

Table 1. Democratic Republic of the Congo: Selected Economic and Financial Indicators, 2002–07

	2002	2003		2004		2005		2006		2007
		EBS/04/26	Est.	EBS/04/26	Rev. Prog.	EBS/04/26	Proj.	EBS/04/26	Proj.	Proj.
(Annual percentage changes)										
Output and prices										
Real GDP	3.5	5.0	5.6	6.0	6.3	7.0	7.0	7.0	7.0	7.0
GDP deflator	32.0	12.5	12.4	5.4	5.0	5.0	5.0	4.5	5.0	5.0
Consumer prices, annual average	25.3	13.0	12.8	6.0	5.0	5.5	5.0	5.0	5.0	5.0
Consumer prices, end-of-period	15.8	4.4	4.4	6.0	6.0	5.0	5.0	5.0	5.0	5.0
External sector										
Exports, f.o.b. (in U.S. dollars)	22.2	15.5	19.1	10.7	10.3	11.5	5.1	11.2	8.7	9.5
Imports, f.o.b. (in U.S. dollars)	35.4	25.4	28.5	26.8	33.4	15.1	20.9	11.2	-2.2	9.8
Export volume	21.9	11.5	13.6	11.7	4.3	12.5	7.0	12.2	11.5	10.5
Import volume	30.5	18.9	19.6	24.7	23.5	13.8	22.4	10.0	1.0	10.0
Terms of trade	3.9	-1.7	-2.4	-2.5	-2.1	-2.0	-0.6	-2.0	0.6	-0.7
Nominal effective exchange rate 1/	-71.1	...	-19.5	...	...	...	...	...	...	...
Real effective exchange rate 1/	-56.2	...	-11.1	...	...	...	...	...	...	...
(Annual change in percent of beginning-of-period broad money; unless otherwise indicated)										
Money and credit										
Broad money	25.7	31.2	32.7	25.0	28.7	...	...	...	...	...
Net foreign assets	10.4	10.9	-14.1	22.8	35.1	...	...	...	...	...
Net domestic credit	-13.3	18.4	39.0	5.9	-1.1	...	...	...	...	...
Net credit to the government	-14.2	10.9	32.1	0.0	-13.8	...	...	...	...	...
Credit to the private sector	0.6	8.0	7.5	5.7	11.3	...	...	...	...	...
Credit to the parastatals	0.4	-0.4	-0.6	0.2	1.4	...	...	...	...	...
Central bank refinance rate (level in percent)	24	15	8	...	...	...	...	...	...	...
(In percent of GDP)										
Central government finances										
Revenue (excluding grants)	7.9	8.2	7.7	9.0	9.2	10.1	10.3	11.0	11.0	11.5
Grants (excluding humanitarian aid)	0.4	1.9	2.0	4.3	5.9	6.8	10.0	8.8	8.2	8.0
Expenditure 2/	10.3	13.2	13.6	17.6	19.3	20.2	25.3	21.5	21.6	21.4
Domestic primary cash balance 3/	1.4	0.5	-0.2	2.1	1.0	3.3	2.3	4.7	3.6	4.0
Overall balance (commitment basis)	-2.0	-3.1	-3.9	-4.3	-4.2	-3.3	-5.0	-1.7	-2.4	-1.8
Overall consolidated cash balance 4/	-0.1	-1.4	-2.0	-3.0	-3.2	-1.5	-3.2	0.3	-0.5	-0.2
Investment and saving										
Gross national savings	11.2	11.1	13.4	13.3	16.6	15.8	21.1	18.9	20.3	20.4
Government	1.3	-0.2	-0.9	2.7	4.1	6.3	8.7	9.8	8.4	8.5
Nongovernment	9.9	11.2	14.3	10.6	12.5	9.5	12.3	9.1	11.9	11.9
Gross domestic savings	4.0	5.2	5.7	5.9	6.5	7.4	7.4	9.0	9.0	9.1
Government	1.1	1.0	0.1	1.5	1.0	2.7	1.8	4.1	3.0	3.0
Nongovernment	3.0	4.2	5.6	4.5	5.5	4.7	5.7	4.9	5.9	6.1
Investment	9.0	12.1	12.2	17.4	18.6	20.6	24.7	22.5	21.8	21.5
Government 5/	1.0	2.6	2.7	6.9	8.1	9.6	13.7	11.5	10.8	10.3
Nongovernment 6/	8.0	9.5	9.5	10.5	10.5	11.0	11.0	11.0	11.0	11.2

