

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

	2000	2001	2002		2003			2004		2005	
	Est.	Est.	EBS/02/76	EBS/03/12	Est.	EBS/03/12	Prog.	EBS/03/12	Proj.	EBS/03/12	Proj.
(Annual percentage changes)											
Output and prices											
Real GDP	-7	-2	3	3	3	5	5	6	6	7	7
GDP deflator	516	403	23	27	27	14	14	7	8	6	6
Consumer prices, annual average	550	357	25	25	25	13	14	6	7	5	5
Consumer prices, end of period	511	135	13	15	16	6	8	6	6	5	5
External sector											
Exports, f.o.b. (in U.S. dollar terms)	-8	-1	8	15	24	6	6	21	14	22	16
Imports, f.o.b. (in U.S. dollar terms)	49	19	36	33	31	29	22	23	23	11	20
Export volume	-4	-5	8	14	15	10	7	16	14	11	9
Import volume	51	24	37	31	30	26	12	22	23	9	18
Terms of trade	-3	9	3	0	6	-6	-9	3	0	9	6
Nominal effective exchange rate 1/	-83	-84	...	-71	-71	...	...	...	...	...	...
Real effective exchange rate 1/	-18	-6	...	-58	-58	...	...	...	...	...	...
(Annual change in percent of beginning-of-period broad money, unless otherwise indicated)											
Money and credit											
Broad money	493	217	35	22	26	17	20	...	...	...	...
Net foreign assets	-710	-695	36	2	10	9	16	...	...	...	...
Net domestic credit	343	31	2	-17	-16	8	8	...	...	...	...
Net credit to the government	272	-7	-6	-18	-17	0	0	...	...	...	...
Credit to the private sector	61	37	7	0	1	8	8	...	...	...	...
Credit to the parastatals	10	0	1	0	0	0	0	...	...	...	...
Central bank refinance rate (level in percent) 2/	120	140	...	24	24	27	25	...	...	...	...
(In percent of GDP)											
Central government finances											
Revenue (excluding grants)	5.1	6.2	7.3	7.9	7.9	8.3	8.3	9.5	9.0	10.8	10.1
Grants (excluding humanitarian aid)	0.0	0.0	1.2	0.3	0.4	3.7	2.6	4.6	3.4	4.8	5.3
Expenditure 3/	11.1	7.9	11.0	8.9	10.4	16.8	15.2	20.7	18.6	20.3	20.6
Domestic primary cash balance 4/	-3.9	0.6	0.9	1.4	1.4	2.1	1.7	3.5	3.0	4.8	4.5
Overall balance (commitment basis)	-6.0	-1.6	-2.5	-0.6	-2.0	-4.8	-4.4	-6.6	-6.3	-4.8	-5.2
Overall consolidated cash balance 5/	-4.1	0.5	-0.4	-0.1	0.0	-2.0	-1.4	-4.0	-3.7	-2.4	-3.4
Investment and saving											
Gross national savings	-1.2	0.5	11.0	9.2	11.1	14.6	13.7	15.2	14.6	16.3	16.9
Government	-5.6	-1.5	2.8	1.3	1.3	4.8	3.1	5.8	4.4	7.3	7.0
Nongovernment	4.4	2.1	8.3	7.9	9.8	9.8	10.6	9.4	10.2	9.0	9.9
Gross domestic savings	4.4	3.2	6.8	3.7	4.9	5.2	5.8	7.6	7.6	10.0	8.9
Government	-3.6	-0.2	1.9	1.1	1.1	2.5	2.1	3.9	2.9	5.2	3.8
Nongovernment	8.1	3.5	4.9	2.7	3.8	2.7	3.7	3.7	4.7	4.8	5.1
Investment	3.5	5.2	9.9	9.1	9.0	15.7	13.5	19.9	18.1	20.3	21.0
Government 6/	0.5	0.1	2.9	1.1	1.0	6.2	4.0	9.4	7.6	9.3	10.0
Nongovernment 7/	3.0	5.1	7.0	8.0	8.0	9.5	9.5	10.5	10.5	11.0	11.0
(In millions of U.S. dollars, unless otherwise indicated)											
Balance of payments											
Exports of goods and services	963	961	1,101	1,109	1,189	1,178	1,265	1,407	1,437	1,698	1,659
Imports of goods and services	920	1,067	1,286	1,405	1,415	1,781	1,686	2,170	2,063	2,404	2,448
External current account, incl. grants, before debt relief (in percent of GDP)	-4.6	-4.7	-3.7	-3.2	-2.9	-5.0	-3.8	-8.6	-7.7	-7.8	-8.6
External current account, excl. grants, before debt relief (in percent of GDP)	-9.5	-10.2	-9.1	-9.7	-9.4	-14.2	-11.7	-17.2	-14.8	-15.5	-16.1
External current account, incl. grants, after debt relief (in percent of GDP) 8/	-4.6	-4.7	1.1	0.1	2.1	-1.1	0.1	-4.7	-3.5	-4.0	-4.1
Gross official reserves (end of period)	51	22	111	86	75	178	191	254	254	341	341
Gross official reserves (In weeks of nonaid-related imports)	3.8	1.4	6.2	4.2	3.6	7.7	8.0	9.1	9.1	10.6	10.5
External public debt											
Total stock, including IMF 9/	12,609	13,280	8,890	9,890	10,434	10,159	8,728	10,415	9,082	10,430	9,474
Net present value of debt (NPV) 10/	11,888	12,504	...	...	7,163	...	7,456	...	7,838	...	8,131
Scheduled debt service (including interest on arrears) 8/	724	728	56	38	35	155	180	259	219	291	207
In percent of exports of goods and services	75	76	5	3	3	13	14	18	15	17	12
In percent of government revenue	331	218	50	8	8	22	30	29	30	27	20
Exchange rate											
Units of local currency per U.S. dollar (end of period) 11/	50	312	...	382	382	...	418	...	...	...	...
Nominal GDP (in billions of Congolese francs)	297	1,464	1,976	1,911	1,915	2,281	2,298	2,579	2,627	2,935	2,989

