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DEMOCRATIC REPUBLIC OF THE CONGO

JOINT WORLD BANK-IMF DEBT SUSTAINABILITY ANALYSIS

Approved by:

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DEMOCRATIC REPUBLIC OF THE CONGO: JOINT BANK-FUND DEBT SUSTAINABILITY ANALYSIS	
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

According to the updated Low-Income Country Debt Sustainability Framework (LIC DSF), the Democratic Republic of the Congo (DRC) remains at a moderate risk of external and overall debt distress, with some space to absorb shocks, and its debt-carrying capacity remains weak.[1]Weak revenue mobilization is a main determinant for the DRC's moderate risk of debt distress given low external debt. External debt thresholds for both solvency and liquidity risks are breached under the stress tests, highlighting the country's vulnerability to external shocks, primarily regarding a negative shock to exports. Given limited buffers and exposure to risk from volatile commodities prices, prudent borrowing policies prioritizing concessional loans, and strengthening debt management policies remain essential to debt sustainability.

PUBLIC DEBT COVERAGE

1. **Public and publicly guaranteed (PPG) external and domestic debt covers debt contracted and guaranteed by the central government, the Central Bank of Congo (BCC), provinces, and state-owned enterprises (SOEs).** The public debt department (*Direction Générale de la Dette Publique*, DGDP)

[1] The DSA reflects a weak debt carrying capacity considering DRC's Composite Indicator of 2.38, based on the April 2024 World Economic Outlook and the latest CPIA vintage (2022).

under the Ministry of Finance publishes quarterly and annual reports on its website with information on domestic and external debt based on the residency criteria. This report summarizes the debt of the central government, debt of Sicomines (a joint venture between the Congolese government and Chinese investors) and Gécamines, guaranteed external debt of SOEs managed by the government, and the BCC.[2] Other public institutions are legally prevented from borrowing externally without approval, and unlikely to command market access without a government guarantee. However, the authorities do not receive any regular report from public institutions other than those named above or provinces. In light of this, the authorities are committed to improve quality of debt reporting, especially for SOEs, and are following up on recommendations from recent IMF technical assistance. To this end, the authorities have approved an ordinance-law on public debt management in September 2023 which mandates the DGDP to evaluate any new borrowing by SOEs prior to contracting debt, harmonizes the legal framework, reaffirms the exclusive role of the Ministry of Finance in contracting external debt. Supported by the World Bank Sustainable Development Finance Policy (SDFP), under Performance and Policy Actions (PPA2), the authorities are committed to continuing to improve the coverage of their debt reports to include the reporting of additional

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 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

		Default		Used for the analysis	Reasons for deviations from the default settings
1	The country's coverage of public debt	The central, state, and local governments, central bank, government-guaranteed debt, non-guaranteed SOE debt			
2	Other elements of the general government not captured in 1.	0	percent of GDP	2.0	Some public institutions are not reporting to the DGDP.
3	SoE's debt (guaranteed and not guaranteed by the government) 1/	2	percent of GDP	0.5	Reflecting risks stemming from irregular data sharing with DGDP.
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)			7.5	

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.

SOEs and provinces debt.[3] Moreover, Sicomines' infrastructure loans have a government guarantee which can only be called after 2040. Its debt is expected to be repaid by 2028 and is collateralized by Sicomines'

[2] SOEs debt account for 34 percent of PPG external debt, of which 3 percent is managed by the government through escrow accounts.

[3] Under the SDFP PPA2 for FY23, the authorities published the quarterly debt bulletins for the second half of 2022 that included debt reporting of 5 SOEs (SNEL, MIBA, Gécamines, Sodimico and Sonahydroc) as well as debt of 3 provinces (Kinshasa, Kwilu and Kongo Central). Under SDFP PPA2 for FY24, authorities have continued to improve progressively debt

earnings.[4] Sicomines also contracted a loan to finance the Busanga power plant to secure its electricity supply. Data on the debt of the private sector is scarce, and the private sector is believed not to be borrowing externally.

BACKGROUND AND RECENT DEVELOPMENTS

2. Despite vast natural resources, the DRC is one of the poorest countries in the world, and its fragility makes the country prone to health and humanitarian crises and conflict. The economy is highly dollarized, undiversified, and acutely vulnerable to commodity-price shocks and supply risks.

3. While the DRC's economy has shown resilience in recent years, it remains highly vulnerable to shocks. Real GDP grew by 8.4 percent in 2023 after 8.8 percent in 2022, and growth is projected to tamper in 2024 to 4.7 percent and 5.1 percent per year in the medium-term, supported first by high commodity prices and expanded mining production, and second by the non-extractive sector. The primary deficit is expected to widen from 1.4 percent of GDP in 2023 to 1.7 percent in 2024, against the backdrop of higher security spending to address an escalation of the conflict in the East. Despite a deteriorated current account, reserves strengthened in 2023, exceeding 9 weeks of non-aid related imports at end-2023.

4. Central government external arrears date from pre-HIPC Completion Point, with some Gecamines arrears adding to the stock. External arrears amount to US$251 million at end-2023 (0.4 percent of GDP).[5] Four non-Paris Club creditors hold pre-HIPC claims against the DRC for a total of US$60 (0.1 percent of GDP) million and are in negotiation or under a reconciliation process. Meetings with each of these creditors took place in 2023 or are scheduled this year, with enhanced information sharing, to reach an agreement. The remaining external arrears are claims from commercial creditors to the central government (less than 0.2 percent of GDP, pre-HIPC) and Gécamines (less than 0.2 percent of GDP), with whom the authorities are also making good faith efforts.

5. External public debt-to-GDP increased from 15 percent of GDP at the end of 2022 to 17.8 percent of GDP at the end of 2023. This is driven in large part by an increase in debt to multilateral creditors and the strong depreciation of the Franc Congolais in 2023. Multilateral and bilateral creditors dominate the creditor base (Text Table 2).

transparency and coverage for two SOEs (REGIDESO and RVA) in addition to the five already reported; and for five provinces (Haut-Katanga, Equateur, Lomami, Kasai-Orientale and Tanganyika), in addition to the three provinces already reported.

[4] Box 1, Debt Sustainability Analysis, IMF Country Report No. 15/280. This report includes data on disbursements up to end-2022 on publicly guaranteed infrastructure loans, and up to end-2021 for other loans.

[5] In accordance with the LIC DSF Guidance Note, the external arrears do not trigger a determination of an in-debt-distress risk rating when they are *de minimus* cases where arrears are less than 1 percent of GDP. For more details see paragraph 15.