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	2002	2003		2004			2005		2006		2007
		EBS/04/26	Est.	EBS/04/26	Rev.	Prog.	EBS/04/26	Proj.	EBS/04/26	Proj.	Proj.
(In millions of U.S. dollars; unless otherwise indicated)											
Balance of payments											
Exports of goods and nonfactor services (in percent of GDP)	1,174.2 21.2	1,383.9 24.8	1,428.9 25.2	1,529.9 24.9	1,588.7 23.5	1,697.9 25.5	1,680.9 22.9	1,880.5 26.0	1,815.9 22.7	1,979.0 22.7	
Imports of goods and nonfactor services (in percent of GDP)	1,446.5 26.1	1,771.8 31.7	1,801.4 31.7	2,231.6 36.3	2,410.0 35.7	2,574.2 38.6	2,946.3 40.2	2,858.4 39.5	2,839.8 35.5	3,059.9 35.1	
External current account, including grants, before debt relief (in percent of GDP)	-2.8	-2.0	0.6	-6.0	-3.3	-7.6	-6.5	-7.6	-5.4	-5.3	
External current account, excluding grants, before debt relief (in percent of GDP)	-10.3	-10.7	-8.1	-14.7	-13.3	-16.8	-18.7	-16.7	-13.7	-12.0	
External current account, including grants, after debt relief (in percent of GDP) 7/	2.2	-1.1	1.2	-4.1	-2.0	-4.7	-3.6	-3.5	-1.5	-1.2	
Gross official reserves (end-of-period)	74.7	156.6	96.6	272.1	209.3	382.2	318.2	479.1	479.1	611.9	
Gross official reserves (in weeks of non-aid-related imports of goods and nonfactor services)	2.9	5.3	3.3	8.2	6.2	10.7	8.9	12.1	11.4	14.1	
External public debt											
Total stock, including IMF 8/	10,659	10,627	10,563	10,714	10,783	10,970	11,032	5,687	5,512	5,744	
Net present value of debt (NPV) 9/	7,933	7,376	7,274	7,538	7,546	7,837	7,756	2,095	1,859	2,009	
Scheduled debt service 7/	34.2	139.9	126.7	140.3	91.7	204.9	135.0	313.5	198.7	226.7	
In percent of exports of goods and nonfactor services	2.9	10.1	8.9	9.2	5.8	12.1	8.0	16.7	10.9	11.5	
In percent of government revenue, excl. grants	7.4	24.8	23.0	17.3	9.0	18.2	9.1	21.9	12.9	13.3	
Memorandum items:											
Exchange rate											
Units of local currency per U.S. dollar (end-of-period)	382.0	372.5	372.5	...	...	...	...	...	...	...
Nominal GDP (in billions of Congo francs) (Percentage changes)	1,922 36.6	2,270 18.5	2,299 19.6	2,537 11.7	2,565 11.6	2,851 12.4	2,881 12.4	3,189 11.9	3,237 12.4	3,637 12.4	

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

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

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

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

4/ Cash balance after interest rescheduling (including HIPC).

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

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

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

8/ End-of-period debt stock, including arrears and after HIPC Initiative assistance.

9/ Estimates and projections based on end-2002 DSA and after HIPC Initiative assistance.

