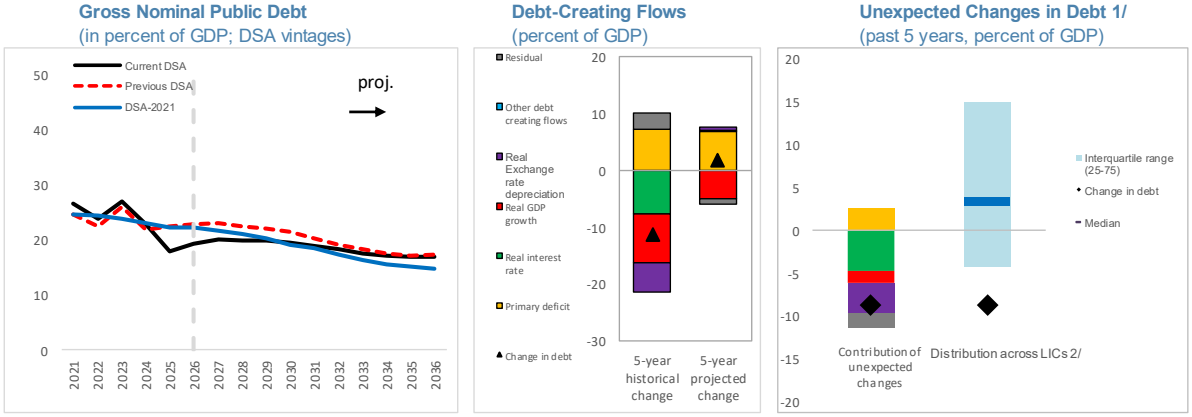
Sources: Country authorities and IMF staff estimates and projections.
1/ The most extreme stress test is the test that yields the highest ratio in or before 2034. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress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

Figure 3. Democratic Republic of the Congo: Drivers of Debt Dynamics – Baseline Scenario

External Debt

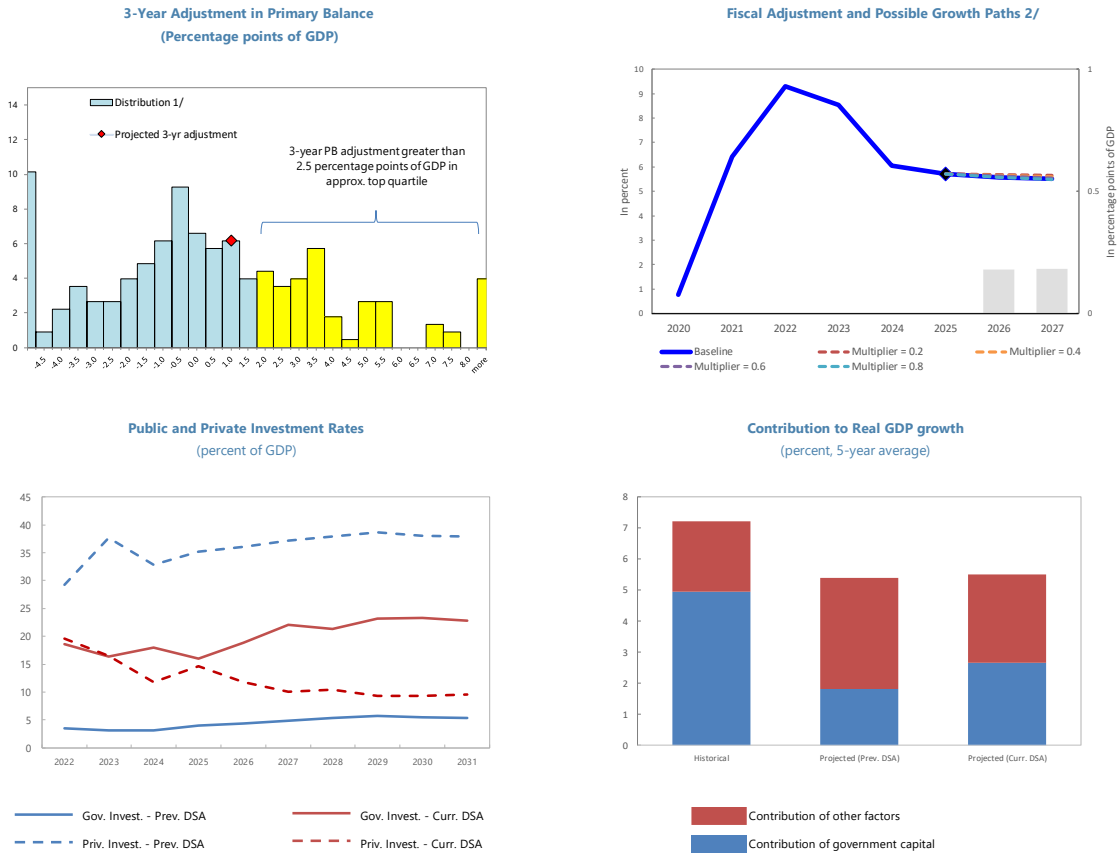


Public Debt



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

Figure 4. Democratic Republic of the Congo: Realism Tools[3]



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

Figure 5. Democratic Republic of the Congo: Qualification of the Moderate Category 2026-36[1]

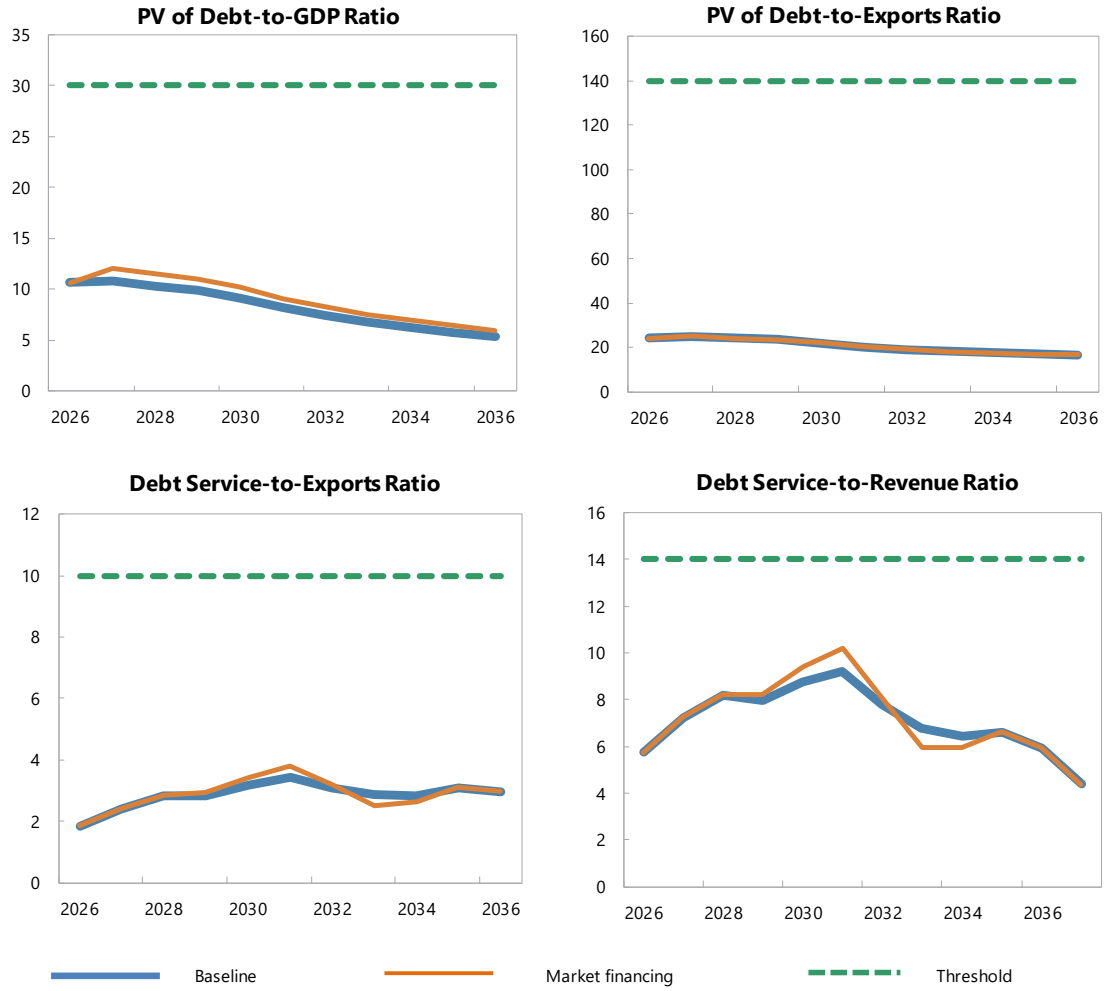


Sources: Country authorities and IMF staff estimates and projections.
1/ For the PV of the debt-to-GDP ratio and the PV of debt-to-exports thresholds, x is 20 percent and y is 40 percent. For ratios of debt service-to-exports and debt service-to-revenue thresholds, x is 12 percent and y is 35 percent.