Sources: Congolese authorities; and staff estimates and projections.

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

2/ For 2003, as of May 22.

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

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

5/ Cash balance after interest rescheduling (including HIPC). Before 2002, excludes the Central Bank operations.

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

7/ From 2003 onward, includes capital projects financed by NGOs.

8/ Negotiations of agreements with Paris Club creditors following the September 2002 Paris Club rescheduling continued into 2003 and, as a result, amounts associated with these agreements and due in 2002 were not finalized. Consequently, amounts are carried over to 2003 when

these agreements are being signed and the amounts due determined. Similarly, amounts due to nonParis Club and commercial creditors have not been finalized and are carried over to 2004. From 2003, debt service reflects possible assistance under the enhanced HIPC Initiative.

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

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

11/ For 2003, as of June 11.

Table 2A. Democratic Republic of the Congo: Monthly Treasury Cash-Flow Plan, 2002

(In millions of Congo francs)

	Jan. Sep.			Oct.-Dec.			Total 2002				
	(Prog.)	(Prel.)	(Est.)	(Prog.)	(Proj.)	(Est.)	(Prog.)	(In percent of GDP)	(Proj.)	(In percent of GDP)	(Est.)
	ESB/02/76	ESB/03/12		ESB/02/76	ESB/03/12		ESB/02/76		ESB/03/12		
Total revenue and grants	115,350	116,397	118,185	52,274	40,729	41,454	167,624	8.5	157,127	8.2	159,640
Total revenue	101,820	112,427	112,389	42,126	38,656	39,804	143,946	7.3	151,083	7.9	152,193
Customs and excise (OFIDA)	41,501	39,170	39,171	16,565	16,800	15,497	58,066	2.9	55,970	2.9	54,668
Direct and indirect taxes (DGC)	29,281	29,162	29,169	12,448	11,600	11,336	41,729	2.1	40,762	2.1	40,505
DGRAD	8,606	9,353	9,312	3,710	2,650	2,659	12,316	0.6	12,003	0.6	11,971
GECAMINES	489	0	0	685	0	0	1,174	0.1	0	0.0	0
MIBA	2,178	873	873	2,089	0	225	4,267	0.2	873	0.0	1,098
Petroleum	17,578	24,439	24,439	4,998	4,654	7,068	22,576	1.1	29,093	1.5	31,507
Production	10,344	19,749	19,750	2,890	3,154	6,325	13,234	0.7	22,903	1.2	26,075
Distribution	7,234	4,691	4,689	2,108	1,500	743	9,342	0.5	6,191	0.3	5,432
Other	2,186	722	719	1,632	132	46	3,818	0.2	854	0.0	765
Off-budget revenue 1/	0	8,707	8,706	0	2,820	2,973	0	0.0	11,527	0.6	11,679
Total grants	13,530	3,970	5,796	10,148	2,073	1,650	23,678	1.2	6,043	0.3	7,447
Total expenditure 2/	120,349	115,096	115,287	56,035	44,599	44,283	176,384	8.9	159,695	8.4	159,570
Current expenditure	74,367	76,570	77,175	31,111	30,275	31,569	105,478	5.3	106,845	5.6	108,744
Wages	31,194	27,579	27,579	11,675	13,727	10,588	42,868	2.2	41,306	2.2	38,167
Interest payments	9,080	11,965	11,994	4,126	3,337	2,784	13,206	0.7	15,302	0.8	14,778
External debt (after rescheduling)	3,972	713	741	2,979	2,010	1,424	6,950	0.4	2,723	0.1	2,165
Domestic debt	5,109	11,252	11,253	1,147	1,326	1,360	6,256	0.3	12,579	0.7	12,613