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

	January-September		October-December		2003			
	EBS/04/26	In % of GDP	EBS/04/26	Est.	EBS/04/26	In % of GDP	Est.	In % of GDP
Total revenue and grants	150,566	6.6	78,681	73,133	229,247	10.1	223,699	9.7
Total revenue	127,095	5.5	58,761	50,098	185,856	8.2	177,193	7.7
Customs and excises (OFIDA)	50,426	2.2	26,360	22,074	76,786	3.4	72,500	3.2
Direct and indirect taxes (DGC)	34,344	1.5	16,725	14,694	51,069	2.2	49,038	2.1
DGRAD (including revenue from public enterprises)	12,387	0.5	3,106	2,706	15,493	0.7	15,093	0.7
GECAMINES	0	0.0	0	0	0	0.0	0	0.0
MIBA	1,004	0.0	2,000	0	3,004	0.1	1,004	0.0
Petroleum	26,238	1.1	10,470	10,147	36,708	1.6	36,385	1.6
Production	21,698	0.9	10,464	10,141	32,162	1.4	31,839	1.4
Distribution	4,541	0.2	6	6	4,547	0.2	4,547	0.2
Other	596	0.0	100	477	696	0.0	1,073	0.0
Total grants	23,471	1.0	19,920	23,035	43,391	1.9	46,506	2.0
Of which: project grants	23,471	1.0	6,278	16,530	29,749	1.3	40,001	1.7
Of which: HIPC debt relief	0	0.0	13,642	6,505	13,642	0.6	6,505	0.3
Total expenditure 1/	189,017	8.2	72,851	80,770	261,868	11.5	269,787	11.7
Current expenditure	125,741	5.5	52,540	53,847	178,281	7.9	179,588	7.8
Wages	36,547	1.6	14,964	20,558	51,511	2.3	57,105	2.5
Military and police	14,767	0.6	6,997	8,284	21,764	1.0	23,051	1.0
Civilians	21,779	0.9	7,967	12,274	29,746	1.3	34,053	1.5
Interest payments	12,463	0.5	17,410	9,875	29,873	1.3	22,338	1.0
External debt (interest payment after debt relief) 2/	11,503	0.5	17,218	7,868	28,721	1.3	19,371	0.8
Domestic debt (interest payment)	960	0.0	192	2,007	1,152	0.1	2,967	0.1
Other current expenditure	62,512	2.7	14,379	17,766	76,891	3.4	80,278	3.5
Institutions	21,574	0.9	4,805	6,674	26,379	1.2	28,248	1.2
Ministries	26,375	1.1	5,566	7,183	31,941	1.4	33,558	1.5
Centralized payments (utilities)	9,542	0.4	2,552	2,022	12,094	0.5	11,564	0.5
Provinces	5,020	0.2	1,456	1,887	6,476	0.3	6,907	0.3
Other	0	0.0	0	0	0	0.0	0	0.0
Transfers and subsidies	14,219	0.6	5,787	5,648	20,006	0.9	19,867	0.9
MIBA and GECAMINES	8,412	0.4	3,148	3,148	11,560	0.5	11,560	0.5
Transfers to public agencies and budgets annexes	491	0.0	157	123	648	0.0	614	0.0
Retrocessions to revenue-collecting agencies	5,316	0.2	2,482	2,377	7,798	0.3	7,693	0.3
Off-budget expenditure	2,100	0.1	0	0	2,100	0.1	2,100	0.1
Capital expenditure	36,137	1.6	22,371	25,619	58,508	2.6	61,756	2.7
Foreign-financed investment	25,058	1.1	18,273	22,096	43,331	1.9	47,154	2.1
Congolese-financed investment	11,080	0.5	4,098	3,523	15,177	0.7	14,603	0.6
Net lending	0	0.0	0	0	0	0.0	0	0.0
Other operations	89	0.0	0	0	89	0.0	89	0.0
HIPC-related expenditure	0	0.0	0	0	0	0.0	0	0.0
Repayment of arrears	7,167	0.3	724	657	7,891	0.3	7,824	0.3
BCC treasury deficit	17,783	0.8	-2,783	647	15,000	0.7	18,430	0.8
Unconsolidated domestic primary balance (cash basis)	-6,618	-0.3	18,810	1,946	12,191	0.5	-4,672	-0.2
Consolidated primary balance(cash basis)	-25,988	-1.1	23,240	2,238	-2,749	-0.1	-23,750	-1.0
Unconsolidated balance (cash basis)	-20,668	-0.9	3,047	-6,990	-17,621	-0.8	-27,658	-1.2
Consolidated balance (cash basis)	-38,451	-1.7	5,830	-7,637	-32,621	-1.4	-46,088	-2.0
Total financing	38,451	1.7	-5,830	7,637	32,621	1.4	46,088	2.0
Nonbank (certificates of deposit net)	-344	0.0	0	0	-344	0.0	-344	0.0
BCC and other banking system 3/	22,570	1.0	-13,026	5,525	9,544	0.4	28,095	1.2
Foreign financing	15,827	0.7	6,484	2,315	22,311	1.0	18,142	0.8
Non domestic nonresident bank	0	0.0	0	0	0	0.0	0	0.0
Amortization (net payment) 2/	-17,865	-0.8	-21,511	-19,779	-39,376	-1.7	-37,644	-1.6
Additional financing	33,692	1.5	27,995	22,094	61,687	2.7	55,786	2.4
Of which: project loans	3,880	0.2	11,995	5,574	15,875	0.7	9,454	0.4
Of which: budget loans	29,812	1.3	16,000	16,520	45,812	2.0	46,332	2.0
Discrepancy	398	0.0	712	-203	1,110	0.0	195	0.0

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

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

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

3/ Net banking system credit to the government plus treasury balance of the Central Bank. This amount has been audited and includes about CGF 1.5 billion (0.1 % of GDP), which has not been taken into account in the monetary survey.

Table 2B. Democratic Republic of the Congo: Monthly Treasury Cash-Flow Plan, 2004
(In millions of Congo francs)