Figure 6. Democratic Republic of the Congo: Market-Financing Risk Indicators

	GFN 1/	EMBI 2/
Benchmarks	14	570
Values	5	n.a.
Breach of benchmark	No	n.a.
Potential heightened liquidity needs	Moderate	

1/ Maximum gross financing needs (GFN) over 3-year baseline projection horizon.
2/ EMBI spreads for the DRC are not available.



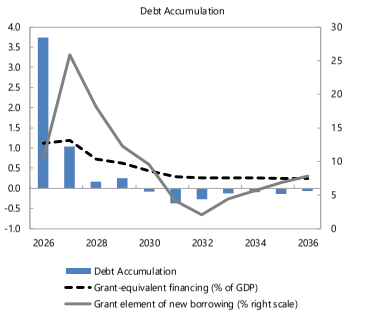
Sources: Country authorities and IMF staff estimates and projections.

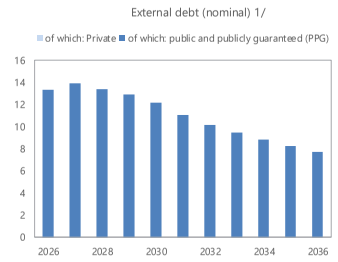
Table 1. Democratic Republic of the Congo: External Debt Sustainability Framework, Baseline Scenario 2023-46

(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 8/	
												Historical	Projections
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2036	2046		
External debt (nominal) 1/	**17.2**	**14.1**	**10.1**	**13.3**	**13.9**	**13.4**	**12.9**	**12.2**	**11.0**	**7.7**	**6.1**	**16.0**	**11.0**
of which: public and publicly guaranteed (PPG)	**17.2**	**14.1**	**10.1**	**13.3**	**13.9**	**13.4**	**12.9**	**12.2**	**11.0**	**7.7**	**6.1**	**16.0**	**11.0**
Change in external debt	3.2	-3.1	-4.0	3.2	0.6	-0.5	-0.4	-0.8	-1.1	-0.5	-0.1		
Identified net debt-creating flows	**3.0**	**-1.2**	**-0.7**	**-0.6**	**-1.3**	**-1.6**	**-1.6**	**-1.2**	**-0.6**	**-1.2**	**-17.7**	**-0.5**	**-1.1**
Non-interest current account deficit	**5.0**	**3.8**	**3.5**	**1.7**	**1.0**	**0.8**	**0.8**	**1.0**	**1.5**	**0.8**	**-15.7**	**3.2**	**1.1**
Deficit in balance of goods and services	5.0	2.1	1.1	-6.6	-6.7	-6.4	-5.9	-5.6	-5.0	-3.9	-2.2	**2.9**	**-5.3**
Exports	42.5	45.9	39.8	44.4	43.4	42.9	42.0	41.5	40.5	31.9	18.1		
Imports	47.5	48.0	40.8	37.7	36.7	36.5	36.1	35.9	35.5	28.0	15.9		
Net current transfers (negative = inflow)	-3.2	-2.0	-1.1	-1.3	-1.0	-1.0	-0.9	-0.9	-0.8	-0.7	-0.5	**-2.7**	**-0.9**
of which: official	-1.0	-1.0	0.9	0.5	0.7	0.7	0.7	0.7	0.6	0.4	0.3		
Other current account flows (negative = net inflow)	3.2	3.7	3.5	9.6	8.7	8.2	7.6	7.5	7.4	5.5	-13.0	**3.0**	**7.2**
Net FDI (negative = inflow)	**-2.4**	**-3.8**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-2.0**	**-1.9**	**-1.9**	**-1.9**	**-1.9**	**-2.7**	**-1.9**
Endogenous debt dynamics 2/	**0.4**	**-1.2**	**-2.2**	**-0.2**	**-0.3**	**-0.3**	**-0.3**	**-0.3**	**-0.3**	**-0.2**	**-0.2**		
Contribution from nominal interest rate	0.3	0.3	0.3	0.2	0.4	0.4	0.4	0.3	0.3	0.2	0.2		
Contribution from real GDP growth	-1.2	-0.9	-0.7	-0.4	-0.7	-0.7	-0.7	-0.7	-0.6	-0.4	-0.3		
Contribution from price and exchange rate changes	1.3	-0.6	-1.8	...	...	...	...	...	...	...	...		
Residual 3/	**0.2**	**-1.9**	**-3.3**	**3.8**	**1.9**	**1.0**	**1.1**	**0.4**	**-0.5**	**0.7**	**17.6**	**-0.5**	**0.9**
of which: exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	**...**	**...**	**10.1**	**10.7**	**10.9**	**10.3**	**9.9**	**9.1**	**8.2**	**5.4**	**4.4**		
PV of PPG external debt-to-exports ratio	**...**	**...**	**25.4**	**24.1**	**25.1**	**24.0**	**23.5**	**22.0**	**20.1**	**16.8**	**24.1**		
PPG debt service-to-exports ratio	**2.4**	**1.8**	**2.3**	**1.8**	**2.4**	**2.8**	**2.8**	**3.2**	**3.4**	**3.0**	**3.4**		
PPG debt service-to-revenue ratio	**7.6**	**6.1**	**6.6**	**5.7**	**7.2**	**8.2**	**8.0**	**8.8**	**9.2**	**5.9**	**3.5**		
Gross external financing need (Million of U.S. dollars)	2520.6	676.7	2197.6	568.0	94.0	-28.5	-77.2	743.2	1795.9	-266.0	-73139.3		
Key macroeconomic assumptions													
Real GDP growth (in percent)	8.5	6.1	5.7	5.6	5.5	5.5	5.5	5.5	5.5	5.1	5.4	**4.8**	**5.3**
GDP deflator in US dollar terms (change in percent)	-8.6	3.6	14.4	22.9	2.0	1.6	1.4	1.5	1.8	1.5	1.4	**4.2**	**3.5**
Effective interest rate (percent) 4/	2.0	2.0	2.2	2.4	3.0	2.9	2.8	2.9	2.8	2.8	2.9	**1.6**	**2.8**
Growth of exports of G&S (US dollar terms, in percent)	3.1	18.9	4.7	44.8	5.2	6.0	4.7	5.8	4.9	0.2	0.8	**15.3**	**7.2**
Growth of imports of G&S (US dollar terms, in percent)	7.6	11.1	2.9	19.8	4.7	6.5	5.8	6.5	6.3	0.2	0.8	**13.3**	**5.3**
Grant element of new public sector borrowing (in percent)	...	...	...	10.6	25.8	18.1	12.3	9.5	4.1	7.8	1.4	**...**	**9.7**
Government revenues (excluding grants, in percent of GDP)	13.2	13.8	13.6	14.2	14.5	14.8	15.0	15.1	15.2	16.0	17.6	**11.7**	**15.3**
Aid flows (in Million of US dollars) 5/	3383.8	3997.5	3403.4	1552.1	1400.0	1328.5	1336.3	1184.9	1086.4	1086.4	1578.2		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	1.1	1.2	0.7	0.6	0.4	0.3	0.2	0.0	**...**	**0.5**
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	23.5	42.5	42.0	35.7	31.5	27.3	26.5	1.4	**...**	**30.4**
Nominal GDP (Million of US dollars)	69,844	76,724	92,806	120,378	129,560	138,832	148,466	158,870	170,574	234,999	431,042		
Nominal dollar GDP growth	-0.8	9.9	21.0	29.7	7.6	7.2	6.9	7.0	7.4	6.7	6.9	**9.4**	**9.0**
Memorandum items:													
PV of external debt 7/	...	...	10.1	10.7	10.9	10.3	9.9	9.1	8.2	5.4	4.4		
In percent of exports	...	...	25.4	24.1	25.1	24.0	23.5	22.0	20.1	16.8	24.1		
Total external debt service-to-exports ratio	2.4	1.8	2.3	1.8	2.4	2.8	2.8	3.2	3.4	3.0	3.4		
PV of PPG external debt (in Million of US dollars)			9382.9	12854.5	14093.6	14311.6	14657.5	14528.8	13926.2	12585.9	18828.5		
(PVt-PVt-1)/GDPt-1 (in percent)				3.7	1.0	0.2	0.2	-0.1	-0.4	-0.1	0.2		
Non-interest current account deficit that stabilizes debt ratio	1.8	6.9	7.5	-1.5	0.4	1.3	1.2	1.8	2.7	1.3	-15.6		