Other current expenditure	27,698	32,086	32,661	12,161	11,404	16,464	39,859	2.0	43,490	2.3	49,125
Institutions	5,941	11,653	11,669	2,638	3,495	5,426	8,579	0.4	15,147	0.8	17,095
Ministries	9,612	14,327	14,867	5,239	5,125	6,918	14,851	0.8	19,452	1.0	21,785
Centralized payments (utilities)	5,913	2,507	2,524	2,293	1,050	915	8,206	0.4	3,557	0.2	3,439
Provinces	2,596	3,344	3,346	1,870	1,614	2,172	4,466	0.2	4,958	0.3	5,518
Other	3,636	255	255	121	121	1,033	3,757	0.2	376	0.0	1,288
Transfers and subsidies	6,396	4,940	4,941	3,148	1,807	1,733	9,544	0.5	6,747	0.4	6,674
MIBA and GECAMINES	0	150	150	0	0	0	0	0.0	150	0.0	150
Transfers to public agencies and budgets annexes	2,127	438	438	1,195	0	17	3,323	0.2	438	0.0	455
Retrocessions to revenue collecting agencies	4,268	4,352	4,353	1,953	1,807	1,716	6,221	0.3	6,159	0.3	6,069
Off-budget expenditure 1/	0	8,707	8,706	0	2,820	2,973	0	0.0	11,527	0.6	11,679
Capital expenditure	23,968	5,220	5,291	18,093	4,765	5,094	42,061	2.1	9,985	0.5	10,385
Foreign financed investment	19,307	3,970	3,943	14,480	3,973	2,714	33,787	1.7	7,943	0.4	6,657
Congoese financed investment	4,101	1,113	1,211	3,173	746	2,364	7,274	0.4	1,859	0.1	3,575
Emergency program	561	137	137	439	45	16	1,000	0.1	182	0.0	153
Net lending 3/	6,644	7,986	7,987	-900	0	0	5,744	0.3	7,986	0.4	7,987
Other operations	136	82	83	64	64	4	200	0.0	146	0.0	87
Contingency - unallocated social expenditure 4/	9,396	70	0	6,822	3,780	0	16,218	0.8	3,850	0.2	0
Reserve	760	0	0	240	0	0	1,000	0.1	0	0.0	0

Repayment of domestic arrears 5/	1,970	2,854	2,854	0	0	922	1,970	0.1	2,854	0.1	3,776
Wage arrears 5/	1,970	1,920	1,920	0	0	0	1,970	0.1	1,920	0.1	1,920
Non wage arrears	0	933	934	0	0	922	0	0.0	933	0.0	1,856
BCC treasury deficit	3,107	9,288	8,873	606	2,276	3,407	3,713	0.2	11,564	0.6	12,280
IDI Diamond expenditure	0	4,318	4,318	0	620	314	0	0.0	4,938	0.3	4,632
Consolidated primary surplus (cash basis)	4,081	13,267	14,892	365	-533	-45	4,446	0.2	12,734	0.7	14,848
Unconsolidated balance (cash basis)	-1,892	10,589	11,771	-3,155	-1,594	578	-5,047	-0.3	8,996	0.5	12,350
Consolidated balance (cash basis)	-4,999	1,301	2,898	-3,761	-3,870	-2,829	-8,760	-0.4	-2,568	-0.1	70
Cumulated balance (cash basis)	-4,999	1,301	2,898	-8,760	-2,568	70	-8,760	-0.4	-2,568	-0.1	70
Total financing	4,999	-1,301	-2,898	3,761	3,870	2,829	8,760	0.4	2,568	0.1	-70
Non bank (certificates of deposit net)	-2,096	-5,909	-5,516	-1,354	-1,700	-1,811	-3,450	-0.2	-7,609	-0.4	-7,327
BCC and other banking system 6/	-5,147	-19,949	-19,949	1,147	7,639	8,250	-4,000	-0.2	-12,310	-0.6	-11,699
Foreign financing	12,243	26,893	26,891	3,967	-2,069	-4,948	16,210	0.8	24,824	1.3	21,943
Non domestic non resident bank 3/	6,953	7,097	7,096	0	0	0	6,953	0.4	7,097	0.4	7,096
Amortization (net payment) 7/	-6,140	-4,867	-4,868	-4,605	-3,969	-4,948	-10,745	-0.5	-8,836	-0.5	-9,816
Additional financing	11,429	24,664	24,663	8,572	1,900	0	20,001	1.0	26,564	1.4	24,663
Of which: project loans	5,776	0	0	4,332	1,900	0	10,109	0.5	1,900	0.1	0
Of which: budget loans	5,653	24,664	24,663	4,240	0	0	9,893	0.5	24,664	1.3	24,663
Discrepancy	0	-2,336	-4,325	0	0	1,337	0	0.0	-2,336	-0.1	-2,987