Text Table 2. Democratic Republic of the Congo: Decomposition of Public Debt and Debt Service by Creditor 2023-25[1]

	Debt Stock[3] 2023			Debt Service					
				2023	2024	2025	2023	2024	2025
	(in M US$)	*(Percent total debt)*	*(Percent GDP)*	*(in M US$)*			*(Percent GDP)*		
Total	14,660.4	100.0	24.1	1,480.4	1,341.4	1,241.0	2.2	1.9	1.6
External	10,835.9	73.9	17.8	705.0	651.6	745.5	1.1	0.9	1.0
Multilateral creditors	6,027.7	41.1	9.9	178.0	155.1	266.4	0.3	0.2	0.3
IMF[2]	2,611.3	17.8	4.3	41.2	48.5	155.1	0.1	0.1	0.2
World Bank	3,009.4	20.5	4.9	75.3	85.6	89.5	0.1	0.1	0.1
AfDB	246.8	1.7	0.4	51.8	5.1	5.4	0.1	0.0	0.0
Other Multilaterals	160.1	1.1	0.3	9.7	15.8	16.3	0.0	0.0	0.0
o/w: European Investment Bank	44.8	0.3	0.1	4.9	9.5	9.3	0.0	0.0	0.0
Arab Bank for Economic Development in Africa	40.3	0.3	0.1	0.6	1.0	1.0	0.0	0.0	0.0
Bilateral creditors	4,281.2	29.2	7.0	503.6	434.6	420.3	0.8	0.6	0.6
Paris Club	80.6	0.6	0.1	20.4	7.6	3.8	0.0	0.0	0.0
o/w: France	22.8	0.2	0.0	20.4	7.6	3.8	0.0	0.0	0.0
Exim Bank of Korea	57.9	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Non-Paris Club	4,200.6	28.7	6.9	483.2	426.9	416.5	0.7	0.6	0.5
o/w: Exim Bank of China	3,757.1	25.6	6.2	453.4	382.9	367.6	0.7	0.5	0.5
Exim Bank of India	133.0	0.9	0.2	20.7	20.1	19.5	0.0	0.0	0.0
Bonds	…	…	…	…	…	…	…	…	…
Commercial creditors	527.0	3.6	0.9	23.5	62.0	58.7	0.0	0.1	0.1
o/w: FG Hemisphere	93.2	0.6	0.2	-	11.6	11.6	-	0.0	0.0
Financial Investment Holding	24.3	0.2	0.0	7.2	7.2	7.1	0.0	0.0	0.0
Domestic	3,824.5	26.1	6.3	775.4	689.8	495.5	1.2	1.0	0.7
T-Bills	112.6	0.8	0.2	97.9	118.3	-	0.1	0.2	0.0
T-Bonds	162.8	1.1	0.3	211.2	114.0	57.0	0.3	0.2	0.1
Loans	22.0	0.2	0.0	108.0	19.0	3.0	0.2	0.0	0.0
Arrears	3,527.0	24.1	5.8	358.3	438.6	435.6	0.5	0.6	0.6
Memo items:									
Collateralized debt	3,013.0	20.6	4.9						
Contingent liabilities	3,381.3	23.1	5.6						
o/w: Public guarantees	138.5	0.9	0.2						
o/w: Other explicit contingent liabilities	3,242.8	22.1	5.3						
Nominal GDP (in M USD)	60,891.9	…	…	66,932.7	70,946.5	76,157.2	…	…	…

Sources: Congolese authorities and IMF staff estimates.

1/ As reported by country authorities according to their classification of creditors, including by official and commercial. Debt coverage is the same as the DSA.
2/ Including the net negative SDR position following the SDR allocation retroceded to the government and used as budget support.
3/ At end-year exchange rate.

6. **Domestic debt is mostly composed of arrears.** Domestic debt in 2023 decreased from 6.8 to 6.3 percent of GDP, with most of the stock in domestic arrears. Non-arrears debt amounts to 0.5 percent of GDP, mostly Treasury bills and bonds, with a small bank debt under the now phased-out CREDOCs ("Credit Documentaire"), a scheme which used central bank's deposits as guarantees for central government loans. Arrears are non-financial debt mainly composed of reconciled arrears (4.2 percent of GDP), VAT arrears to exporters (0.7 percent of GDP) and arrears to oil companies (0.7 percent of GDP, Text Table 3). Reconciled arrears have been audited and include bank debt, social debt, judiciary debt, debt to suppliers, and debt related to rent and other services. Domestic arrears repayment follows the

clearance strategy whose implementation is expected to accelerate in 2024. [6] At end-2023, the public debt ratio was 24.5 percent of GDP, higher by close to 3 percentage points of GDP vis-à-vis the 2022 level, driven by external debt.

Text Table 3. Democratic Republic of the Congo: Total Domestic Debt, 2023

	2023		
	Nominal in US$ million	Percent of GDP	Percent of Total Domestic Debt
Stock of Treasury bills and other bank loans	297.5	0.5	7.8
Reconciled legacy arrears 1/	2556.8	4.2	66.9
Arrears from provinces	145.8	0.2	3.8
Arrears to oil companies	422.7	0.7	11.1
VAT arrears	401.7	0.7	10.5
Total	**3824.5**	**6.3**	**100.0**

Sources: Congolese authorities and IMF staff calculations.

1/ Includes the stock of validated and certified arrears under the domestic debt strategy and the stock of certified arrears awaiting validation.

BACKGROUND ON MACROECONOMIC FORECASTS

7. Projections underlying this DSA are underpinned by the macroeconomic framework of the sixth review of the ECF arrangement.

- GDP growth is expected to converge to 4.7 percent on average in 2024-29 due to a slowdown in new mining projects. High commodity prices, strong global demand for DRC's commodity exports, and positive advances in the non-extractive sector, would improve the trade balance in the medium to long term. Starting from 6.0 percent of GDP in 2023, the trade deficit is expected to decrease to 4.0 percent in the medium term, recovering from three years of exceptionally strong import growth, in capital goods mostly. Risks stem from the escalation of the conflict in the East and a reversal of commodity prices.

- Against the background of large development needs and heightened security spending, ambitious public spending on education and infrastructure relies on available additional financing sources in the context of the catalytic role of the ECF arrangement and domestic revenue mobilization efforts.[7] The latter will hinge on the authorities' plans to finalize the new tax code to broaden the tax base and

[6] The three-pronged strategy consists of (i) repaying first claims under US$300,000 (for a total of US$99 million) and residuals on large claims; (ii) securitizing large claims; (iii) resuming the payment of arrears subject to MoUs with creditors (Country Report No. 2023/434, ¶13).

[7] The ECF arrangement focus on three key areas, (i) stepping up domestic revenue mobilization through restoring VAT normal functioning, rationalizing non-tax and parafiscal charges, streamlining tax expenditures, and modernizing revenue administration; (ii) strengthening governance including natural resource management and transparency; and (iii) strengthening the monetary policy framework and the central bank's independence. See CR 22/3 for details on key policies under the ECF-supported arrangement.

improve tax compliance, and to restore VAT functioning through the new standardized VAT billing system.

- Sizable FDI and other investment inflows, including project financing, strengthened reserve accumulation in 2023 despite a deteriorated current account.
- Multilateral and bilateral loans remain the main sources of debt financing. Contracted external borrowing is projected to amount to $3.5 billion in 2024. Financial terms of new lending are projected to remain largely concessional, with an increase of lending at non-concessional terms over the medium term.
- The stock of Treasury bills and bonds amounted to US$275.5 million at end-2023 (0.5 percent of GDP), and is expected to remain low in 2024-29, and gradually increase afterwards, as domestic markets deepen, and concessional financing gradually declines over the long term.

Box 1. Macroeconomic Assumptions for 2024–44

Real GDP growth*.* Growth is expected to average at about 5.1 percent over the medium to long term, driven by sustained increases in mining production, supportive commodity prices, and a gradual increase in public investment.

Inflation*.* After peaking at 15.6 percent in 2024, average yearly inflation measured by GDP deflator growth is projected to stabilize in the 6-7 percent range, in line with the BCC's target of keeping inflation below 7 percent. The BCC's commitment to tighten monetary policy as needed to curb inflation dynamics will be key to keeping inflation expectations anchored.

Primary balance. The primary fiscal deficit is projected to average 1.2 percent of GDP in 2024-2044, with greater revenue mobilization and additional external financing helping to tackle large spending needs. Capital expenditure is expected to rise over the projection period and to gradually shift towards domestic financing. Revenues are computed as central government revenues plus revenues from SOEs that are assumed equivalent to their debt service flows.