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





Sources: Country authorities and IMF staff estimations and projections.

1/ Includes both public and private sector external debt.

2/ Derived as [r - g - ρ(1+g) + Ɛα (1+r)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, ρ = growth rate of GDP deflator in U.S. dollar terms, Ɛ=nominal appreciation of the local currency, and α= share of local currency-denominated external debt in total external debt.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous period debt stock.

5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

7/ Assumes that PV of private sector debt is equivalent to its face value.

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

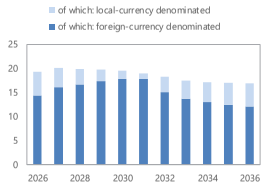
Table 2. Democratic Republic of the Congo: Public Sector Debt Sustainability Framework, Baseline Scenario 2023-46

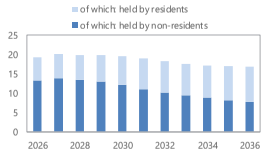
(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 6/	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2036	2046	Historical	Projections
Public sector debt 1/	**27.0**	**22.8**	**17.9**	**19.3**	**20.1**	**19.8**	**19.8**	**19.5**	**19.0**	**16.9**	**17.5**	**24.5**	**18.6**
of which: external debt	**17.2**	**14.1**	**10.1**	**13.3**	**13.9**	**13.4**	**12.9**	**12.2**	**11.0**	**7.7**	**6.1**	**16.0**	**11.0**
Change in public sector debt	3.3	-4.3	-4.8	1.4	0.8	-0.2	-0.1	-0.3	-0.6	0.0	-0.9		
Identified debt-creating flows	**1.6**	**-3.2**	**-3.3**	**0.8**	**0.8**	**0.1**	**0.3**	**0.0**	**-0.3**	**-0.2**	**-0.9**	**-1.1**	**0.0**
Primary deficit	**1.5**	**1.3**	**2.2**	**2.0**	**1.8**	**1.1**	**1.1**	**0.8**	**0.5**	**0.4**	**-0.7**	**1.4**	**0.8**
Revenue and grants	14.3	14.8	14.5	14.9	15.1	15.3	15.4	15.4	15.4	16.2	17.6	**12.9**	**15.6**
of which: grants	1.1	1.0	0.8	0.7	0.6	0.5	0.5	0.3	0.3	0.2	0.0		
Primary (noninterest) expenditure	15.8	16.1	16.6	16.9	16.9	16.4	16.6	16.3	16.0	16.6	16.9	**14.3**	**16.4**
Automatic debt dynamics	**0.1**	**-4.5**	**-5.5**	**-1.2**	**-1.0**	**-0.9**	**-0.9**	**-0.8**	**-0.8**	**-0.6**	**-0.2**		
Contribution from interest rate/growth differential	-3.0	-3.1	-1.8	-1.2	-1.0	-0.9	-0.9	-0.8	-0.8	-0.6	-0.2		
of which: contribution from average real interest rate	-1.1	-1.5	-0.6	-0.3	0.0	0.1	0.2	0.2	0.2	0.3	0.7		
of which: contribution from real GDP growth	-1.9	-1.5	-1.2	-0.9	-1.0	-1.0	-1.0	-1.0	-1.0	-0.8	-1.0		
Contribution from real exchange rate depreciation	3.1	-1.4	-3.7	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	**1.7**	**-1.1**	**-1.5**	**0.6**	**0.0**	**-0.4**	**-0.3**	**-0.3**	**-0.3**	**0.1**	**0.0**	**0.4**	**-0.1**
Sustainability indicators													
PV of public debt-to-GDP ratio 2/	...	...	**16.0**	**16.9**	**17.3**	**17.0**	**17.0**	**16.7**	**16.3**	**14.7**	**15.9**		
PV of public debt-to-revenue and grants ratio	...	...	**110.9**	**113.0**	**114.6**	**111.0**	**109.9**	**108.4**	**105.7**	**90.6**	**90.3**		
Debt service-to-revenue and grants ratio 3/	**11.2**	**13.4**	**15.2**	**21.7**	**14.5**	**22.1**	**27.3**	**33.9**	**39.8**	**37.5**	**37.2**		
Gross financing need 4/	3.1	3.3	4.4	5.2	4.0	4.5	5.3	6.1	6.7	6.4	5.9		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	8.5	6.1	5.7	5.6	5.5	5.5	5.5	5.5	5.5	5.1	5.4	**4.8**	**5.3**
Average nominal interest rate on external debt (in percent)	2.0	2.2	2.2	2.0	3.1	3.0	2.9	2.9	2.9	2.9	3.0	**1.7**	**2.8**
Average real interest rate on domestic debt (in percent)	-9.9	-15.9	-6.1	-3.0	-3.3	-2.1	-0.6	0.3	0.6	3.8	5.8	**-12.7**	**0.7**
Real exchange rate depreciation (in percent, + indicates depreciation)	24.1	-8.9	-27.6	...	...	...	...	...	...	...	...	**-1.5**	**...**
Inflation rate (GDP deflator, in percent)	11.3	19.6	8.5	6.2	6.4	6.5	6.3	6.4	6.8	6.4	6.7	**15.9**	**6.4**
Growth of real primary spending (deflated by GDP deflator, in percent)	0.6	8.6	8.8	7.5	5.3	2.6	6.5	3.6	3.4	5.6	2.2	**7.0**	**5.3**
Primary deficit that stabilizes the debt-to-GDP ratio 5/	-1.8	5.6	7.0	0.6	1.0	1.3	1.2	1.1	1.1	0.4	0.2	**3.6**	**0.9**
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

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

Public sector debt 1/





Sources: Country authorities and IMF staff estimations and projections.

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

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

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

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

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

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

Table 3. Democratic Republic of the Congo: Sensitivity Analysis for Key Indicators of PPG External Debt, 2026-36 (In percent)