Source: Data provided by the Congolese authorities; and staff estimates and projections.

1/ Off-budget revenue and expenditure include offsetting operations between the government and the petroleum distribution sector, and offsetting operations with Gecamines.

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

3/ Net lending are advances to Cohydro financed mainly by drawing on the government account at the Rand Merchant Bank (non resident Bank) where petroleum production revenue was deposited in 2001.

4/ Contingent expenditure that will be mobilized only if the debt rescheduling assumptions materialize (CGF 13.8 billion) and Cohydro reimburses the government (CGF 2.4 billion from May).

5/ Including reimbursement of wage arrears accumulated from October 2001 to February 2002.

6/ Net banking system credit to the government plus treasury balance of the Central Bank.

7/ Including US\$ 8.2 million payment in settlement of the Red Mountain case in June.

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

(In millions of Congo francs)

	Jan.-Mar.			Apr.-June		Jul.-Sep.		Oct.-Dec.		Total 2003				
	EBS/03/12	(In percent of GDP)	(Prel.)	(In percent of GDP)	EBS/03/12	(Prog.)	EBS/03/12	(Prog.)	EBS/03/12	(Prog.)	EBS/03/12	(In percent of GDP)	(Prog.)	(In percent of GDP)
Total revenue and grants	55,563	2.4	46,720	2.0	60,371	45,087	82,406	74,192	76,566	83,088	274,906	12.1	249,087	10.8
Total revenue	41,590	1.8	40,954	1.8	44,209	39,754	52,272	51,964	52,323	56,915	190,394	8.3	189,587	8.3
Customs and excise (OFIDA)	14,795	0.6	14,097	0.6	17,922	14,809	21,456	25,585	22,261	30,065	76,433	3.4	84,556	3.7
Direct and indirect taxes (DGC)	11,942	0.5	11,785	0.5	10,515	10,142	15,608	14,778	15,997	15,083	54,062	2.4	51,788	2.3
DGRAD (including revenue from public enterprises)	4,038	0.2	4,631	0.2	4,859	4,405	4,198	4,088	2,958	4,200	16,052	0.7	17,324	0.8
GECAMINES	327	0.0	0	0.0	327	0	327	250	327	250	1,308	0.1	500	0.0
MIBA	1,097	0.0	670	0.0	1,097	777	1,097	777	1,097	777	4,389	0.2	3,000	0.1
Petroleum	9,391	0.4	7,823	0.3	9,489	9,077	9,586	6,291	9,684	6,390	38,150	1.7	29,582	1.3
Production	4,923	0.2	6,382	0.3	4,974	6,204	5,026	6,291	5,077	6,390	20,000	0.9	25,267	1.1
Distribution	4,468	0.2	1,441	0.1	4,514	2,874	4,561	0	4,607	0	18,150	0.8	4,315	0.2
Other	0	0.0	76	0.0	0	124	0	150	0	150	0	0.0	500	0.0
Off-budget revenue	0	0.0	1,872	0.1	0	420	0	45	0	0	0	0.0	2,337	0.1
Total grants	13,973	0.6	5,766	0.3	16,162	5,334	30,135	22,228	24,243	26,173	84,512	3.7	59,500	2.6
Of which: project grants	8,081	0.4	5,766	0.3	16,162	5,334	24,243	16,781	24,243	21,953	72,729	3.2	49,833	2.2