Current account balance*.* The current account balance is significantly driven by developments in the mining sector. Mineral exports constitute a significant portion of exports and are projected to improve, on average, over the medium term given new mining projects and high global demand for commodities related to the global climate transition. Imports are projected to rise gradually on the back of increasing demand for capital goods and intermediates for infrastructure investment. Overall, the non-interest current account deficit is expected to average 2.8 percent of GDP over 2024-2044.

Financing. External financing is projected to consist of concessional and non-concessional loans from multilateral, bilateral and commercial lenders, and FDI. Part of the financing of public investment projects would also stem from foreign grants. Additional government financing needs are assumed to be covered by treasury bill issuance (70 percent) and treasury bond issuance with maturities below 7 years (30 percent) in the domestic market until 2034, with bond issuance assumed to increase (to 40 percent) by 2044.

Gross official reserves. Gross official reserves are expected to gradually rise to about 11 weeks of imports by 2029. The reserve buildup is crucially driven by stronger exports and the continued catalytic effect of the ECF program.

8. The realism tool's outputs find the DSA projections to be consistent with DRC's historical experience (Figures 3 and 4).

- **Debt drivers:** External debt-to-GDP remained low in 2023; new engagement strategies with multilateral institutions will provide financing to sustain development.

- **Fiscal adjustment and growth.** The projected fiscal primary deficit (1.2 percent of GDP on average over 2024-44) is above its historical range (0.2 percent of GDP), reflecting the increasing role taken by the domestic public sector in meeting the country's development needs, but is expected to remain contained over the medium term, thanks to improved revenue mobilization and sustained growth.

Text Table 4. Democratic Republic of the Congo: Selected Macroeconomic Indicators, Current vs Previous[1] DSA, 2018-44

		2018-23	2024	2025	2026	2027	2028	2029	2030-44
Real GDP	Current	5.7	4.7	5.1	4.5	5.1	4.4	4.3	4.7
(annual percentage change)	Previous	5.5	4.7	5.3	5.2	5.6	5.2	4.3	4.9
Consumer prices, period average	Current	13.9	17.2	8.8	7.0	7.0	7.0	7.0	6.4
(annual percentage change)	Previous	13.1	7.1	7.1	7.0	7.0	7.0	6.0	6.0
Fiscal Balance	Current	-1.7	-2.1	-1.2	-1.1	-1.1	-1.3	-1.7	-2.6
(percent of GDP)	Previous	-1.7	-1.1	-1.4	-1.0	-0.8	-0.9	-0.8	-0.9
Current Account Balance	Current	-3.5	-4.6	-3.5	-3.5	-3.3	-3.3	-3.1	-2.2
(percent of GDP)	Previous	-3.4	-3.9	-2.8	-2.6	-2.4	-2.9	-4.4	-3.8
Exports of Goods and Services	Current	35.7	43.9	43.2	42.3	40.9	39.3	38.2	26.9
(percent of GDP)	Previous	35.5	40.8	38.6	36.3	34.1	31.6	29.8	21.6
Foreign Direct Investment	Current	2.9	3.0	2.5	2.5	2.5	2.5	2.5	1.6
(percent of GDP)	Previous	2.6	2.1	2.1	2.1	2.1	2.1	2.1	2.2

1/ The previous vintage refers to the June 2023 DSA.

COUNTRY CLASSIFICATION AND DETERMINATION OF SCENARIO STRESS TESTS

9. **DRC's debt carrying capacity is classified as weak (Text Table 4), unchanged from the previous DSA**. The classification of debt carrying capacity is guided by the composite indicator (CI) score which is determined by the World Bank's CPIA and other macroeconomic variables, including forward-looking elements. DRC's CI score is 2.38, roughly unchanged compared to previous vintages. DRC is a fragile state and highly vulnerable to external shocks.

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
	2.38	2.32	2.23

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 2024 WEO and the 2022 CPIA; the previous vintages refer to the April 2023 and October 2022 WEOs and the 2021 CPIA.

10. **The debt sustainability analysis relies on six standardized stress tests and two tailored stress tests (commodity price shock and combined contingent liabilities shock).** The standardized stress tests use the default settings. While DRC does not qualify for the market financing shock stress test, the commodity price shock stress test is relevant in assessing the sensitivity of projected debt burden indicators to unfavorable commodity export prices.[8]

EXTERNAL DEBT SUSTAINABILITY

Baseline

11. **External PPG debt remains sustainable in the baseline scenario, but with vulnerabilities stemming from some structural weakness.** All external debt is owed or guaranteed by the government. Due to improved access to external financing, external debt increased from $9,822 million at end-2022 to $10,836 million at end-2023, driven by increased debt towards multilateral creditors. The present value of external debt estimated at 12.5 percent of GDP in 2023 is significantly lower than the benchmark of 30 percent and reflects the extent of concessional debt which is projected to remain broadly unchanged. Despite higher debt issuance resulting from the catalytic effect of the ECF arrangement and temporarily larger fiscal deficits reflecting higher investment needs, the medium-term trajectory of external and public

[8] Under the debt sustainability framework, countries with commodity exports accounting for at least 50 percent of total exports of goods and services over the previous three-year period are subject to the stress test. Commodities accounted for about 98 percent of DRC's exports of goods and services over the period 2018-23.

debt does not give rise to debt sustainability concerns, under the currently favorable medium-term growth outlook. The end-December 2023 quantitative performance criterion (QPC) on the ceiling on new external borrowing by the public sector, set at US$2500 million in present value terms, is met by a wide margin, and high borrowing in 2024 reflects some catching up with signing loans initially planned in 2023. Indicators of public external debt and external debt services remain below their threshold in the baseline scenario (Figure 1).

Alternative Scenarios and Stress Tests

12. The debt-to-GDP and the two debt service indicators breach their thresholds under the most extreme shock scenario of lower nominal exports (Figure 1).[9] In the exports shock scenario, nominal exports fall by 17 percent in 2025 and 20 percent in 2026, relative to the previous year value. Given a share of 70 percent for copper exports in total exports in 2023, the exports shock could be equivalently modelled as the combination of two consecutive 25 percent drops in 2025 and 2026 in the international price of copper, relative to baseline projections. These breaches highlight vulnerabilities from a reversal in commodity prices. This risk would be mitigated by limiting non-concessional borrowing and seizing the opportunity of high commodity prices to build buffers and safeguard some borrowing space.

PUBLIC DEBT SUSTAINABILITY

Baseline

13. The overall risk of debt distress is projected to remain moderate. The public debt-to-GDP ratio does not breach its threshold in the baseline scenario. While treasury bill issuance remains low, recognition of yet uncertified VAT arrears and arrears to suppliers could bring domestic debt and total public debt up. The realization of guarantees and other possible contingent liabilities poses risks.

Alternative Scenarios and Stress Tests

14. Stress tests confirm DRC's vulnerability to shocks to exports and commodity prices. The most extreme shock for the ratio to GDP of the present value of public debt consists of a sharp decline in exports (Figure 2). Under such shock, the present value of the public debt ratio peaks slightly above the applicable threshold value of 35 percent before trending downwards.

RISK RATING AND VULNERABILITIES

15. The external and overall risk of debt distress for the DRC remain moderate. Both external and overall public debt are at moderate risk of debt distress due to breaches of the thresholds under the stress tests. Public debt metrics remain broadly unchanged, as stronger projected economic and revenue growth is expected to be somewhat offset by higher borrowing. The present value of external debt is

[9] Nominal export growth (in USD) is set to its historical average minus one standard deviation, or to the baseline scenario's projection minus one standard deviation, whichever is lower in 2025–26, a shock that is likely unduly harsh to judge external financing needs as imports would likely contract significantly under such a scenario. For the specification of other stress tests, see Table 8 in the 2018 Guidance Note.

expected to decrease gradually relative to GDP and remain stable relative to exports. External arrears, mostly pre-HIPC, are below 1 percent of GDP, qualifying as a *de minimis* case, and hence not encumbering the risk rating consideration. The domestic arrears are to suppliers of goods and services and reflect inadequate public finance practices rather than government insolvency and/or liquidity problems, and the authorities are enacting measures that lead to their reduction.