	Projections 1/										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
PV of debt-to GDP ratio											
Baseline	10.7	10.9	10.3	9.9	9.1	8.2	7.4	6.8	6.3	5.8	5.4
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	10.7	12.1	12.9	13.8	14.0	13.5	13.5	13.7	13.9	14.1	14.4
A2. Alternative Scenario : Natural Disaster, No Adaptation	10.7	11.2	13.9	15.1	16.2	16.8	17.6	18.4	19.2	19.9	20.6
B. Bound Tests											
B1. Real GDP growth	10.7	11.6	11.7	11.2	10.3	9.2	8.4	7.7	7.1	6.5	6.1
B2. Primary balance	10.7	11.1	11.2	10.9	10.4	9.5	8.8	8.2	7.7	7.2	6.8
B3. Exports	10.7	20.9	**38.4**	**37.4**	**36.0**	**34.3**	**32.6**	**30.2**	28.1	26.0	24.0
B4. Other flows 3/	10.7	12.3	13.1	12.6	11.8	10.8	9.9	9.1	8.5	7.8	7.2
B5. Depreciation	10.7	13.7	12.4	11.9	11.0	9.8	8.8	8.1	7.5	6.9	6.4
B6. Combination of B1-B5	10.7	17.3	17.9	17.3	16.3	15.1	13.9	12.8	11.9	10.9	10.1
C. Tailored Tests											
C1. Combined contingent liabilities	10.7	14.3	15.0	16.0	16.1	15.8	15.5	15.2	14.9	14.6	14.2
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	10.7	20.0	27.4	27.1	26.3	25.2	24.0	22.4	21.1	19.7	18.4
C4. Market Financing	10.7	12.1	11.5	11.0	10.2	9.1	8.2	7.6	7.0	6.4	5.9
Threshold	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
PV of debt-to-exports ratio											
Baseline	24.1	25.1	24.0	23.5	22.0	20.1	19.1	18.3	17.4	17.0	16.8
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	24.1	27.9	30.1	32.9	33.8	33.3	34.8	36.8	38.3	41.3	45.1
A2. Alternative Scenario : Natural Disaster, No Adaptation	24.1	**25.9**	**33.0**	**36.6**	**39.8**	**42.2**	**46.2**	**50.4**	**54.1**	**59.6**	**65.7**
B. Bound Tests											
B1. Real GDP growth	24.1	25.1	24.0	23.5	22.0	20.1	19.1	18.3	17.4	17.0	16.8
B2. Primary balance	24.1	25.7	26.1	26.0	25.0	23.4	22.6	22.2	21.4	21.2	21.2
B3. Exports	24.1	57.7	129.5	128.7	125.5	122.5	121.3	117.7	112.4	110.6	108.7
B4. Other flows 3/	24.1	28.3	30.5	30.0	28.5	26.6	25.5	24.6	23.4	22.9	22.5
B5. Depreciation	24.1	25.1	23.1	22.5	21.1	19.2	18.0	17.4	16.5	16.1	15.9
B6. Combination of B1-B5	24.1	41.7	37.5	46.3	44.3	41.9	40.2	38.8	37.0	36.2	35.6
C. Tailored Tests											
C1. Combined contingent liabilities	24.1	33.1	35.0	38.1	38.9	39.0	39.9	41.0	41.3	42.8	44.4
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	24.1	58.3	77.5	75.1	71.1	67.2	64.1	62.8	60.6	60.1	59.8
C4. Market Financing	24.1	25.1	24.0	23.5	22.1	20.2	19.0	18.3	17.4	16.9	16.7
Threshold	140.0	140.0	140.0	140.0	140.0	140.0	140.0	140.0	140.0	140.0	140.0
Debt service-to-exports ratio											
Baseline	1.8	2.4	2.8	2.8	3.2	3.4	3.1	2.9	2.8	3.1	3.0
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	1.8	2.4	2.9	3.0	3.4	3.7	3.6	3.6	3.9	4.3	4.4
A2. Alternative Scenario : Natural Disaster, No Adaptation	1.8	**2.4**	**3.0**	**3.3**	**3.9**	**4.3**	**4.2**	**4.6**	**5.0**	**5.9**	**6.3**
B. Bound Tests											
B1. Real GDP growth	1.8	2.4	2.8	2.8	3.2	3.4	3.1	2.9	2.8	3.1	3.0
B2. Primary balance	1.8	2.4	2.9	3.0	3.3	3.6	3.3	3.1	3.1	3.5	3.4
B3. Exports	1.8	3.1	6.0	8.7	9.2	9.6	**10.8**	**13.6**	**13.5**	**14.1**	**14.0**
B4. Other flows 3/	1.8	2.4	3.0	3.1	3.5	3.7	3.6	3.5	3.5	3.7	3.6
B5. Depreciation	1.8	2.4	2.8	2.8	3.1	3.4	3.1	2.8	2.7	3.0	2.9
B6. Combination of B1-B5	1.8	2.7	4.2	4.3	4.7	5.1	5.4	5.2	5.2	5.5	5.4
C. Tailored Tests											
C1. Combined contingent liabilities	1.8	2.4	3.2	3.3	3.8	4.2	4.0	3.8	3.9	4.2	4.2
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	1.8	3.1	4.6	5.5	5.7	5.9	6.5	7.4	7.3	7.7	7.7
C4. Market Financing	1.8	2.4	2.8	2.9	3.4	3.8	3.2	2.5	2.6	3.1	3.0
Threshold	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Debt service-to-revenue ratio											
Baseline	5.7	7.2	8.2	8.0	8.8	9.2	7.8	6.8	6.4	6.6	5.9
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	5.7	7.1	8.3	8.4	9.4	10.0	9.0	8.6	8.7	9.2	8.8
A2. Alternative Scenario : Natural Disaster, No Adaptation	5.7	**7.2**	**8.4**	**9.1**	**10.4**	**11.4**	**10.4**	**10.8**	**11.2**	**12.3**	**12.4**
B. Bound Tests											
B1. Real GDP growth	5.7	7.7	9.3	9.0	9.9	10.4	8.8	7.7	7.3	7.5	6.7
B2. Primary balance	5.7	7.2	8.3	8.3	9.2	9.6	8.3	7.4	7.1	7.3	6.7
B3. Exports	5.7	7.7	12.0	**16.9**	**17.5**	**17.8**	**18.8**	**22.4**	**21.2**	**20.7**	**19.3**
B4. Other flows 3/	5.7	7.2	8.6	8.8	9.6	10.0	8.9	8.3	7.9	8.0	7.2
B5. Depreciation	5.7	9.1	10.3	9.9	10.9	11.4	9.7	8.2	7.8	8.0	7.2
B6. Combination of B1-B5	5.7	7.8	10.9	10.8	11.6	12.0	12.1	11.0	10.5	10.5	9.6
C. Tailored Tests											
C1. Combined contingent liabilities	5.7	7.2	9.2	9.4	10.6	11.2	10.0	9.1	8.8	9.0	8.3
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	5.7	8.0	12.1	**14.4**	**15.0**	**15.1**	**16.0**	**16.8**	**16.0**	**15.8**	**14.8**
C4. Market Financing	5.7	7.2	8.2	8.2	9.4	10.2	8.1	6.0	5.9	6.6	6.0
Threshold	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0

Sources: Country authorities and IMF staff estimates and projections.
1/ A bold value indicates a breach of the threshold.
2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.
3/ Includes official and private transfers and FDI.

Table 4. Democratic Republic of the Congo: Sensitivity Analysis for Key Indicators of Public Debt, 2026-36 (In percent)