Of which: HIPC debt relief	5,892	0.3	0	0.0	0	0	5,892	5,447	0	4,220	11,783	0.5	9,667	0.4
Total expenditure 1/	60,295	2.6	48,608	2.1	70,832	49,084	100,103	96,055	89,400	87,749	320,631	14.1	281,496	12.3
Current expenditure	42,447	1.9	33,352	1.5	35,589	34,881	49,901	65,044	38,158	35,150	166,095	7.3	168,427	7.3
Wages	12,774	0.6	12,169	0.5	14,428	11,469	14,751	11,786	15,398	14,532	57,351	2.5	49,957	2.2
Military and police	4,395	0.2	5,139	0.2	4,482	4,530	4,527	4,530	4,617	4,530	18,021	0.8	18,730	0.8
Civilians	8,379	0.4	7,030	0.3	9,945	6,939	10,224	7,256	10,781	10,002	39,330	1.7	31,227	1.4
Interest payments	14,388	0.6	1,038	0.0	1,662	7,419	15,050	24,675	2,411	3,359	33,511	1.5	36,490	1.6
External debt (interest payment after debt relief)	14,144	0.6	861	0.0	1,419	7,211	14,806	24,467	2,167	3,151	32,536	1.4	35,690	1.6
Domestic debt (interest payment)	244	0.0	177	0.0	244	208	244	208	244	208	975	0.0	800	0.0
Other current expenditure	13,485	0.6	18,501	0.8	13,954	13,483	14,329	14,158	14,610	14,158	56,379	2.5	60,300	2.6
Institutions	2,375	0.1	5,826	0.3	2,375	3,425	2,375	3,875	2,375	3,875	9,500	0.4	17,000	0.7
Ministries	5,141	0.2	9,943	0.4	5,358	4,202	5,532	4,427	5,662	4,427	21,693	1.0	23,000	1.0
Centralized payments (utilities)	4,195	0.2	1,467	0.1	4,372	4,511	4,514	4,511	4,620	4,511	17,700	0.8	15,000	0.7
Provinces	1,537	0.1	1,265	0.1	1,602	1,345	1,654	1,345	1,693	1,345	6,485	0.3	5,300	0.2
Other	237	0.0	0	0.0	247	0	255	0	261	0	1,000	0.0	0	0.0
Transfers and subsidies	1,799	0.1	1,644	0.1	5,545	2,510	5,771	14,425	5,740	3,101	18,855	0.8	21,680	0.9
MIBA and GECAMINES	0	0.0	0	0.0	3,325	0	3,325	11,620	3,325	0	9,975	0.4	11,620	0.5
Transfers to public agencies and budgets annexes	250	0.0	0	0.0	250	503	250	503	250	503	1,000	0.0	1,510	0.1
Retrocessions to revenue collecting agencies	1,549	0.1	1,644	0.1	1,970	2,007	2,196	2,302	2,165	2,597	7,880	0.3	8,550	0.4
Off-budget expenditure	0	0.0	1,872	0.1	0	420	0	45	0	0	0	0.0	2,337	0.1
Capital expenditure	14,741	0.6	6,564	0.3	29,182	11,286	43,123	28,069	43,173	40,836	130,218	5.7	86,755	3.8
Foreign financed investment	13,691	0.6	4,514	0.2	27,382	8,086	41,073	24,969	41,073	37,185	123,218	5.4	74,755	3.3
Congoese financed investment	1,050	0.0	2,050	0.1	1,800	3,200	2,050	3,100	2,100	3,651	7,000	0.3	12,000	0.5
Net lending	0	0.0	0	0.0	0	0	0	0	0	0	0	0.0	0	0.0
Other operations	0	0.0	33	0.0	0	156	0	156	0	156	0	0.0	500	0.0
HIPC-related expenditure	0	0.0	0	0.0	2,946	0	3,928	400	4,910	9,267	11,783	0.5	9,667	0.4
Reserve	15	0.0	0	0.0	1	0	16	0	2	0	35	0.0	0	0.0
Repayment of arrears	1,000	0.0	2,120	0.1	1,000	563	1,000	563	1,000	563	4,000	0.2	3,810	0.2
External arrears	0	0.0	0	0.0	0	0	0	0	0	0	0	0.0	0	0.0