16. Low revenue mobilization capacity warrants preserving the borrowing space created by favorable commodity prices. Although there is some space for additional borrowing without endangering DRC's risk rating (Figure 5), low revenue mobilization remains a key challenge. Based on revised information on repayment schedules, the debt service-to-revenue ratio breaches the lower threshold for qualification of moderate risk, indicating some but not substantial space to absorb shocks. Under the ECF arrangement, revenues are projected to increase from 9.5 percent of GDP in 2020 to 15.5 percent in 2024, and stabilize above 14 percent by 2029, compared to an average of 20 percent of GDP in sub-Saharan Africa (SSA).

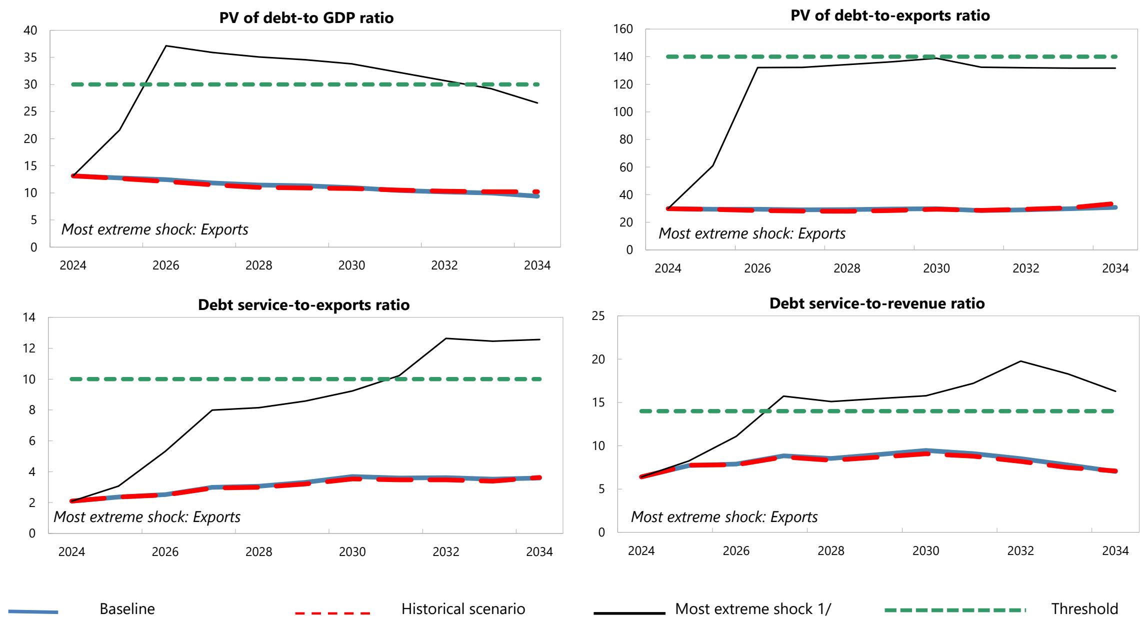
17. Risks stem from export performance and DRC's ability to carry meaningful reforms. Export performance is the Achilles' heel of DRC's debt sustainability. A key risk is therefore the fluctuation in commodity prices. DRC should continue to build buffers by increasing international reserves, mobilizing revenue, and ensuring borrowed resources enhance inclusive growth and promote economic diversification by supporting private sector development in non-extractive sectors. Borrowing on non-concessional is projected to increase but should remain limited, and DRC should continue to rely mostly on concessional sources.

18. Despite low total public debt, limited repayment capacity remains a key vulnerability. Key sources of vulnerabilities include commodity prices fluctuations and challenges to fiscal revenue mobilization. Despite gradually higher revenues under the ECF arrangement, the elevated debt service-to-revenue ratio suggests that space for additional borrowing is close to becoming constrained (Figures 1 and 2). This calls for prudent fiscal policies including constraining new borrowing. Structural reforms, in particular in revenue mobilization, public financial management, and growth potential-enhancing public investment remain key to DRC's debt carrying capacity.

AUTHORITIES' VIEWS

19. The authorities broadly agreed with the overall assessment of the country's debt sustainability. Debt carrying capacity is expected to improve against the backdrop of the ECF arrangement. The authorities are committed to further improve debt management, including enhancing the reporting of SOEs and provinces debt, and publicly guaranteed debt.

Figure 1. Indicators of Public and Publicly Guaranteed External Debt under Alternative Scenarios, 2024-34



Customization of Default Settings	Size	Interactions
Tailored Stress		
Combined CL	Yes	
Natural disaster	n.a.	n.a.
Commodity price	Yes	Yes
Market financing	n.a.	n.a.

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.

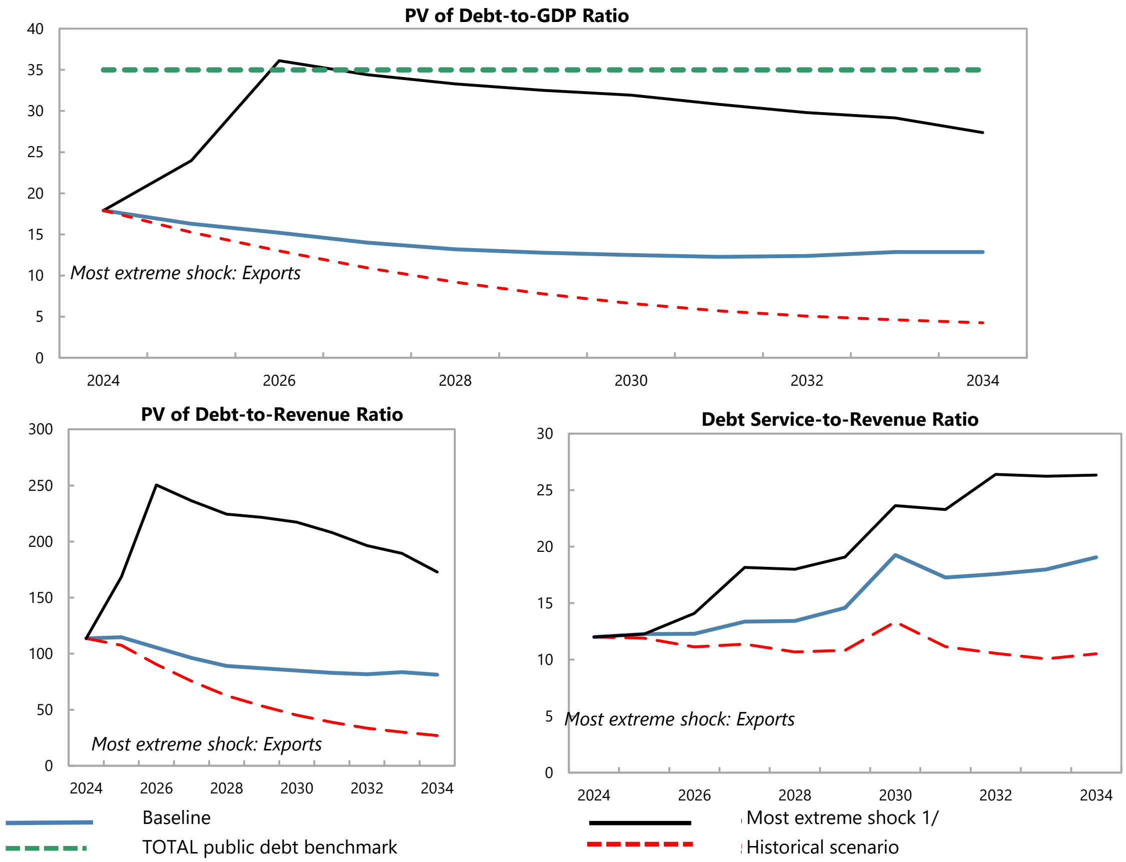
Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	2.8%	2.8%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	30	30
Avg. grace period	5	5