	Projections 1/										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
PV of Debt-to-GDP Ratio											
Baseline	16.9	17.3	17.0	17.0	16.7	16.3	15.7	15.0	14.7	14.6	14.7
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	16.9	15.7	14.7	14.0	13.6	13.3	13.1	13.2	13.2	13.3	13.5
A2. Alternative Scenario : Natural Disaster, No Adaptation	16.9	18.6	30.1	31.3	32.3	33.4	34.3	**35.3**	**36.7**	**38.3**	**39.9**
B. Bound Tests											
B1. Real GDP growth	16.9	19.2	21.9	23.6	25.2	26.5	27.6	28.8	30.4	32.2	34.0
B2. Primary balance	16.9	18.3	19.3	19.1	18.8	18.3	17.7	17.1	16.9	16.8	16.9
B3. Exports	16.9	26.4	**41.9**	**41.3**	**40.6**	**39.6**	**38.2**	**35.9**	34.2	32.7	31.3
B4. Other flows 3/	16.9	18.7	19.9	19.7	19.5	19.0	18.2	17.4	16.9	16.7	16.6
B5. Depreciation	16.9	18.3	16.7	15.4	14.0	12.4	10.7	9.0	7.7	6.5	5.4
B6. Combination of B1-B5	16.9	17.5	18.2	18.4	18.4	18.1	17.7	17.3	17.3	17.4	17.7
C. Tailored Tests											
C1. Combined contingent liabilities	16.9	31.1	30.5	30.0	29.4	28.7	27.8	27.0	26.7	26.5	26.4
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	16.9	19.6	22.7	26.0	28.7	30.7	32.2	33.4	34.9	**36.7**	**38.5**
C4. Market Financing	16.9	17.3	17.0	17.0	16.8	16.3	15.7	15.0	14.7	14.6	14.6
TOTAL public debt benchmark	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
PV of Debt-to-Revenue Ratio											
Baseline	113.0	114.6	111.0	109.9	108.4	105.7	99.6	94.5	91.3	90.6	90.6
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	113.0	104.5	96.6	91.5	88.4	86.6	83.8	83.2	82.5	83.1	83.8
A2. Alternative Scenario : Natural Disaster, No Adaptation	113.0	123.5	195.9	202.7	209.1	216.2	218.2	222.2	227.5	236.7	246.1
B. Bound Tests											
B1. Real GDP growth	113.0	127.1	142.3	152.6	162.6	171.1	174.9	180.5	187.8	198.5	209.7
B2. Primary balance	113.0	121.5	125.8	123.9	121.9	118.8	112.3	107.5	104.4	104.0	104.3
B3. Exports	113.0	174.7	273.0	267.7	263.0	256.8	242.5	226.0	211.9	202.2	193.4
B4. Other flows 3/	113.0	124.2	129.5	128.0	126.1	123.0	115.9	109.4	105.0	103.2	102.2
B5. Depreciation	113.0	121.6	109.0	99.8	90.6	80.4	67.9	56.8	47.4	40.1	33.4
B6. Combination of B1-B5	113.0	115.9	119.0	119.1	118.9	117.4	112.5	109.0	107.2	107.8	109.0
C. Tailored Tests											
C1. Combined contingent liabilities	113.0	206.2	198.7	194.4	190.8	186.0	176.8	170.1	165.2	163.7	162.8
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	113.0	141.2	160.2	182.3	197.3	207.2	208.7	209.7	216.2	226.6	237.2
C4. Market Financing	113.0	114.6	111.0	110.0	108.7	105.8	99.6	94.4	91.1	90.4	90.4
Debt Service-to-Revenue Ratio											
Baseline	21.7	14.5	22.1	27.3	33.9	39.8	40.6	39.9	37.1	36.7	37.5
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	21.7	13.5	18.9	21.7	25.1	27.4	27.2	26.5	25.0	25.0	25.4
A2. Alternative Scenario : Natural Disaster, No Adaptation	21.7	14.5	26.3	64.4	79.6	79.9	81.7	81.5	79.9	81.3	84.2
B. Bound Tests											
B1. Real GDP growth	21.7	15.4	27.5	39.0	51.9	62.9	67.2	69.6	69.4	72.1	75.9
B2. Primary balance	21.7	14.5	25.2	34.0	40.2	45.0	45.1	44.0	40.8	40.2	40.9
B3. Exports	21.7	14.5	24.7	34.3	40.8	46.5	49.6	53.1	49.5	48.6	48.9
B4. Other flows 3/	21.7	14.5	22.5	28.1	34.7	40.6	41.7	41.4	38.5	38.1	38.8
B5. Depreciation	21.7	14.7	22.7	25.3	31.8	38.7	38.3	37.0	33.6	32.5	32.5
B6. Combination of B1-B5	21.7	14.3	23.7	29.2	36.1	42.3	43.2	42.7	40.0	39.8	40.8
C. Tailored Tests											
C1. Combined contingent liabilities	21.7	14.5	61.0	72.3	66.2	69.0	64.3	60.6	55.0	52.8	52.1
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	21.7	16.0	25.3	32.4	49.6	66.2	72.1	75.3	75.3	78.1	82.0
C4. Market Financing	21.7	14.5	22.1	27.5	34.5	40.8	40.9	39.1	36.6	36.7	37.6

Sources: Country authorities and IMF staff estimates and projections.
1/ A bold value indicates a breach of the benchmark.
2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.
3/ Includes official and private transfers and FDI.

INTERNATIONAL MONETARY FUND

DEMOCRATIC REPUBLIC OF THE CONGO

June 12, 2026

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION, THIRD REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUEST FOR WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF PERFORMANCE CRITERIA AND FINANCING ASSURANCES REVIEW; AND SECOND REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT AND REQUEST FOR REPHASING OF ACCESS—INFORMATIONAL ANNEX

Prepared By

The African Department
(In collaboration with other departments)

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RELATIONS WITH THE IMF

IMF and the Democratic Republic of the Congo (imf.org)

As of May, 31, 2026

Financial Position in the Fund for Congo, Democratic Republic of as of May 31, 2026 (imf.org)

Membership Status: Joined September 28, 1963; Article VIII

General Resources Account:	**SDR Million**	**Percent of Quota**
Quota	1,066.00	100.00
IMF's Holdings of Currency (Holdings Rate)	1,066.00	100.00
Reserve Tranche Position	0.00	0.00
SDR Department:	**SDR Million**	**Percent of Quota**
Net cumulative allocation	1,532.57	100.0
Holdings	466.53	30.44
Outstanding Purchases and Loans:	**SDR Million**	**Percent of Quota**
RSF Arrangements	133.25	12.50
RCF Loans	426.4	40.00
ECF Arrangement	1,636.90	153.56

Latest Financial Commitments

Arrangements:

Type	Date of Arrangement	Expiration Date	Amount Approved (SDR Million)	Amount Drawn (SDR Million)
RSF	Jan 15, 2025	Mar 14, 2028	799.50	133.25
ECF	Jan 15, 2025	Mar 14, 2028	1.332.50	570.90
ECF	July 15, 2021	July 09, 2024	1066.00	1066.00

Outright Loans:

Type	Date of Commitment	Date Drawn/Expired	Amount Approved (SDR Million)	Amount Drawn (SDR Million)
RCF	Apr 22, 2020	Apr 24, 2020	190.98	190.98
RCF	Apr 22, 2020	Apr 24, 2020	75.52	75.52
RCF	Dec 16, 2019	Dec 24, 2019	266.50	266.50

Overdue Obligations and Projected Payments to Fund[1]

(SDR million; based on existing use of resources and present holdings of SDRs):

	Forthcoming				
	2026	2027	2028	2029	2030
Principal	79.95	182.75	228.44	289.36	258.86
Charges/interest	16.24	32.24	32.25	32.22	32.24
Total	96.19	214.99	260.69	321.58	291.10

Implementation of HIPC Initiative:

I.	Commitment of HIPC assistance	Enhanced Framework
	Decision point date	July 2003
	Assistance committed by all creditors (US$ millions)[2]	7,252.00
	Of which: IMF assistance (US$ millions)	391.60
	(SDR equivalent millions)	280.30
	Completion point date	July 2010

[1] When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

[2] Assistance committed under the original framework is expressed in net present value (NPV) terms at the completion point, and assistance committed under the enhanced framework is expressed in NPV terms at the decision point. Hence these two numbers cannot be added.

II. Disbursement of IMF assistance (SDR millions)	
Assistance disbursed to the member	280.30
Interim assistance	49.05
Completion point balance	231.25
Additional disbursement of interest income[3]	50.44
Total disbursements	330.74

Implementation of Multilateral Debt Relief Initiative (MDRI):

I. MDRI-eligible debt (SDR Million)[4]	248.08
Financed by: MDRI Trust	0.00
Remaining HIPC resources	248.08

II. Debt Relief by Facility (SDR Million)

	Eligible Debt		
Delivery Date	GRA	PRGT	Total
July 2010	N/A	248.08	248.08

Implementation of Catastrophe Containment Relief (CCR):

Date of Catastrophe	**Board Decision Date**	**Amount Committed (SDR Million)**	**Amount Disbursed (SDR Million)**
N/A	Apr 13, 2020	14.85	14.85
N/A	Oct 02, 2020	9.90	9.90
N/A	Apr 01, 2021	4.95	4.95

[3] Under the enhanced framework, an additional disbursement is made at the completion point corresponding to interest income earned on the amount committed at the decision point but not disbursed during the interim period.

[4] The MDRI provides 100 percent debt relief to eligible countries that qualified for the assistance. Grant assistance from MDRI Trust and HIPC resources provide debt relief to cover the full stock of debt owed to the Fund as of end-2004 that remains outstanding at the time the member qualifies for such debt relief.

As of February 4, 2015, the Post-Catastrophe Debt Relief Trust has been transformed to the Catastrophe Containment and Relief (CCR) Trust.