	January-March				April		May		June	
	EBS/04/26	In % of GDP	Est.	In % of GDP	EBS/04/26	Rev. Prog.	EBS/04/26	Rev. Prog.	EBS/04/26	Rev. prog.
Total revenue and grants	76,116	3.0	92,036	3.6	25,496	27,408	25,155	26,682	24,931	27,428
Total revenue	51,723	2.0	57,886	2.3	17,758	18,073	17,104	17,347	18,007	18,246
Customs and excise (OFIDA)	21,720	0.9	23,710	0.9	8,362	8,142	8,688	8,467	9,448	9,227
Direct and indirect taxes (DGC)	15,141	0.6	18,332	0.7	4,256	3,902	4,247	3,893	4,325	3,971
DGRAD (including revenue from public enterprises)	6,145	0.2	4,848	0.2	2,217	2,548	1,237	1,505	1,294	1,565
GECAMINES	0	0.0	0	0.0	0	0	0	0	0	0
MIBA	1,250	0.0	0	0.0	417	556	417	556	417	556
Petroleum	7,467	0.3	10,569	0.4	2,506	2,926	2,514	2,926	2,522	2,926
Production	7,467	0.3	10,569	0.4	2,506	2,926	2,514	2,926	2,522	2,926
Distribution	0	0.0	0	0.0	0	0	0	0	0	0
Other	0	0.0	427	0.0	0	0	0	0	0	0
Off-budget revenue	0	0.0	0	0.0	0	0	0	0	0	0
Total grants	24,393	1.0	34,150	1.3	7,738	9,335	8,051	9,335	6,924	9,183
Of which: project grants	12,446	0.5	11,452	0.4	4,258	7,338	4,272	7,338	4,369	7,186
Of which: HIPC debt relief	11,946	0.5	22,698	0.9	3,480	1,996	3,779	1,996	2,555	1,996
Total expenditure 1/	92,789	3.7	67,473	2.6	32,600	38,758	33,839	36,259	34,526	35,164
Total expenditure	51,342	2.0	45,769	1.8	16,750	20,456	17,502	17,651	17,059	16,900
Wages	17,961	0.7	14,110	0.6	6,654	9,839	6,654	8,069	6,654	8,069
Military and police	7,773	0.3	6,086	0.2	2,591	4,349	2,591	2,662	2,591	2,662
Civilians	10,188	0.4	8,024	0.3	4,063	5,490	4,063	5,407	4,063	5,407
Interest payments	9,055	0.4	8,657	0.3	1,974	2,806	2,793	1,964	2,232	1,302
External debt (interest payment after debt relief) 2/	8,555	0.3	7,925	0.3	1,807	2,665	2,626	1,823	2,065	1,161
Domestic debt (interest payment)	500	0.0	732	0.0	167	141	167	141	167	141
Other current expenditure	21,598	0.9	20,620	0.8	7,078	6,613	7,078	6,613	7,278	6,613
Institutions	4,500	0.2	5,637	0.2	1,500	1,281	1,500	1,281	1,500	1,281
Ministries	7,900	0.3	9,578	0.4	2,500	2,382	2,500	2,382	2,700	2,382
Centralized payments (utilities)	6,342	0.2	3,226	0.1	2,123	1,834	2,123	1,834	2,123	1,834
Provinces	2,856	0.1	2,179	0.1	956	1,116	956	1,116	956	1,116
Other	0	0.0	0	0.0	0	0	0	0	0	0
Transfers and subsidies	2,728	0.1	2,382	0.1	1,044	1,199	978	1,005	896	917
MIBA and GECAMINES	0	0.0	0	0.0	0	0	0	0	0	0
Transfers to public agencies and budgets annexes	375	0.0	167	0.0	125	148	125	148	125	148
Retrocessions to revenue collecting agencies	2,353	0.1	2,215	0.1	919	1,051	853	857	771	769
Capital expenditure	31,510	1.2	18,757	0.7	10,990	11,705	11,230	12,269	12,790	12,354
Foreign-financed investment	29,585	1.2	16,802	0.7	10,348	11,066	10,588	11,484	12,148	11,712
Congolese-financed investment	1,925	0.1	1,955	0.1	642	638	642	784	642	642
HIPC-related expenditure	5,541	0.2	0	0.0	3,694	3,694	3,694	4,926	3,694	4,926
Repayment of arrears 3/	0	0.0	289	0.0	0	0	0	0	0	0
BCC treasury deficit	4,396	0.2	2,658	0.1	1,166	2,903	1,413	1,413	983	984
Unconsolidated domestic primary balance (cash basis)	7,512	0.3	18,530	0.7	2,340	-216	1,752	876	2,537	2,005
Consolidated primary balance (cash basis)	-7,617	-0.3	33,220	1.3	-5,130	-8,545	-5,891	-7,613	-7,364	-6,435
Unconsolidated balance (cash basis)	-12,276	-0.5	27,221	1.1	-5,938	-8,447	-7,271	-8,164	-8,612	-6,752
Consolidated balance (cash basis)	-16,672	-0.7	24,563	1.0	-7,104	-11,350	-8,684	-9,577	-9,595	-7,736
Total financing	16,672	0.7	-24,563	-1.0	7,104	11,350	8,684	9,577	9,595	7,736
Nonbank (certificates of deposit net)	0	0.0	0	0.0	0	0	0	0	0	0
BCC and other banking system 4/	-3,941	-0.2	-9,346	-0.4	4,742	12,100	6,196	7,645	-4,922	-27,246
Foreign financing	20,614	0.8	-16,546	-0.6	2,362	-750	2,489	1,932	14,518	34,982
Nondomestic nonresident bank										
Amortization (net payment) 2/	-23,538	-1	-24,223	-0.9	-3,728	-4,478	-3,827	-2,215	-3,565	-1,844
Additional financing	44,152	2	7,677	0.3	6,090	3,728	6,316	4,146	18,083	36,826
Of which: project loans	17,138	1	6,666	0.3	6,090	3,728	6,316	4,146	7,779	4,526
Of which: budget loans	27,014	1	1,011	0.0	0	0	0	0	10,304	32,300
Discrepancy	0	0	1,328	0.1	0	0	0	0	0	0

Table 2B. Democratic Republic of the Congo: Monthly Treasury Cash-Flow Plan, 2004
(In millions of Congo francs)