Domestic arrears	1,000	0.0	2,120	0.1	1,000	563	1,000	563	1,000	563	4,000	0.2	3,810	0.2
BCC treasury deficit	2,092	0.1	4,667	0.2	2,114	1,778	2,136	1,778	2,158	1,778	8,500	0.4	10,000	0.4
Unconsolidated domestic primary balance (cash basis)	11,466	0.5	2,566	0.1	7,481	7,953	14,354	7,731	13,473	20,755	46,774	2.1	39,004	1.7
Consolidated primary surplus (cash basis)	9,655	0.4	-850	0.0	-8,799	3,423	-2,647	2,812	-10,424	-1,303	-12,215	-0.5	4,082	0.2
Unconsolidated balance (cash basis)	-2,640	-0.1	2,779	0.1	-8,347	-2,219	-15,561	-20,085	-10,677	-2,884	-37,226	-1.6	-22,408	-1.0
Consolidated balance (cash basis)	-4,733	-0.2	-1,888	-0.1	-10,461	-3,996	-17,697	-21,863	-12,834	-4,661	-45,725	-2.0	-32,408	-1.4
Cumulated balance (cash basis)	-4,733	-0.2	-1,888	-0.1	-15,194	-5,884	-32,891	-27,747	-45,725	-32,408	-45,725	-2.0	-32,408	-1.4
Total financing	4,733	0.2	1,888	0.1	10,461	3,996	17,697	21,863	12,834	4,661	45,725	2.0	32,408	1.4
Non bank (certificates of deposit net)	0	0.0	-3,225	-0.1	0	960	0	960	0	960	0	0.0	-344	0.0
BCC and other banking system 2/	-634	0.0	-6,584	-0.3	2,229	2,680	-702	26,443	-894	-22,540	0	0.0	0	0.0
Foreign financing	5,367	0.2	11,697	0.5	8,232	356	18,399	-5,541	13,728	26,241	45,725	2.0	32,753	1.4
Non domestic non resident bank	0	0.0	0	0.0	0	0	0	0	0	0	0	0.0	0	0.0
Amortization (net payment)	-15,962	-0.7	-2,549	-0.1	-2,988	-9,053	-18,598	-25,500	-3,102	-11,414	-40,651	-1.8	-48,516	-2.1
Additional financing	21,329	0.9	14,246	0.6	11,220	9,409	36,998	19,959	16,830	37,654	86,376	3.8	81,268	3.5
<i>Of which: project loans</i>	5,610	0.2	3,253	0.1	11,220	2,753	16,830	8,188	16,830	10,728	50,489	2.2	24,922	1.1
<i>Of which: budget loans</i>	15,719	0.7	10,993	0.5	0	6,656	20,168	11,771	0	26,926	35,887	1.6	56,346	2.5
Discrepancy	0	0.0	0	0.0	0	0	0	0	0	0	0	0.0	0	0.0

Source: Data provided by the Congolese authorities; and staff estimates and projections.

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

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

Table 3. Democratic Republic of the Congo: Action Plan to Strengthen the Institutional Capacity of the Central Bank of the Congo

Measures	Implementation Timetable	Status
Banking supervision		
Clarify the responsibilities of the Central Bank of the Congo (BCC) staff involved in bank supervision and restructuring.	January 2003	Completed.
Proceed with an in-depth review of the nature and composition of prudential ratios, taking account of the situation of institutions, international standards, and consistent with regional initiatives (Southern African Development Community – SADC, and Common Market for Eastern and Southern Africa – COMESA).	Preparation of draft in 2003 for implementation after the balance sheets of the institutions subject to review are cleaned up	Draft being discussed with banks. New prudential ratios will be published by end-July 2003 at the latest.
Define a specific framework for periodic statements to provide the information required for supervision, in consultation with the Congolese Banking Association.	March 2003	In progress. The framework will be finalized by end-August 2003 at the latest.
Proceed with an inventory of cooperatives and other financial institutions that are currently not covered by banking supervision.	June 2003	Partial inventory made of microfinance institutions in Kinshasa and Bas-Congo. Financing being sought to continue the inventory in other provinces.
Formalize the process of programming on-site audits (statement of objectives and order of priority based on risk).	Field audit program for 2003	In progress. Finalization scheduled for end-July 2003 at the latest.
Formalize the operational organization of desk audits and implement a standard framework for reporting on an ongoing basis. Strengthen on-site controls and conduct general purpose missions.	End-2003	In progress. Finalization scheduled for end-July 2003 at the latest.
The combating of money laundering and the financing of terrorism		
Sensitize the Congolese Banking Association so that it can define rules for vigilance and good conduct applicable to its members.	During 2003	Joint BCC-IMF seminar held in April 2003. Establishment within the BCC of an anti-money laundering unit and a national committee on combating terrorism (CNLCT) and transnational organized crime. Publication of a BCC directive on standards applicable to the CNLCT on March 4, 2003.
Accounting and internal audit		
Establish methods of accounting and accounts reconciliation concerning IMF accounts.	January 2003	In progress. The procedures manual will be finalized by end-June 2003 at the latest.
Produce financial statements for the year ended December 31, 2002 in accordance with the International Accounting Standards (IAS) template.	March 2003	In progress.
Complete the audit of fiscal year (FY) 2002 and publish the audited accounts.	May and June 2003	Completed. Publication by end-July 2003.