* 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 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 2. Indicators of Public Debt under Alternative Scenarios, 2024-34



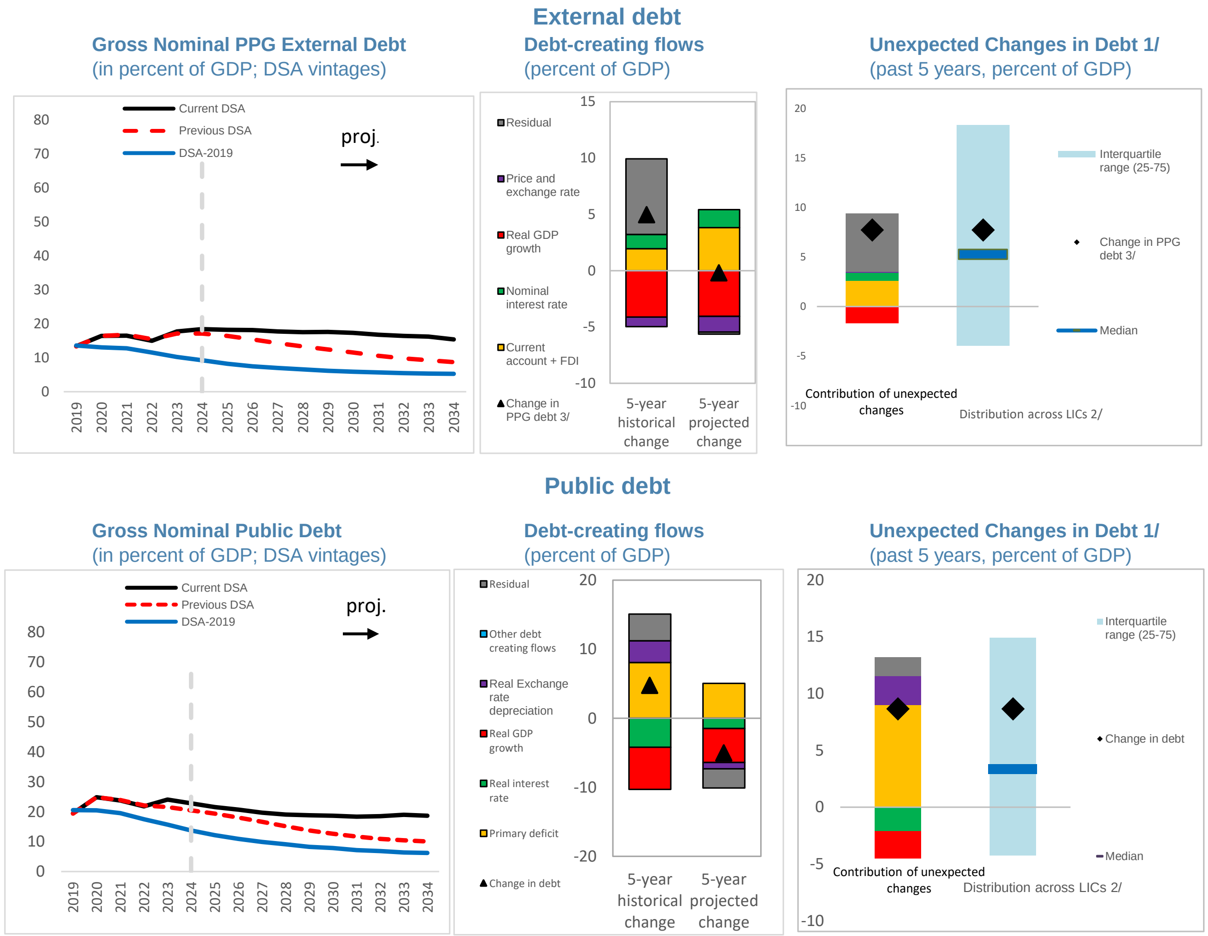
Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	67%	95%
Domestic medium and long-term	10%	2%
Domestic short-term	23%	3%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	2.8%	2.8%
Avg. maturity (incl. grace period)	30	30
Avg. grace period	5	5
Domestic MLT debt		
Avg. real interest rate on new borrowing	0.2%	0.2%
Avg. maturity (incl. grace period)	3	3
Avg. grace period	1	1
Domestic short-term debt		
Avg. real interest rate	-2.8%	-2.8%

* 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.

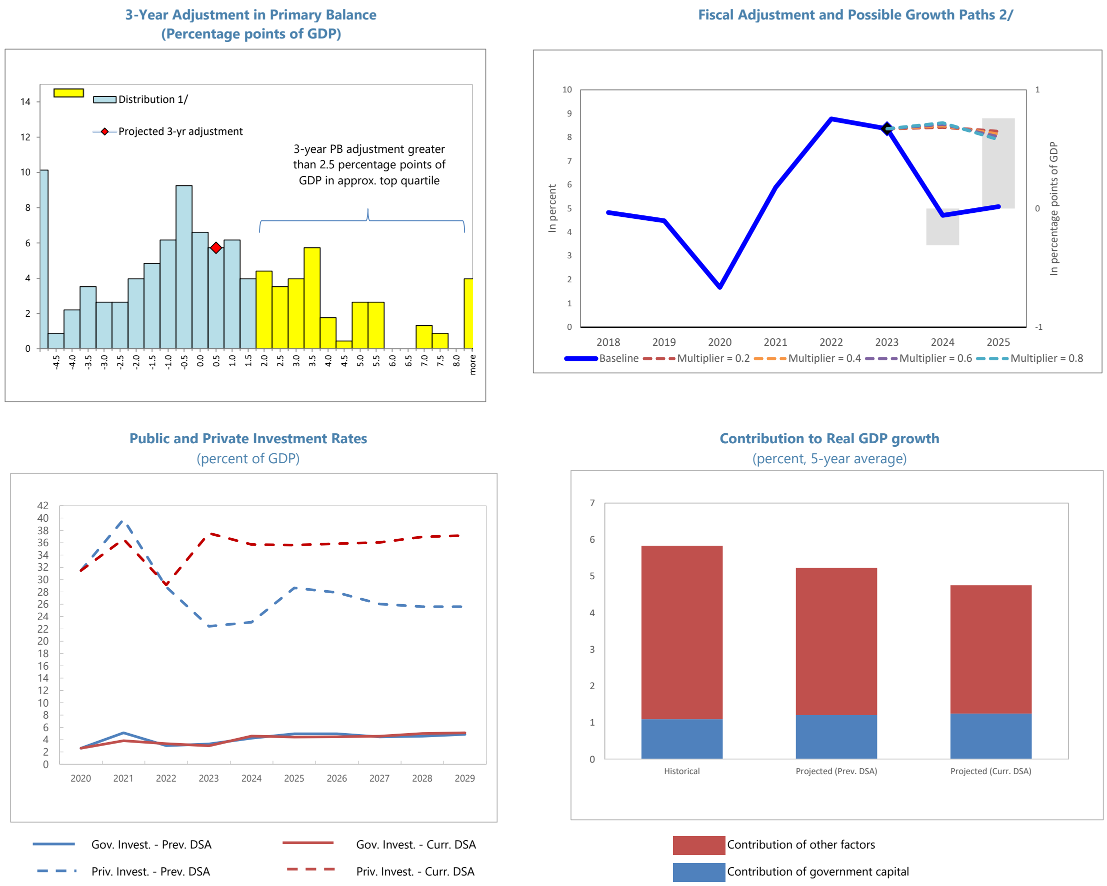
Figure 3. Drivers of Debt Dynamics – Baseline Scenario



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.