Decision point - point at which the IMF and the World Bank determine whether a country qualifies for assistance under the HIPC Initiative and decide on the amount of assistance to be committed.

Interim assistance - amount disbursed to a country during the period between decision and completion points, up to 20 percent annually and 60 percent in total of the assistance committed at the decision point (or 25 percent and 75 percent, respectively, in exceptional circumstances).

Completion point - point at which a country receives the remaining balance of its assistance committed at the decision point, together with an additional disbursement of interest income as defined in footnote 2 above. The timing of the completion point is linked to the implementation of pre-agreed key structural reforms (i.e., floating completion point).

Exchange Rate Arrangement:

The currency of the Democratic Republic of the Congo (DRC) is the Congo franc (CDF). The de jure exchange rate arrangement is floating. The exchange rate of the CDF is determined by supply and demand in the foreign exchange market. The BCC intervenes through auction, which is the only operational framework for the BCC's transactions with the market. Among the services of the CB, the statistics of interventions are published on a daily basis and the Directorate of Statistics layers them in its weekly, monthly, semiannual, and annual publications. This information is also published on the BCC's website. The Fund classifies the de facto exchange rate arrangement as "crawl-like". At end-April 2024, the rate was US$1=CF 2782.831. Effective February 10, 2003, the DRC accepted the obligations of Article VIII, of the Fund's Articles of Agreement. As of June 29, 2021, the Democratic Republic of the Congo (DRC) maintained one exchange rate restriction subject to IMF approval arising from an outstanding net debt position against other contracting members under the inoperative regional payments' agreement with the CEPGL. (Country Report No. 21/168)

In addition, the DRC maintains the following two multiple currency practices (MCPs), which are inconsistent with Article VIII, Section 3 of the Articles of Agreement: (i) MCP arising from the exchange rates of the FX auctions mechanism which are not in line with international best practices; and (ii) MCP arising from the effective exchange rates (i.e. the BCC`s reference rates +/- spread of 1.95% and, effective January 20, 2026, of 1.91% set by the BCC) for FX operations between the BCC and the Treasury.

As per data available as of April 30, 2026, the official action underlying MCP (1) resulted in impermissible spreads between January 8, 2025, and March 5, 2026; and the official action underlying MCP (2) resulted in impermissible spreads between February 9, 2024, and April 30, 2026.

Last Article IV Consultation:

The last Article IV consultation was concluded by the Executive Board on July 03, 2024.

Safeguards Assessment:

A safeguards assessment of the Banque Centrale du Congo (BCC) was completed in June 2025 in connection with the ECF and RSF arrangements approved in January 2025. The assessment found that overall safeguards risks remain elevated, notwithstanding progress in certain areas since the 2020 assessment, including the adoption of International Financial Reporting Standards in 2024. Governance remains weakened by concentration of decision-making, limited Board oversight, and unclear delineation of responsibilities. Financial reporting faces chronic accounting control weaknesses, and persistent negative equity requires recapitalization. Internal audit coverage does not adequately address key risk areas, and internal controls across critical operations—including foreign reserves management, lending, banking, currency operations, cybersecurity, and business continuity—remain deficient. An action plan based on the assessment's recommendations was adopted by the BCC Board in December 2025, and the authorities have committed to its diligent implementation.

Resident Representative: the current resident representative, Mr. Rene Tapsoba, started his assignment in August 2024.

RELATIONS WITH OTHER FINANCIAL INSTITUTIONS

A. World Bank

https://www.worldbank.org/en/country/drc/overview

World Bank Group Projects:
http://projects.worldbank.org/search?lang=en&searchTerm=&countrycode_exact=ZR

B. African Development Bank

https://www.afdb.org/en/countries/central-africa/democratic-republic-of-congo

INTERNATIONAL MONETARY FUND

DEMOCRATIC REPUBLIC OF THE CONGO

June 12, 2026

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION, THIRD REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUEST FOR WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF PERFORMANCE CRITERIA AND FINANCING ASSURANCES REVIEW; AND SECOND REVIEW UNDER THE RESILIENCE AND SUSTAINABILITY FACILITY ARRANGEMENT AND REQUEST FOR REPHASING OF ACCESS—WORLD BANK ASSESSMENT LETTER FOR THE RESILIENCE AND SUSTAINABILITY FACILITY

This second update to the RSF Assessment Letter—DRC (dated November 25, 2025) highlights relevant changes that have occurred since the RSF Assessment Letter issuance.

Background. On January 15, 2025, the IMF Executive Board approved a three-year Extended Credit Facility (ECF) arrangement of US$1.73 billion and a three-year climate-focused Resilience and Sustainability Facility (RSF) arrangement of US$1.04 billion for DRC. On December 19, 2025, the Executive Board completed the second review under the ECF and the first review under the RSF, enabling a combined disbursement of about US$442 million and confirming satisfactory program implementation despite the difficult security environment. The RSF supports DRC's climate adaptation and mitigation agenda and its role in the global transition to a low-carbon economy. Its objectives are to integrate climate considerations into public policy and investment, strengthen disaster risk management, promote green finance, and support sustainable forest management through REDD+. The RSF also draws on

World Bank Group (WBG) technical assistance and analytical work, including the 2023 DRC Country Climate and Development Report, to inform reform

priorities. Overall, the RSF aims to strengthen resilience to climate shocks, mobilize climate finance, and support DRC's climate commitments while preserving macroeconomic stability under the broader IMF-supported program.

DRC's climate context and program were summarized in WBG's RSF Assessment letter in January 2025 and remain relevant.

A. Country Vulnerability to Climate Change

1. DRC remains highly vulnerable to flooding, erosion, rainfall variability, and ecosystem degradation, with significant human, social, and economic costs. There have been no major changes in the underlying vulnerability profile since RSF approval or the previous update; the main new element is the continued operational emphasis on urban flood and erosion risks, especially in Kinshasa, Kananga, and other exposed urban areas, which has reinforced the urgency of resilience investments.

B. Government Policies and Commitments on Adaptation

2. Since the previous update, the authorities have continued to advance reforms and investments that strengthen resilience to climate shocks, especially through disaster risk management, flood control, and urban resilience. Priority areas remain: (i) improving disaster preparedness and emergency response systems; (ii) strengthening flood and erosion risk management in vulnerable cities; and (iii) integrating climate resilience into urban infrastructure and territorial planning; (iv) preparing a revised National Forest Policy, a landmark reform that will provide a comprehensive and updated regulatory framework for sustainable forest management, tenure rights, community forestry, and private sector engagement building on the 2002 Forest Code and aligned with the country's NDC targets and REDD+ National Strategy. These priorities are increasingly reflected in the government's engagement with World Bank-financed operations and technical assistance.

C. Government Policies and Commitments on Mitigation

3. The most important new mitigation-related developments since the previous update are in forest carbon and carbon market governance. Priority areas going forward remain implementation of REDD+, scaling high-integrity carbon finance, and strengthening governance arrangements for forest protection and climate-related investment.

D. Other Challenges and Opportunities

4. Key challenges continue to include weak implementation capacity, limited disaster preparedness systems, and the need to translate DRC's large natural capital endowment

into resilient and inclusive development outcomes. At the same time, there are important opportunities to scale climate finance, including through carbon markets, natural capital accounting, clean cooking, and sustainable forest value chains. Partner support remains important in these areas, particularly for disaster risk financing, carbon market readiness, and the broader Congo Basin forest agenda.

E. World Bank Engagement in Climate Change

5. The WBG continues to support DRC's climate agenda through a mix of investment operations, regional programs, and analytical work. Since the previous update, implementation has advanced in several areas and the active portfolio has expanded.