Strengthen the role of the Accounting Directorate in the accounting units of directorates.	July 2003	In progress
Appoint the BCC Board of Directors and statutory auditors.	January 2003	The Board was appointed in May 2003 and its first meeting was held on May 24. The selection of the statutory auditors is under way.
Adoption, by the Board, of internal regulations to (i) establish an audit committee; (ii) adopt the IAS; and (iii) institutionalize audits in accordance with IAS subsequent to FY 2002.	March 2003	The internal regulations will be adopted by end-July 2003 at the latest.
Publication of a legal instrument indicating the reliance of the statutory auditors on the audit report prepared by an internationally recognized independent firm, in addition to their core duties.	March 2003	Scheduled for end-July 2003 at the latest.
Adopt by presidential decree the BCC-cashier to the government convention.	January 2003	The new convention was signed on March 20, 2003 by the Minister of Finance and Budget and the Governor of the BCC.
A financial statement from the BCC reflecting all adjustments resulting from the FY 2000 and FY 2001 audits, including the cleaning up of suspense accounts.	March 2003	Completed. Publication scheduled for end-July 2003.
Systematically follow up and resolve any issues identified in the audit reports, including discrepancies with the treasury accounts or other account differences; eliminate any unsupported or uncollectible account; and dispose of all suspense accounts, including those under "other items" in the Integrated Monetary Survey.	December 2002	Completed
Adjust and correct program data (stocks and flows) as of December 2001 and September 2002 for errors detected during the FY 2001 external audit and by the IAD.	December 2002	Completed
Involve the IAD in the review of program data by having it participate in the semiannual audits by an external audit firm and by reviewing the quarterly performance indicators under the program. The IAD should produce reports on these audits.	December 2002–January 2003	Completed
Monitor the accounts' cleanup and review balance-sheet provisions and adjustments in coordination with the committee created for that purpose. Produce a final report on these adjustments.	July 2003	First version of the final report completed. Final version scheduled for end-July 2003 at the latest.
Complete an internal audit of foreign exchange reserves management.	March 2003	Completed
Have an external audit firm audit the BCC's net foreign assets and net domestic assets, net bank credit to government, BCC credit to nonfinancial public sector enterprises, and BCC credit to the nonfinancial private sector.	Within the required time frame for program review, including December 2002	Completed
Draft manuals of control for domestic and foreign	September 2003	In progress

currency payments, explicitly establishing the division of labor among the units involved, describing payment authorization procedures, and envisaging regular bank reconciliations with correspondents.

Open a separate account at the Bank for International Settlements (BIS) for IMF disbursements; any use will be subject to specific ex ante controls.	December 2002	Completed
Adopt procedures for monthly reconciliation of assets and liabilities denominated in foreign currency with the statements prepared by banking correspondents.	February 2003	Scheduled for end-July at the latest.
Reduce the number of domestic and foreign banking correspondents.	January 2003	Completed. The number of foreign banking correspondents was reduced from more than 60 to fewer than 20 operating accounts (about ten remain to be closed).
Ensure adoption by the Board of guidelines for foreign exchange reserves management.	April 2003	Preparatory work in progress. The guidelines will be adopted by September 30, 2003 at the latest.
Define the duties of the Audit Committee.	April 2003	Scheduled for end-September 2003 at the latest.

Monetary and exchange operations

Establish monetary programming for flows of Congo franc banknotes and foreign currency.	January 2003	In progress
Drawing up of a Treasury Directorate reorganization plan.	April 2003	In progress
Liquefy banks' free reserves and refund the balance of certificates of deposit.	January 2003	Completed
Create a new facility to back deposits at the commercial banks.	January 2003	Introduction of Treasury bills (<i>Billets de Trésor</i>) in December 2002.
Senior management approval of the plan to restructure the Foreign Services Directorate (DSE) by dividing it into two subdirectorates: SDO (the operations subdirectorate) and SDA (the support services subdirectorate).	February 2003	Completed. The two subdirectorates have been operational since March 2003.
Prepare the preliminary drafts of the procedures manuals for the two DSE subdirectorates.	End-February 2003	Scheduled for end-July 2003 at the latest.
Senior management adoption of the DSE procedures manuals.	March 2003	Scheduled for end-July 2003 at the latest.
Senior management approval of DSE accounting reform.	March 2003	Scheduled for end-July 2003 at the latest.
Install computer and telecommunications equipment in the DSE operations office; acquire ACCESS software; and recruit an ACCESS IT specialist.	March 2003	Scheduled for end-July 2003 at the latest. Invitation to bid for computer hardware purchase has been issued.
Start up technical assistance for upgrading the DSE back office.	April 2003	Completed. An IMF technical assistance mission took place in April 2003.
Finalize upgrades to reserves and exchange management operations by the DSE front office.	May 2003	In progress. Finalization scheduled for end-July 2003.