	July		August		September		October		November		December		2004			
	EBS/04/26	Rev. prog.	EBS/04/26	Rev. prog.	EBS/04/26	Rev. prog.	EBS/04/26	Rev. prog.	EBS/04/26	Rev. prog.	EBS/04/26	Rev. prog.	EBS/04/26	In % of GDP	Rev. prog.	In % of GDP
Total revenue and grants	33,632	35,863	28,698	34,978	29,151	34,264	29,522	34,241	32,940	37,567	29,598	35,400	335,238	13.2	385,866	15.0
Total revenue	21,654	21,913	20,290	20,534	19,384	19,630	19,179	19,379	21,852	22,058	20,124	20,323	227,073	9.0	235,389	9.2
Customs and excise (OFIDA)	10,209	9,987	11,186	10,965	9,448	9,227	9,774	9,553	9,774	9,553	9,991	9,770	108,602	4.3	108,602	4.2
Direct and indirect taxes (DGC)	6,767	6,412	4,513	4,159	5,177	4,823	5,231	4,877	7,654	7,299	5,687	5,332	63,000	2.5	63,000	2.5
DGRAD (including revenue from public enterprises)	1,731	2,031	1,634	1,928	1,794	2,097	1,201	1,467	1,443	1,724	1,457	1,739	20,153	0.8	21,453	0.8
GECAMINES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MIBA	417	556	417	556	417	556	417	556	417	556	417	556	5,000	0.2	5,000	0.2
Petroleum	2,531	2,926	2,539	2,926	2,547	2,926	2,556	2,926	2,564	2,926	2,572	2,926	30,319	1.2	36,907	1.4
Production	2,531	2,926	2,539	2,926	2,547	2,926	2,556	2,926	2,564	2,926	2,572	2,926	30,319	1.2	36,907	1.4
Distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	427	0.0
Off-budget revenue													0	0.0	0	0.0
Total grants	11,978	13,950	8,408	14,444	9,768	14,634	10,343	14,862	11,089	15,508	9,474	15,076	108,165	4.3	150,477	5.9
Of which: project grants	5,693	13,950	5,794	14,444	6,563	14,634	6,751	14,862	6,815	15,508	6,872	15,076	63,834	2.5	121,790	4.7
Of which: HIPC debt relief	6,285	0	2,614	0	3,205	0	3,591	0	4,273	0	2,602	0	44,331	1.7	28,687	1.1
Total expenditure 1/	36,857	42,200	34,094	44,944	37,990	46,134	35,672	49,194	36,035	46,498	37,823	61,976	412,225	16.3	468,601	18.3
Current expenditure	17,573	16,020	14,711	17,325	16,208	17,513	15,042	20,265	16,083	17,650	15,625	16,513	197,895	7.8	206,063	8.0
Wages	4,956	8,069	4,956	8,069	4,956	8,069	4,956	8,178	4,956	8,178	4,956	8,178	67,655	2.7	88,828	3.5
Military and police	1,616	2,662	1,616	2,662	1,616	2,662	1,616	2,104	1,616	2,104	1,616	2,104	25,241	1.0	30,057	1.2
Civilians	3,340	5,407	3,340	5,407	3,340	5,407	3,340	6,074	3,340	6,074	3,340	6,074	42,414	1.7	58,771	2.3
Interest payments	4,658	339	1,593	337	2,975	372	2,035	2,479	3,003	1,804	2,285	369	32,603	1.3	20,429	0.8
External debt (interest payment after debt relief) 2/	4,492	198	1,426	196	2,809	231	1,868	2,339	2,837	1,663	2,119	228	30,603	1.2	18,429	0.7
Domestic debt (interest payment)	167	141	167	141	167	141	167	141	167	141	167	141	2,000	0.1	2,000	0.1
Other current expenditure	7,016	6,648	7,016	7,748	7,204	7,974	7,016	6,548	7,129	6,652	7,129	6,553	85,542	3.4	82,581	3.2
Institutions	1,500	1,281	1,500	1,281	1,500	1,281	1,500	1,281	1,500	1,281	1,500	1,282	18,000	0.7	17,170	0.7
Ministries	2,400	2,382	2,400	2,382	2,400	2,382	2,400	2,282	2,400	2,282	2,400	2,182	30,000	1.2	30,617	1.2
Centralized payments (utilities)	2,148	1,856	2,148	2,956	2,278	3,120	2,148	1,856	2,226	1,923	2,226	1,923	25,885	1.0	22,361	0.9
Provinces	968	1,128	968	1,128	1,026	1,190	968	1,128	1,002	1,166	1,002	1,166	11,657	0.5	12,432	0.5
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers and subsidies	943	965	1,147	1,171	1,073	1,097	1,036	3,060	995	1,016	1,255	1,414	12,095	0.5	14,225	0.6
MIBA and GECAMINES	0	0	0	0	0	0	0	2,000	0	0	0	0	0	0	2,000	0.1
Transfers to public agencies and budgets annexes	125	148	125	148	125	148	125	148	125	148	125	148	1,500	0.1	1,500	0.1
Retrocessions to revenue collecting agencies	818	816	1,022	1,023	948	949	911	912	870	868	1,130	1,265	10,595	0.4	10,725	0.4
Capital expenditure	12,899	18,871	13,022	20,258	15,144	20,828	14,315	22,614	14,401	23,298	15,699	25,104	151,999	6.0	186,059	7.3
Foreign-financed investment	12,257	18,229	12,381	19,616	14,502	20,186	13,673	21,972	13,759	22,656	15,058	24,632	144,299	5.7	178,359	7.0
Congolese-financed investment	642	642	642	642	642	642	642	642	642	642	642	642	7,700	0.3	7,700	0.3
HIPC-related expenditure	4,618	5,541	4,618	5,618	4,618	5,773	4,618	4,618	4,618	4,618	4,618	4,618	44,331	1.7	44,331	1.7
Repayment of arrears 3/	333	333	333	333	333	333	333	333	333	333	333	333	14,193	2,000	16,149	0.6
BCC treasury deficit	1,434	1,434	1,410	1,410	1,687	1,687	1,364	1,364	600	600	1,548	1,548	16,000	0.6	16,000	0.6
Unconsolidated domestic primary balance (cash basis)	7,764	5,256	6,196	2,571	5,176	1,514	5,197	618	7,797	5,237	5,809	-10,486	52,081	2.1	25,906	1.0
Consolidated primary balance(cash basis)	1,433	-5,998	-3,804	-9,629	-5,864	-11,498	-4,115	-12,474	-91	-7,128	-5,940	-26,207	-44,384	-1.7	-62,306	-2.4
Unconsolidated balance (cash basis)	-1,791	-4,903	-3,987	-8,556	-7,152	-10,183	-4,786	-13,589	-2,495	-8,332	-6,677	-25,029	-60,987	-2.4	-66,735	-2.6
Consolidated balance (cash basis)	-3,225	-6,337	-5,397	-9,966	-8,839	-11,870	-6,150	-14,953	-3,095	-8,932	-8,225	-26,576	-76,987	-3.0	-82,735	-3.2
Total financing	3,225	6,337	5,397	9,966	8,839	11,870	6,150	14,953	3,095	8,932	8,225	26,576	76,987	3.0	82,735	3.2
Nonbank (certificates of deposit net)													0	0.0	0	0.0
BCC and other banking system 4/	9,783	-12,118	1,779	5,335	-10,243	2,057	3,039	9,150	444	2,383	-6,876	-6,019	0	0.0	-16,059	-0.6
Foreign financing	-6,558	18,456	3,618	4,631	19,082	9,814	3,111	5,803	2,651	6,549	15,101	33,924	76,987	3.0	98,794	3.9
Nondomestic nonresident bank													0	0.0	0	0.0
Amortization (net payment) 2/	-13,123	-2,620	-2,968	-541	-7,838	-5,239	-3,811	-1,307	-4,293	-600	-3,568	-608	-70,259	-2.8	-43,673	-1.7
Additional financing	6,564	21,075	6,586	5,172	26,920	15,052	6,922	7,110	6,944	7,148	18,668	34,531	147,246	5.8	142,467	5.6
Of which: project loans	6,564	4,279	6,586	5,172	7,940	5,552	6,922	7,110	6,944	7,148	8,185	8,239	80,465	3.2	56,568	2.2
Of which: budget loans	0	16,796	0	0	18,980	9,500	0	0	0	0	10,483	26,292	66,781	2.6	85,899	3.3
Discrepancy	0	0	0	0	0	0	0	0	0	0	-1,328	0	0	0	0	0