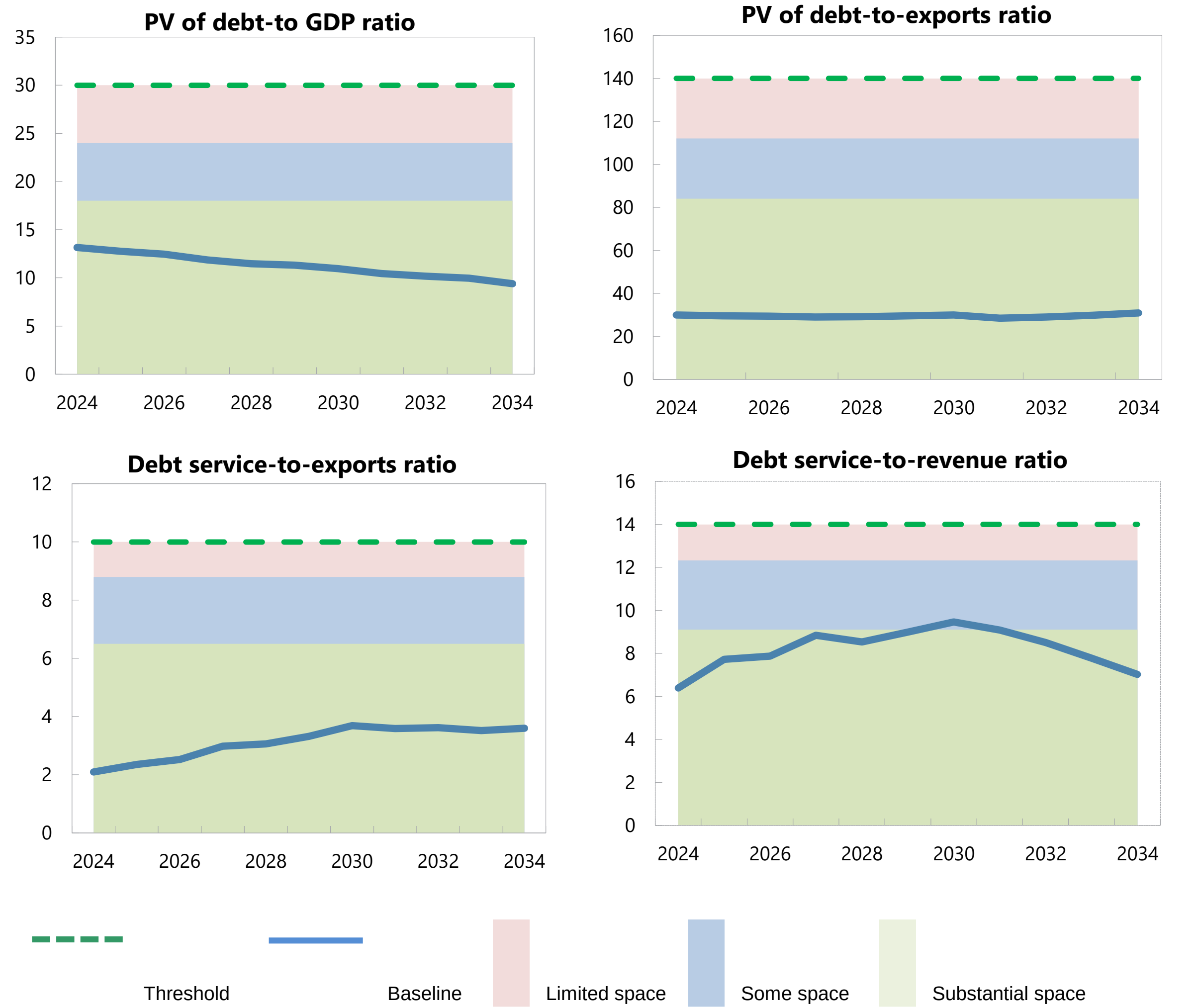
Figure 4. Realism Tools[3]



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. Qualification of the Moderate Category 2024-34[1]



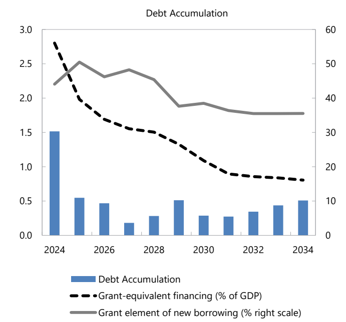
Sources: Country authorities and IMF staff estimates and projections.

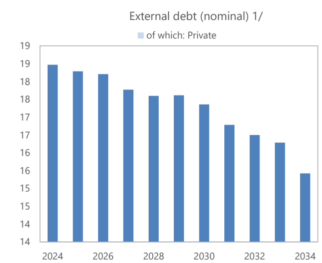
1/ For the PV debt/GDP and PV debt/exports thresholds, x is 20 percent and y is 40 percent. For debt service/exports and debt service/revenue thresholds, x is 12 percent and y is 35 percent.