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

(In millions of Congo francs, unless otherwise indicated)

	Stock		(Cumulative change from end-September 2002)						Cumulative Changes 2/		
	End-September 2002	End-December 2002	End-December 2002 Indicative targets			End-March 2003 performance criteria			End-June 2003 indicative targets	End-September 2003 performance criteria	End-December 2003 indicative targets
			Prog.	Prog. (adjusted)	Actual	Prog.	Prog. (adjusted)	Actual			
Floor on the net foreign assets of the BCC (In millions of U.S. dollars) 3/ 4/	-595	-609	-26	-26	-20	-41	-14	-21	31	-72	0
Ceiling on the net domestic assets of the BCC 3/ 4/	245,158	250,692	7,503	7,503	7,497	6,911	-1,538	11,219	-4,393	30,586	10,625
Ceiling on the net bank credit to the government 4/	-7,680	542	7,639	7,639	8,222	7,005	-1,444	3,020	-3,904	22,539	0
Ceiling on BCC credit to nonfinancial public sector enterprises	0	0	0	0	0	0	0	0	0	0	0
Ceiling on BCC credit to nonfinancial private sector	1,146	1,146	0	0	0	0	0	0	0	0	0
Ceiling on the contracting or guaranteeing of new nonconcessional external debt with original maturity of more than one year by the government or the BCC 5/	0	0	0	0	0	0	0	0	0	0	0
Ceiling on the contracting or guaranteeing of new nonconcessional external debt with original maturity of less than one year by the government or the BCC 6/	0	0	0	0	0	0	0	0	0	0	0
Ceiling on wage arrears	0	0	0	0	0	0	0	0	0	0	0
No accumulation of external debt arrears 7/ 8/ (In millions of U.S. dollars)	9,530	0	0	0	0	0	0	0	0	0	0
The BCC will make no payment of expenditure of the government that has not been authorized in advance by the Minister of Finance 9/	0	0	0	0	0	0	0	525	0	0	0
The BCC will make no purchase of CGF notes or foreign currency in the market at a discount rate against payment in deposit money 9/	0	0	0	0	0	0	0	0	0	0	0
Memorandum item: Base money	49,878	52,376	4,442	4,442	2,498	6,377	6,377	5,758	5,277	7,915	10,553

Source: Congolese authorities.

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

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

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

3/ The stock of net foreign assets and net domestic assets of the BCC are valued at the program exchange rates (SDR1=US\$1.26537; US\$1=CGF313.6; and 1 Euro = 357.62).

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

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

6/ This performance criterion applies not only to debt as defined in item No. 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt, adopted on August 24, 2000, but also to commitments contracted or guaranteed for which value has not been received. Excluded from this performance criterion are rescheduling arrangements, purchases from the Fund, and normal import-related credits other than for petroleum imports. For purposes of this performance criterion, the term "nonconcessional"

7/ Arrears at end-2001 plus penalty interest on arrears and accumulation of arrears on current maturities in 2002.

8/ This is a continuous performance criterion.

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

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

Measures	Timetable
A. Prior actions	
Elimination of the quasi taxation of oil in the new price structure.	By end-June
Approval of the procedures manual for the new public expenditure chain and of the reorganization of the four affected directorates in the Ministry of Finance and the Ministry of the Budget.	By end-June
Finalization of the list of names of ghost workers, signed by the Ministers of the Civil Service and Finance.	By end-June
B. Structural performance criteria	
Completion of the audits of five commercial banks: BCD, Citibank, BIAC, Banque Congolaise, and First Banking Corporation.	End-September
C. Structural benchmarks	
Preparation of a draft reunification and pro-poor 2004 budget.	End-September
Effective implementation of the new expenditure procedures, reinstating and rationalizing the full expenditure chain, including commitment, liquidation, payment order, and payment.	End-September
Elimination of identified “ghost workers” from the government payroll.	End-September
Issuance of a circular clarifying that external debt contracted without the approval and signature of the Minister of Finance does not carry the state’s guarantee.	End-September
Finalization of the plans for the reorganization of banks considered viable on the basis of external audits.	End-December
Preparation of a COHYDRO reorganization plan.	End-December
Adoption by Parliament of the Law on Corruption, Money Laundering, and Transnational Organized Crime.	End-December
Submission to Parliament of the General Accounting Office’s audit of the execution of the 2001 and 2002 budgets.	End-December