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

1/ Including the repayment of domestic arrears and the balance of the BCC (for the latter, a minus sign corresponds to an excess).

2/ Including deposits to the HIPC special account at the BCC.

3/ Including repayment of domestic debt to be financed by a World Bank loan in December 2004.

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

Table 3. Action Plan of the Central Bank of the Congo

Measures	Objectives	Implementation	Status of Implementation
BCC accounting information system			
Submit analyses prepared by the external auditors and the mission to the CPCC (Conseil Permanent de la Comptabilité Congolais) to enable the latter to begin the work of selectively incorporating the international accounting standards (IAS) into the national regulations	Permit migration of BCC accounting to IAS standards.	Immediate	Document prepared and sent for comment to the CPCC
Establish a charter defining the division of roles and responsibilities among the various players in accounting production, and ensure its dissemination to all units	Strengthen efficiency of the accounting information system.	December 2003	Charter prepared. Approval end-May 2004
Adoption by senior management of the accounting application, focusing on a solution entailing a “single accounting application with decentralized input” Enable BCC offices to directly access the future accounting application at headquarters and to upload their entries rather than providing balances that are difficult to reconcile and generate pending items	Maximize the cost-effectiveness ratio of the accounting and financial information system.	December 2003	Instruction on general procedures, taking IMF recommendations into account, was signed by the governor Software to be imported after approval by BCECO
Establish a steering committee and team for the accounting software replacement project	Implement the new computerized accounting system.	December 2003	Done