Table 1. Democratic Republic of the Congo: External Debt Sustainability Framework, Baseline Scenario 2021-44
(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 8/	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2034	2044	Historical	Projections
External debt (nominal) 1/	16.5	15.0	17.8	18.5	18.3	18.2	17.8	17.6	17.6	15.4	15.4	17.2	17.3
of which: public and publicly guaranteed (PPG)	16.5	15.0	17.8	18.5	18.3	18.2	17.8	17.6	17.6	15.4	15.4	17.2	17.3
Change in external debt	0.0	-1.5	2.8	0.7	-0.2	-0.1	-0.4	-0.2	0.0	-0.9	0.0		
Identified net debt-creating flows	-4.2	0.7	2.4	0.8	0.2	0.3	-0.1	0.1	-0.1	-0.8	0.0	-0.3	0.0
Non-interest current account deficit	0.8	4.7	6.0	4.3	3.2	3.2	3.0	3.0	2.8	2.1	1.3	3.4	2.8
Deficit in balance of goods and services	-0.3	4.6	6.0	4.6	4.6	4.6	4.3	4.3	4.0	3.2	1.9	4.2	4.0
Exports	38.8	43.5	44.3	43.9	43.2	42.3	40.9	39.3	38.2	30.4	18.4		
Imports	38.5	48.2	50.3	48.5	47.8	46.9	45.1	43.6	42.2	33.6	20.3		
Net current transfers (negative = inflow)	-2.2	-3.5	-2.8	-2.4	-3.2	-3.1	-3.1	-3.0	-3.0	-2.3	-1.6	-3.3	-2.8
of which: official	-1.2	-1.6	-1.3	-0.5	-0.9	-0.9	-0.8	-0.8	-0.8	-0.6	-0.4		
Other current account flows (negative = net inflow)	3.3	3.6	2.7	2.1	1.8	1.8	1.8	1.8	1.8	1.2	1.0	2.6	1.6
Net FDI (negative = inflow)	-2.9	-2.1	-3.5	-3.0	-2.5	-2.5	-2.5	-2.5	-2.5	-1.8	-1.0	-2.9	-2.3
Endogenous debt dynamics 2/	-2.1	-1.8	0.0	-0.5	-0.5	-0.4	-0.6	-0.4	-0.4	-1.1	-0.3		
Contribution from nominal interest rate	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3		
Contribution from real GDP growth	-0.8	-1.3	-1.2	-0.8	-0.9	-0.8	-0.9	-0.7	-0.7	-1.4	-0.7		
Contribution from price and exchange rate changes	-1.4	-0.8	1.0	...	...	...	...	...	...	...	...		
Residual 3/	4.2	-2.2	0.3	-0.2	-0.4	-0.4	-0.4	-0.3	0.1	-0.1	0.0	0.2	-0.2
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	...	...	12.4	13.2	12.8	12.5	11.9	11.5	11.3	9.4	9.1		
PV of PPG external debt-to-exports ratio	...	...	28.0	29.9	29.5	29.4	29.0	29.1	29.6	30.8	49.6		
PPG debt service-to-exports ratio	2.3	2.4	2.4	2.1	2.4	2.5	3.0	3.1	3.3	3.6	5.5		
PPG debt service-to-revenue ratio	8.1	6.8	7.7	6.4	7.7	7.9	8.8	8.5	9.0	7.0	5.8		
Gross external financing need (Million of U.S. dollars)	-680.7	2354.4	2318.5	1574.3	1338.8	1464.8	1476.0	1601.8	1563.4	1925.1	3362.4		
Key macroeconomic assumptions													
Real GDP growth (in percent)	5.9	8.8	8.4	4.7	5.1	4.5	5.1	4.4	4.3	9.7	4.5	5.2	5.1
GDP deflator in US dollar terms (change in percent)	9.6	5.0	-6.1	1.2	2.2	1.7	1.4	1.4	1.5	1.8	1.4	1.7	1.7
Effective interest rate (percent) 4/	1.3	1.8	2.0	1.9	1.9	1.9	1.9	1.8	1.9	2.4	2.2	1.2	2.0
Growth of exports of G&S (US dollar terms, in percent)	60.4	28.1	3.6	5.1	5.6	4.0	2.9	1.9	2.7	1.6	1.2	11.8	3.3
Growth of imports of G&S (US dollar terms, in percent)	52.5	42.7	6.3	2.2	5.8	4.1	2.6	2.3	2.5	1.6	1.2	12.1	3.0
Grant element of new public sector borrowing (in percent)	...	...	...	44.1	50.5	46.2	48.2	45.4	37.6	35.5	35.7	...	41.2
Government revenues (excluding grants, in percent of GDP)	11.1	15.4	13.7	14.4	13.2	13.5	13.8	14.1	14.1	15.6	17.4	11.5	14.3
Aid flows (in Million of US dollars) 5/	1498.4	2641.6	3383.9	2302.9	1802.7	1692.7	1694.1	1789.8	1730.2	1455.9	1455.9		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	2.8	2.0	1.7	1.6	1.5	1.3	0.8	0.7	...	1.4
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	60.9	67.7	64.6	65.0	61.7	52.1	44.2	41.0	...	54.9
Nominal GDP (Million of US dollars)	57,592	65,777	66,933	70,946	76,157	80,875	86,243	91,276	96,624	138,656	245,339		
Nominal dollar GDP growth	16.1	14.2	1.8	6.0	7.3	6.2	6.6	5.8	5.9	11.7	6.0	7.0	6.9
Memorandum items:													
PV of external debt 7/	...	...	12.4	13.2	12.8	12.5	11.9	11.5	11.3	9.4	9.1		
In percent of exports	...	...	28.0	29.9	29.5	29.4	29.0	29.1	29.6	30.8	49.6		
Total external debt service-to-exports ratio	2.3	2.4	2.4	2.1	2.4	2.5	3.0	3.1	3.3	3.6	5.5		
PV of PPG external debt (in Million of US dollars)			8316.6	9330.4	9718.4	10074.8	10222.0	10465.0	10932.3	13011.1	22393.3		
(PVt-PVt-1)/GDPt-1 (in percent)				1.5	0.5	0.5	0.2	0.3	0.5	0.5	0.5		
Non-interest current account deficit that stabilizes debt ratio	0.8	6.2	3.2	3.6	3.4	3.3	3.4	3.2	2.8	3.0	1.3		

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).

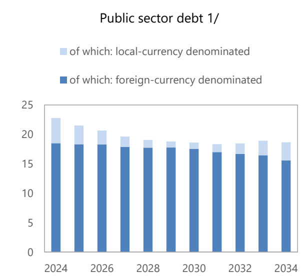
7/ Assumes that PV of private sector debt is equivalent to its face value.

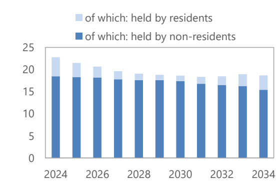
8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Table 2. Democratic Republic of the Congo: Public Sector Debt Sustainability Framework, Baseline Scenario 2021-44
(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 6/	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2034	2044	Historical	Projections
Public sector debt 1/	23.7	21.8	24.1	22.8	21.5	20.7	19.6	19.1	18.8	18.7	34.0	23.8	19.6
of which: external debt	16.5	15.0	17.8	18.5	18.3	18.2	17.8	17.6	17.6	15.4	15.4	17.2	17.3
Change in public sector debt	-1.1	-2.0	2.3	-1.3	-1.3	-0.8	-1.0	-0.6	-0.3	-0.3	1.4		
Identified debt-creating flows	-3.2	-2.6	1.5	-0.2	-0.5	-0.3	-0.4	0.0	0.4	-0.1	1.3	-1.4	0.1
Primary deficit	1.3	0.2	1.4	1.7	0.9	0.8	0.7	0.9	1.2	1.5	2.4	0.2	1.2
Revenue and grants	12.2	17.0	14.8	15.7	14.2	14.4	14.6	14.8	14.7	15.8	17.5	13.3	14.9
of which: grants	1.1	1.6	1.1	1.4	1.0	0.9	0.8	0.7	0.6	0.2	0.1		
Primary (noninterest) expenditure	13.5	17.2	16.2	17.4	15.1	15.2	15.3	15.8	15.9	17.4	20.0	13.5	16.1
Automatic debt dynamics	-4.6	-2.7	0.2	-1.9	-1.4	-1.1	-1.1	-0.9	-0.8	-1.6	-1.1		
Contribution from interest rate/growth differential	-3.1	-3.0	-2.7	-1.9	-1.4	-1.1	-1.1	-0.9	-0.8	-1.6	-1.1		
of which: contribution from average real interest rate	-1.7	-1.1	-1.0	-0.8	-0.3	-0.2	-0.1	-0.1	0.0	0.1	0.3		
of which: contribution from real GDP growth	-1.4	-1.9	-1.7	-1.1	-1.1	-0.9	-1.0	-0.8	-0.8	-1.7	-1.4		
Contribution from real exchange rate depreciation	-1.5	0.3	2.8	...	...	...	...	...	...	...	...		
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	2.1	0.6	0.8	-1.1	-0.8	-0.5	-0.6	-0.6	-0.7	-0.2	0.1	1.4	-0.6
Sustainability indicators													
PV of public debt-to-GDP ratio 2/	...	...	19.9	17.9	16.3	15.2	14.0	13.2	12.8	12.9	28.0		
PV of public debt-to-revenue and grants ratio	...	...	134.6	113.7	114.6	105.5	96.2	89.0	87.0	81.2	159.7		
Debt service-to-revenue and grants ratio 3/	13.2	15.9	14.9	12.0	12.3	12.3	13.4	13.4	14.6	19.1	60.0		
Gross financing need 4/	2.9	2.9	3.6	3.6	2.7	2.5	2.7	2.9	3.4	4.5	13.0		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	5.9	8.8	8.4	4.7	5.1	4.5	5.1	4.4	4.3	9.7	4.5	5.2	5.1
Average nominal interest rate on external debt (in percent)	1.4	1.8	2.0	2.1	2.0	1.9	1.9	1.9	1.9	2.4	2.3	1.2	2.1
Average real interest rate on domestic debt (in percent)	-15.1	-5.4	-12.2	-13.6	-8.1	-5.9	-5.3	-4.5	-3.3	0.8	1.7	-10.0	-3.3
Real exchange rate depreciation (in percent, + indicates depreciation)	-10.0	1.9	20.7	...	...	...	...	...	...	...	...	2.7	...
Inflation rate (GDP deflator, in percent)	17.8	5.9	14.4	16.2	9.1	6.7	6.4	6.4	6.5	6.8	5.8	12.6	7.8
Growth of real primary spending (deflated by GDP deflator, in percent)	16.3	37.8	2.3	12.7	-8.7	4.8	5.9	7.5	5.5	12.7	5.5	10.3	5.9
Primary deficit that stabilizes the debt-to-GDP ratio 5/	2.5	2.1	-0.9	3.0	2.2	1.6	1.8	1.5	1.5	1.8	1.0	1.2	1.7
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**