6. Operations active and under preparation. The **Emission Reduction Program Agreement** ("ERPA" P160320) and companion technical assistance (P170835) continue to support implementation of the Mai-Ndombe Emission Reductions Program. Urban resilience operations are also advancing, notably the **Kananga Emergency Urban Resilience Project** ("PURUK", P179292), the **Kinshasa Multisectoral and Urban Resilience Project** ("Kin Elenda", P171141), and the **DRC Urban Flood Resilience Project** ("PRIUR", P508410) , which support flood, erosion, and disaster risk management. Moreover, the **Kinshasa Urban Transformation and Jobs program** ("Kin La Belle", P512210) recently approved multi-phase programmatic approach (MPA) aims at improving the solid waste management system, directly contributes to DRC's climate commitments. In addition, the **Forest and Savanna Restoration Investment Program** (P178642) support mitigation and resilience through land restoration, and clean cooking. The **Sustainable Congo Basin Forest Economies Program** ("SCBFE", P505923), approved in FY26 as a regional MPA, creates an additional platform for forest-based climate and development engagement, with DRC expected to participate in Phase 2. The **Regional Emergency Preparedness and Access to Inclusive Recovery Program** ("REPAIR", P513341) and the **Contingency Emergency Response Project** ("CERP", P512262) are under preparation and are expected to strengthen DRC's ability to prepare for and respond rapidly to climate-related and other crises, including through the Rapid Response Option (RRO).

7. Analytical and policy support. Recent analytical support includes disaster risk financing work and advisory services on natural capital accounting, carbon markets, and climate finance, including the Strategic Roadmap for carbon markets and climate finance and the Forest Ecosystem Accounts work (P180767). The World Bank's Development Policy Financing series (P507861), building on the previous series (P179141), remains complementary to the RSF by supporting reforms in energy transition, forest governance, and climate resilience. The RSF also includes the Disaster Risk Management (DRM) Policy, which aims to improve the coordination of emergency preparedness and response in DRC. DRM Reforms, under a Development Policy Financing with a Catastrophe Deferred Drawdown Option (DPF - Cat DDO), are likely to be integrated into the forthcoming DPF series, which can be delivered as combined policy matrix and would enable access to the RRO.

Statement by Mr. Regis N'Sonde, Executive Director for the Democratic Republic of the Congo,
Mr. Jephte Nsumbu, Alternate Executive Director,
and Ms. Mwanza Nkusu, Senior Advisor to the Executive Director,
June 26, 2026

On behalf of our Congolese authorities, we extend our appreciation to the Executive Board, Management, and staff for the steady support the Fund has been providing to the Democratic Republic of the Congo (DRC). Our authorities highly value the Fund's policy advice and capacity development support, as well as staff's constructive engagement and candid policy dialogue, including during the recent discussions in connection with the 2026 Article IV Consultation, the third review under the Extended Credit Facility (ECF) and the second review under the Resilience and Sustainability Facility (RSF). They broadly concur with staff's evaluation of performance under the ECF- and RSF-supported programs and appreciate the pertinence of related policy recommendations.

Our authorities have continued to implement their economic and financial reform agenda amidst significant domestic and external headwinds and remain committed to staying the course. While the Washington Accords for Peace and Prosperity between the DRC and Rwanda signed in December 2025 and witnessed by the United States raised hope of lasting peace in eastern DRC, bouts of violence continue to take human lives and add to the already large number of displaced populations, requiring government interventions to stop hostile forces' territorial advances and provide assistance to the affected populations. The spillovers from the war in the Middle East and the recent Ebola outbreak, whose impact continues to be assessed, further complicate the conduct of public policies. Despite the difficult context, the authorities have continued to prioritize prudent macroeconomic management and press ahead with reforms. They are firmly committed to steadfastly implementing policies and reforms underpinning their ECF- and RSF-supported programs. They view the continued implementation of these programs as critical to preserving macroeconomic stability, promoting stronger and more inclusive private sector-led growth, enhancing resilience, and improving living standards, consistent with the objectives of the Government Action Program for 2024–2028 (PAG 2024–2028).

RECENT DEVELOPMENTS AND PROGRAM PERFORMANCE

Recent Developments

The Congolese economy continues to demonstrate macroeconomic stability and resilience which have been preserved thanks to the authorities' sound macroeconomic management. Real GDP stood at 5.7 percent in 2025 from 6.1 percent in 2024, in line with projections at the time of the second ECF review. Growth of the non-extractive sector picked up compared to a projected stagnation relative to 2024, compensating for the slower pace of activities in the extractive sector which resulted from the suspension of cobalt exports during much of 2025. Year-on-year inflation

continued to decelerate, reflecting the tight monetary policy stance of the *Banque Centrale du Congo (BCC)* and the observed stability of the Congolese franc (CDF) relative to the U.S. dollar following its significant appreciation in October 2025. From 11.7 percent at end-December 2024, inflation fell to 2.3 percent at end-December 2025, 2 percentage points lower than projected, and remained at the same level at end-March 2026. Considering the significant disinflation, the BCC's Monetary Policy Committee (MPC) lowered the policy rate by 150 basis points to 13.5 percent at its April meeting and reduced the marginal lending facility rates on deposits. After the government adjusted fuel pump prices, year-on-year inflation edged up slightly to 2.7 percent in May 2026, which is still far below the central bank's target of 7 percent.

The armed conflict in the eastern provinces has continued to weigh on fiscal performance. The parallel administrations of hostile forces occupying swaths of territories in eastern DRC collect taxes and levies, thereby subduing government revenue. Moreover, heightened security-related spending associated with the escalation of hostilities undermines budget execution and fiscal consolidation efforts. While the authorities met their 2025 revenue mobilization target, the domestic primary deficit exceeded projections by about half a percentage point of GDP, reaching 1.9 percent of GDP. The overall fiscal deficit increased to 2.6 percent of GDP from 2.1 in 2024.

The external current account balance improved in 2025, contributing to an accumulation of official foreign exchange (FX) reserves. The deficit narrowed in 2025 by half a percentage point of GDP to 3.7 percent of GDP. The improved balance helped boost FX reserves from US$6.7 billion (10 weeks of imports) in 2024 to US$8.3 billion (10.6 weeks of imports).

The authorities' sound macroeconomic management is bolstering investors' confidence in the country's economic prospects. In April 2026, the DRC raised US$1.25 billion at favorable terms by issuing its first ever Eurobond. The bond was structured in two tranches that were oversubscribed, with investors' orders more than four times the amount the country wanted to raise. The authorities are committed to ensuring that the Eurobond proceeds are used to finance only projects with high economic returns. They are implementing safeguards for the effective and transparent use of these proceeds, starting with their inclusion in the revised 2026 budget. Other safeguard mechanisms include the establishment of an oversight Committee under the leadership of the Prime Minister to approve allocations of funds to selected projects and strong ex-post controls, as well as independent reporting by the UNDP.

Performance under the ECF and RSF Programs

Performance under the ECF-supported program has been broadly satisfactory. At end-December 2025, all but one quantitative performance criteria (QPC) and four of the six indicative targets (ITs) were met while the continuous performance criterion (PC) on the non-introduction or modification of multiple currency practices (MCPs) was missed. The QPC on the primary balance was missed despite a slight overperformance of revenue mainly because of overruns in security-related outlays and also spending on goods and services in relation with assistance to displaced populations and diplomatic efforts to advance the implementation of the US-backed peace agreement with Rwanda. The missed ITs are related to the floor on social spending and the ceiling on expenditure

executed under emergency procedures. Exceptional security spending caused by the war in eastern provinces explains most of the spending overrun under emergency procedures. The authorities are committed to strengthening adherence to the expenditure chain as strictly as possible. On structural reforms, performance under the program has been robust, with all structural benchmarks (SBs) set for the third review implemented.

The authorities have taken corrective actions to address the two missed PCs. To correct the missed QPC on the domestic primary balance, they have submitted to Parliament a revised 2026 budget aligned with program objectives. They have taken measures to strengthen revenue and contain spending. Revenue measures include the installation of weighbridges at a key customs point to strengthen the monitoring of exports and imports, as well as the intensification of efforts to recover mining companies' tax liabilities. Expenditure-related measures include the completed audit of the wage bill to identify and eliminate irregularities in the payroll system. To address the missed PC on MCPs, the authorities have committed to repealing, by the end of the Fund-supported program, the official measure that gave rise to the MCP.