Table 3. Action Plan of the Central Bank of the Congo

Measures	Objectives	Implementation	Status of Implementation
Reorganization of the departments responsible for government accounts within the BCC	Ensure the unity of government cashier operations.	June 2004	In progress
Strengthening of financial intermediation			
Irrevocably commit to guaranteeing the convertibility of banks' free reserves into currency and launch a communications campaign in this connection	Normal operation of banks' accounts with the BCC is an initial condition for development of financial intermediation.	Ongoing	Done
Establish a strategy for communication and dialogue with private transactors	Encourage private initiative, reduce the uncertainty that private operators face, and increase the quality and acceptance of the authorities' decisions.	Ongoing	Done
Conduct self-assessment of compliance with the Code of Good Practices on Transparency in Monetary and Financial Policies	Identify weaknesses in the procedures to ensure transparency in monetary policy.	June 2004	Under review; finalization expected by end-September 2004
Financial system			
Explicitly assign bank supervision staff to one of the two functions (off-site supervision or on-site supervision)	Improve professionalism and the acquisition of specialized experience.	December 2003	Done
Continue the work of preparing the new system for generating periodic statements reflecting the reform of the chart of accounts for banks by the CPCC as part of the project to implement the computerized Bank Supervision Application (BSA)	Provide the supervision authorities with reliable, relevant, and timely information.	September 2004	In progress
Strengthen on-site supervision by providing remote assistance to an on-site supervision mission	Enhance the level of competence of the inspectors.	During 2004	In progress

Table 3. Action Plan of the Central Bank of the Congo

Measures	Objectives	Implementation	Status of Implementation
Formalize the operating mechanism for off-site supervision and implement a normalized framework for permanent files	Ensure continuous monitoring of banks and facilitate the detection of irregularities so that corrective measures can be taken.	June 2004	In progress
Implement a formalized procedure for addressing irregularities detected in the situation of credit institutions	Ensure that penalties are applied consistently and that the application of corrective measures is monitored.	March 2004	Not done
Establish a BSA steering committee and project team	Ensure that the timetable for BSA deployment is followed.	December 2003	Done
Establish an RMA (multi-application network) steering committee and project team	Manage the increase in remote transmissions of periodic statements.	December 2003	Done
Establish a joint working group with the BCC, CPCC, banks, and Congolese accounting firms to prepare the new chart of accounts applicable to banks	Provide the banking system with an updated chart of accounts that guarantees the reliability of financial information given to third parties and sent to the DSIF.	December 2003	Done
Monetary policy and liquidity management			
Complete a study on restructuring the BCC balance sheet to assess the remuneration of government securities to cover any losses as required to ensure sustainability of the operating account	Strengthen the BCC's operational autonomy.	December 2003	In progress
Purchase CGF banknotes and inputs through requests for competitive bids from several suppliers	Reduce printing costs.	Immediate	In progress
Preparation by the Research Directorate of Table 7, "Monitoring Liquidity in CGF"	Facilitate implementation of liquidity management.	Immediate	In progress; most directorates are already submitting the data

Table 3. Action Plan of the Central Bank of the Congo

Measures	Objectives	Implementation	Status of Implementation
Abolish the ceiling on refinancing allocated to each bank	The ratio is no longer relevant.	Simultaneously with the reform of guarantees	Done
Accept only foreign exchange as collateral for BCC refinancing	Improve the BCC's protection against counterparty risk.	March 2004	Nearing completion
Consolidate into a single 24-hour window the "call money" and "current account advances" windows. Accept only foreign exchange as collateral. In the exceptional case when loans are not guaranteed with foreign exchange (debit balance at close of business), charge a higher/deterrent rate	Improve the quality of guarantees for refinancing purposes.	March 2004	Done
Replace the rediscount window with a permanent foreign exchange swap facility not to exceed seven days. Foreign exchange would initially be delivered in cash.	Improve the BCC's protection against counterparty risk.	December 2003	Not done, preparations in progress
Reserve management and exchange operations			
Fine-tune the methodology used to compile statistics on the exchange market	Eliminate double counting and make a distinction between customer and interbank operations.	December 2003	Done
Reduce the number of local banks with which foreign exchange accounts are opened from nine to three	Reduce the costs of bookkeeping by the DSE and the related workload.	March 2004	Not done, because the reduction will have a negative impact on collection of duties and taxes owed to the government.
Sell foreign exchange through single-rate competitive auctions	Improve transparency and ensure equal treatment of counterparties.	December 2003	Done
Finalize the trading room procedures manual	Comply with international accounting standards.	March 2004	Done

Table 3. Action Plan of the Central Bank of the Congo

Measures	Objectives	Implementation	Status of Implementation
Establish a steering committee and project team for the trading room application (front/back office)	Effectively coordinate implementation of the trading room application.	End-November 2003	Done
Implement the IT infrastructure (hardware) for the trading room	Implementation will permit application of the trading room procedures manual.	1st half 2004	Hardware available now; installation to be completed in June 2004
Information technology and project management			
Establish project teams and a project steering committee to supervise them	Improve project management and systematize relations between users and computer specialists.	Beginning December 2003, for all computer applications	Done
Establish an IT committee	Prepare and manage the IT strategy.	December 2003	Done
Standardize computer hardware and software to the extent possible	Facilitate IT management.	Ongoing	In progress
Provide adequate training for IT specialists and users	Optimize the implementation and use of IT.	Ongoing	In progress