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, 2024-34
(In percent)

	Projections 1/										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
PV of debt-to GDP ratio											
Baseline	13	13	12	12	11	11	11	10	10	10	9
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	13	13	12	12	11	11	11	11	10	10	10
B. Bound Tests											
B1. Real GDP growth	13	13	14	13	12	12	12	11	11	11	10
B2. Primary balance	13	14	16	15	14	14	14	13	13	13	12
B3. Exports	13	22	**37**	**36**	**35**	**35**	**34**	**32**	**31**	29	27
B4. Other flows 3/	13	14	15	14	14	14	13	13	12	12	11
B5. Depreciation	13	16	13	13	12	12	12	11	11	11	10
B6. Combination of B1-B5	13	18	18	18	17	17	16	16	15	14	13
C. Tailored Tests											
C1. Combined contingent liabilities	13	18	18	17	17	16	16	15	15	15	14
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	13	18	22	21	21	20	20	19	18	17	16
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	30	30	30	30	30	30	30	30	30	30	30
PV of debt-to-exports ratio											
Baseline	30	30	29	29	29	30	30	28	29	30	31
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	30	29	29	28	28	29	29	29	29	31	34
B. Bound Tests											
B1. Real GDP growth	30	30	29	29	29	30	30	28	29	30	31
B2. Primary balance	30	33	37	36	37	37	38	36	37	38	39
B3. Exports	30	61	132	132	134	136	139	132	132	132	132
B4. Other flows 3/	30	32	35	35	35	35	36	34	35	35	36
B5. Depreciation	30	30	25	25	25	25	25	24	25	26	27
B6. Combination of B1-B5	30	45	40	51	52	53	53	51	51	52	53
C. Tailored Tests											
C1. Combined contingent liabilities	30	42	42	42	42	43	44	42	43	44	45
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	30	48	59	58	57	56	56	52	52	52	53
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	140	140	140	140	140	140	140	140	140	140	140
Debt service-to-exports ratio											
Baseline	2	2	3	3	3	3	4	4	4	4	4
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	2	2	2	3	3	3	4	3	3	3	4
B. Bound Tests											
B1. Real GDP growth	2	2	3	3	3	3	4	4	4	4	4
B2. Primary balance	2	2	3	3	3	4	4	4	4	4	4
B3. Exports	2	3	5	8	8	9	9	**10**	**13**	**12**	**13**
B4. Other flows 3/	2	2	3	3	3	4	4	4	4	4	4
B5. Depreciation	2	2	3	3	3	3	4	3	3	3	3
B6. Combination of B1-B5	2	3	4	4	4	5	5	6	6	6	6
C. Tailored Tests											
C1. Combined contingent liabilities	2	2	3	3	4	4	4	4	4	4	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	2	3	3	4	4	4	5	5	6	6	6
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	10	10	10	10	10	10	10	10	10	10	10
Debt service-to-revenue ratio											
Baseline	6	8	8	9	9	9	9	9	9	8	7
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	6	8	8	9	8	9	9	9	8	7	7
B. Bound Tests											
B1. Real GDP growth	6	8	9	10	9	10	10	10	9	8	8
B2. Primary balance	6	8	8	10	9	10	10	10	10	9	8
B3. Exports	6	8	11	**16**	**15**	**15**	**16**	**17**	**20**	**18**	**16**
B4. Other flows 3/	6	8	8	9	9	10	10	10	10	9	8
B5. Depreciation	6	10	10	11	10	11	11	11	10	9	8
B6. Combination of B1-B5	6	8	10	11	10	11	11	12	11	10	9
C. Tailored Tests											
C1. Combined contingent liabilities	6	8	9	10	10	10	11	10	10	9	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	6	9	10	12	12	12	12	13	13	12	11
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	14	14	14	14	14	14	14	14	14	14	14

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 2024-34

	Projections 1/										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
PV of Debt-to-GDP Ratio											
Baseline	18	16	15	14	13	13	12	12	12	13	13
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	18	15	13	11	9	8	7	6	5	5	4
B. Bound Tests											
B1. Real GDP growth	18	17	18	17	17	18	18	19	20	21	22
B2. Primary balance	18	18	18	17	16	16	15	15	15	16	15
B3. Exports	18	24	**36**	34	33	33	32	31	30	29	27
B4. Other flows 3/	18	18	18	16	16	15	15	14	14	15	15
B5. Depreciation	18	18	16	14	12	11	10	9	8	8	7
B6. Combination of B1-B5	18	17	16	14	13	12	12	12	12	12	12
C. Tailored Tests											
C1. Combined contingent liabilities	18	22	21	19	18	18	18	17	17	18	17
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	18	18	18	19	20	21	22	22	23	24	25
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL public debt benchmark	35	35	35	35	35	35	35	35	35	35	35
PV of Debt-to-Revenue Ratio											
Baseline	114	115	105	96	89	87	85	83	82	84	81
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	114	107	91	76	63	53	45	39	34	30	27
B. Bound Tests											
B1. Real GDP growth	114	122	123	119	117	121	125	128	131	138	137
B2. Primary balance	114	126	127	117	109	107	105	102	100	101	97
B3. Exports	114	169	250	236	224	221	217	208	196	189	173
B4. Other flows 3/	114	123	122	112	105	103	100	97	95	96	92
B5. Depreciation	114	130	113	97	83	75	66	59	53	50	45
B6. Combination of B1-B5	114	119	111	94	86	84	82	80	79	81	79
C. Tailored Tests											
C1. Combined contingent liabilities	114	154	144	133	125	122	120	116	114	115	109
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	114	137	140	143	142	147	150	149	152	159	156
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Debt Service-to-Revenue Ratio											
Baseline	12	12	12	13	13	15	19	17	18	18	19
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	12	12	11	11	11	11	13	11	11	10	11
B. Bound Tests											
B1. Real GDP growth	12	13	14	15	15	17	22	20	21	22	23
B2. Primary balance	12	12	13	15	14	15	20	18	19	19	20
B3. Exports	12	12	14	18	18	19	24	23	26	26	26
B4. Other flows 3/	12	12	13	14	14	15	20	18	19	19	20
B5. Depreciation	12	13	14	15	15	16	20	18	18	17	18
B6. Combination of B1-B5	12	12	12	13	13	14	19	17	17	18	19
C. Tailored Tests											
C1. Combined contingent liabilities	12	12	15	15	15	16	20	18	19	19	20
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	12	14	14	15	16	17	22	20	21	22	23
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

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.