Implementation of the RSF-supported program has also been progressing well. In February, the authorities adopted ahead of schedule the methodology for assessing the climate impact of investment projects, a reform measure (RM10) due for the third RSF review with an end-June 2026 target date. However, the adoption of amendments to the Forest Code to define the process of allocating concessions, a reform measure for the second review (RM1), has not been completed because of missed deadlines by certain external partners that delayed adoption of the forestry policy, a prerequisite for the revision of the Forest Code. The authorities are working towards getting the process for the adoption of the forestry policy back on track to facilitate completion of RM1.

OUTLOOK AND RISKS

The outlook remains broadly favorable. Real GDP growth is projected at 5.6 percent in 2026 and to average 5.5 percent during 2027–2031. It would be sustained by growth in the non-extractive sector, which is projected to average 6 percent during 2027–31 from 4.7 percent and 5.2 percent in 2025 and 2026, respectively. Inflation rate is projected to be contained within the central bank target of 7 percent. The domestic primary deficit is projected to be maintained at 1.9 percent of GDP in 2026 and trend down to 0.7 percent of GDP by 2031, with the fiscal consolidation being driven primarily by a stronger performance of non-extractive revenue and, to some extent, by a containment of primary current expenditure. Public debt would remain under 20 percent of GDP over the medium-term. The country remains at moderate risk of external and overall debt distress, with some space to absorb shocks. The current account deficit is projected to narrow significantly to1.9 percent of GDP in 2026, reflecting higher cobalt exports volumes and favorable terms of trade, and stay under 2 percent of GDP over the medium-term.

The outlook is subject to elevated domestic and external downside risks but also important upside risks. External risks include a sharp reduction in official development assistance, a significant decline in international prices of the DRC's main mining exports as a result of weakening global demand, and other repercussions from the war in the Middle East such as potentially high international prices of fuel and supplies for the mining sector. The main domestic risks stem from the socio-economic and fiscal

repercussions of the ongoing armed conflict in the eastern part of the country and a potential escalation of the Ebola outbreak. The effective cessation of hostilities in eastern Congo and the related prospect of significant United States investment under the Strategic Partnership Agreement between the DRC and the United States constitute upside risks to the outlook.

POLICIES AND REFORMS FOR THE REMAINDER OF 2026 AND BEYOND

Our Congolese authorities remain committed to preserving macroeconomic stability while deepening structural reforms to promote strong and inclusive growth and enhance resilience to shocks. To these ends, they are determined to build on the current reform momentum and continue closely adhering to the policies and reforms underpinning the ECF- and RSF-supported programs. Retained policies and reforms aim at improving fiscal outcomes to strengthen buffers and create fiscal space for development spending; preserving price and financial stability; improving the business environment to support private sector development and job creation; and reducing the country's vulnerability to climate shocks.

Fiscal Policy and Reforms

The authorities' fiscal policy is geared towards gradual fiscal consolidation, supported by both revenue and expenditure measures, balancing the need for debt sustainability with the imperative of developing infrastructures to transform the economy. The draft revised 2026 Budget Law that the Government submitted to Parliament is consistent with the objectives of the ECF-supported program. Measures aimed at boosting short- and medium-term revenue performance include restoring the VAT rate on selected basic consumption goods to 8 percent, increasing excise taxes on vehicles, modernizing customs and installing weighbridges to better monitor exports and imports, accelerating the strengthening of the operational capacities of the mineral analysis laboratory set up by the General Tax Revenue Directorate (*Direction Générale des Impôts, DGI*) to curb underpricing and related revenue losses. On the expenditure side, the authorities are committed to containing non-priority spending over the medium-term, strengthening the control of security spending, further curbing fuel subsidies, controlling the wage bill by accelerating civil service reforms, and improving the efficiency of spending.

The authorities are committed to advance other ongoing fiscal structural reforms to support fiscal consolidation efforts and contain fiscal risks. The focus is on improving public financial management (PFM), including by strengthening adherence to the expenditure chain as strictly as possible, accelerating the implementation of the Treasury Single Account (TSA), and finalizing the operationalization of the Directorate-General of Treasury and Public Accounting (*DGTCP*) in assuming its accounting and cash management functions. Other areas of priority include containing spending executed under emergency procedures and continuing to strengthen the performance of state-owned enterprises (SOEs) to curb related fiscal risks.

Monetary, Financial Sector, and External Sector Policies

The BCC remains committed to preserving price stability and maintaining exchange rate flexibility while strengthening the FX reserves buffer. It will continue to aim at

anchoring inflation expectations and contain inflation within its target of 7 percent. Monetary policy actions will remain prudent and data-driven. The BCC will intensify its efforts to improve liquidity management by using all tools at its disposal and modernize its monetary policy framework. On exchange rate management, the BCC will continue to ensure that the indicative exchange rate for the CDF remains consistent with relevant market conditions, intervening in the FX market only when needed to smooth out excessive exchange rate volatility. It will pursue its gradual accumulation of FX reserves to further enhance external resilience.

The authorities will continue their ongoing efforts to strengthen financial stability, improve financial inclusion, and develop the financial sector. They will pursue reforms to enhance banking and financial sector supervision. In this context, they will accelerate the implementation of recommendations of the Financial Sector Stability Review (FSSR) and strengthen their supervisory capacity by enhancing the BCC's risk-based supervisory framework to align its regulation with the Basel standards. The authorities will continue efforts to further increase the financial inclusion rate, building on recent progress, and develop the domestic financial market. In this regard, actions will be taken to establish electronic payment infrastructure and lay the groundwork for setting up a stock market in Kinshasa.

Other Structural Reforms

The authorities intend to further improve governance, transparency, and the business environment for stronger and more inclusive private sector-led growth. They are committed to build on the momentum of the past several years to implement a broad range of reforms to address structural bottlenecks that subdue private sector development. They will continue efforts to combat corruption, including by strengthening the capacity of anti-corruption institutions with adequate human and financial resources. They will step up efforts to improve transparency in public procurement and in the utilization of public resources, including revenues from the renegotiated SICOMINES contract. Advancing the country's reform agenda, including improvements in the business environment, would foster private sector development, economic diversification, and inclusive growth.

The authorities have continued to steadily implement the action plan agreed with the Financial Action Task Force (FATF) to strengthen the Anti-Money Laundering and Combatting the Financing of Terrorism (AML/CFT) framework. Discussions of the authorities' ninth and tenth progress reports on the action plan took place in January and April 2026. The FATF was satisfied with progress the DRC has made. Prospects are good for DRC's removal for the FATF's grey list in October 2026 after the FATF conducts an on-site visit.

Climate-related Reforms

The authorities remain determined to advance the implementation of their climate agenda and reinforce the DRC's status as a "solution country" in the global energy transition efforts. To this end, they are committed to rigorously implementing all the remaining RMs pertaining to the three pillars of the RSF-supported program. These include promoting forest protection and sustainable mining exports, building resilience to climate-induced natural disasters, and integrating the climate agenda into public

investment management. The authorities will continue to seek technical assistance as needed and implement each RM based on well-defined roadmaps to closely monitor progress.

Implementing the authorities' ambitious climate agenda will require large financial resources. The DRC's 2021 Nationally Determined Contribution (NDC) estimates the cost of financing investment under the climate agenda at about US$48 billion (almost 90 percent of the country's 2021 GDP), an amount that dwarfs the US$1.1 billion of total access under the RSF. The authorities expect that, as a nation-solution to global climate challenges, the DRC will attract adequate additional funding from other external stakeholders to advance critical components of its climate agenda for the benefit of humanity. Fund catalytic and advocacy role will be instrumental in this regard. The authorities expect the Fund to proactively play this role.

CONCLUSION

Our Congolese authorities have demonstrated strong commitment to the objectives of the ECF- and RSF-supported programs, which they have continued to implement amid challenging external and domestic contexts. Performance under the ECF has been broadly satisfactory. The authorities have taken corrective actions to address the only missed QPC for the period under review and the missed continuous PC related to the non-introduction or modification of MCPs. Performance under the RSF has also been satisfactory. Going forward, the authorities are committed to steadfastly advance the implementation of their reform agenda.

In view of the authorities' satisfactory program implementation and their forward-looking commitment to the objectives of the programs, we would appreciate Executive Directors' support for the completion of the third review under the ECF and the second review under the RSF, as well as the approval of related decisions.