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

(In millions of Congo francs; unless otherwise indicated)

	Stock End Dec. 2003	Cumulative Changes 2/												End-June 2004 Indicative	End-Sept. 2004 Performance	End-Dec. 2004 Indicative			
		End-December 2003 Indicative Targets						End-March 2004 Performance Criteria											
		Prog. adj.	Prog. adj.	Act.	Act. adj.	Diff.	Observations	Prog. adj.	Prog. adj.	Act.	Act. adj.	Diff.	Observation						
Floor on the net foreign assets of the BCC (in millions of U.S. dollars) 3/ 4/	-691	60	65	-13	-15	80	Not observed	75	60	-16	-17	77	Not observed	46	86	93			
Ceiling on the net domestic assets of the BCC 3/ 4/	290,679	-12,970	-14,540	10,240	10,727	25,267	Not observed	-12,768	-8,172	12,957	13,444	21,616	Not observed	-6,874	-13,691	-10,268			
Ceiling on the net bank credit to the government 4/	30,423	-11,575	-13,145	6,983	5,532	18,678	Not observed	-12,381	-7,784	-1,272	-2,723	5,062	Not observed	-16,846	-21,572	-16,058			
Ceiling on BCC credit to nonfinancial public sector enterprises	0	0	0	0	0	0	Observed	0	0	0	0	0	Observed	0	0	0			
Ceiling on BCC credit to nonfinancial private sector	390	0	0	-262	-262	-262	Observed	0	-257	-257	-257	0	Observed	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	Observed	0	0	0	0	0	Observed	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	Observed	0	0	0	0	0	Observed	0	0	0			
Ceiling on wage arrears	0	0	0	0	0	0	Observed	0	0	0	0	0	Observed	0	0	0			
Ceiling on new arrears on external debt (in millions of U.S. dollars) 7/	0	0	0	0	0	0	Observed	0	0	0	0	0	Observed	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 7/	0	0	0	0	0	0	Observed	0	0	0	0	0	Observed	0	0	0			
The BCC will make no purchase of Congo franc notes or foreign currency in the market at a discount rate against payment in deposit money 7/	0	0	0	0	0	0	Observed	0	0	0	0	0	Observed	0	0	0			
Memorandum item: Base money	67,728	4,962	6,476	6,556				9,781	9,695	9,775				8,438	13,657	18,877			

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-September 2003 onward. For June, September, and December 2004, cumulative changes are calculated from end December 2003 onward.

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

4/ Fifty percent of any surplus over 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 on payments that have been certified in cooperation with World Bank staff) will be used to reduce net banking system credit to the government, and the corresponding performance criterion will be lowered accordingly. The criteria on net foreign assets and net domestic assets will be raised and lowered, respectively, by the same amount. This adjustment does not apply to HIPC resources, which will be deposited in a special account at the BCC.

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

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

7/ 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 and Structural Performance Criteria and Benchmarks, 2004

Measures	Timetable	Status of Implementation
Prior actions		
Submission to Parliament of the draft 2004 budget law, reflecting the policy thrust defined with IMF staff and presented using the new nomenclature	January 2004	Done
Submission to Parliament of the draft anticorruption law	June 2004	
Adoption by the government of the 2004 draft supplementary budget	June 2004	
Submission to Parliament of the new customs code	June 2004	
Structural performance criteria		
Adoption by the Central Bank of the Congo of the list of commercial banks to be liquidated or reorganized	March 2004	Done
Selection of an international firm to conduct the external audit of the diamond company MIBA	September 2004	
Structural benchmarks		
Submission to Parliament of the draft law on the harmonized classification system, reducing the number of taxes collected by DGRAD	February 2004	Done
Full implementation of the new expenditure procedures, from commitment through to payment	February 2004	Done
Submission to Parliament of the new customs code	March 2004	¹
Selection of an international firm to conduct the external audit of MIBA	March 2004	²
Finalization of the plans for reorganizing commercial banks considered viable and putting into liquidation nonviable commercial banks	June 2004	Done
Finalization of the COHYDRO reorganization plan	June 2004	September 2004

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

Measures	Timetable	Status of Implementation
Completion of the strategic audit of the Public Enterprise Council (<i>Conseil Supérieur du Portefeuille</i>)	June 2004	September 2004
Adoption of a simplified double-entry government accounting framework	June 2004	Done
Finalization of the Law Governing Public Institutions and the Law Governing Divestment by the State of Public Enterprises	December 2004	Done
Reorganization of the procedures for paying civil servants based on the recommendations of the external audit of the payroll system	December 2004	

¹Changed into a prior action.

²Changed into a structural performance criterion for end-September.