INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL MONETARY FUND

THE DEMOCRATIC REPUBLIC OF THE CONGO

Joint World Bank-IMF Debt Sustainability Analysis

September 2019

Prepared jointly by the staffs of the International Development Association (IDA)

and the International Monetary Fund (IMF)

Approved by Marcello Estevão (IDA) and Annalisa Fedelino and Vitaliy Kramarenko (IMF)

The 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	Limited 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)'s debt-carrying capacity was assessed as weak.[1] DRC remains at a moderate risk of external and overall debt distress, with limited space to absorb shocks. The debt coverage has been improved since the last DSA, especially on domestic debt. The external nominal debt ratios are lower than at the time of the 2015 DSA, however the country shows vulnerability in debt repayment capacity, even under the baseline, due to weak revenue mobilization. Most external debt thresholds are breached under the stress tests, highlighting the country's vulnerability to external shocks. Given limited buffers, prudent borrowing policies are essential by prioritizing concessional loans and strengthening debt management policies.

[1] DRC Composite Indicator (CI) score is 1.98, which corresponds to a weak debt-carrying capacity as confirmed by April 2019 WEO assumptions and 2017 Country Policy and Institutional Assessment (CPIA).

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 part of state-owned enterprises (SOEs).** The public debt department (Direction Générale de la Dette Publique, DGDP) 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. The reports summarize the debt of the central government, debt of SICOMINES (a joint venture stemming from an agreement between the Congolese government and Chinese investors) and Gécamines, guaranteed external debt of SOEs managed by the government, provinces (only the province of Maniema is missing, out of 26 provinces), and BCC's debt. Data on private sector's and other public institutions' debt are not available. Other public institutions do not have the capacity to borrow externally without a government guarantee. The authorities believe that other SOEs have not borrowed externally, however they do not receive any regular report from them. The authorities are committed to broaden the debt coverage, especially to improve SOEs debt reporting in terms of debt stock and debt service. Sicomines' infrastructure loans has a government guarantee which can only be called after 2034. Its debt service should be repaid by 2026 and is collateralized by Sicomines' earnings.[2]

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

Definition of external/domestic debt	Residency-based
Is there a material difference between the two criteria?	No

Public debt coverage

	Subsectors of the public sector	Check box
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	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	The DGDP does not receive regular reports from SOEs.
4	PPP	35 percent of PPP stock	0.00	
5	Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5	
	Total (2+3+4+5) (in percent of GDP)		7.5	

1/ The default shock of 2% 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

Sources: Congolese authorities. IMF staff calculation.

[2] Box 1, Debt Sustainability Analysis, IMF Country Report No. 15/280

BACKGROUND AND RECENT DEVELOPMENTS

2. **From 2014 to 2017, the Congolese economy deteriorated sharply in the wake of a commodity price shock and a political crisis.** The sharp fall in the price of copper—which accounted for over 50 percent of total exports of goods and services— between 2014 and 2016 and the uncertainty caused by the delay in holding general elections hurt economic growth, exports, and fiscal revenues, unleashing a spiral of currency depreciation and inflation. By the end of 2016, the price of copper had lost 45 percent of its value relative to 2011. Furthermore, donors stopped providing budget support because of delays in conducting the presidential elections. Government deposits at the BCC were largely depleted by the end of 2016 and the fiscal rule of no BCC financing of the budget—introduced in 2011—was breached. Domestic arrears were also rising. The end-of-period inflation rate rose to 23.6 percent in 2016, driven, at least in part, by central bank financing of the fiscal deficit. Foreign reserves dropped from about 6 weeks of imports in January 2016 to less than 2 weeks by end-2017. The exchange rate depreciated by 71 percent between end-2015 and end-2017, the largest depreciation in SSA over that period. Conversely, the current account deficit narrowed modestly to 3.1 percent of GDP in 2016, as a decline in imports compensated for dwindling exports. All this induced a fall in GDP growth from 6.9 percent in 2015 to 2.4 percent in 2016 and 3.7 percent in 2017.

3. **Since 2018, the economy has started to recover.** Supported by a rebound in commodity prices, GDP growth was 5.8 percent in 2018, while 12-month inflation has fallen sharply to less than 5 percent and the exchange rate has stabilized. Strict budgetary discipline led to overall fiscal surpluses in 2017-18 and a balanced position is projected for 2019. However, international reserves have been low, below 3 weeks of import coverage, a critical vulnerability that needs to be tackled decisively.

Text Table 2. Comparison between 2015 and 2019 DSA

	PPGE debt to GDP ratio		PPGE debt to exports ratio		PPGE debt to revenue ratio	
	Previous	Current	Previous	Current	Previous	Current
2015	14.3	13.3	43.5	48.3	104.3	97.5
2016	14.7	14.8	43.2	45.2	104.4	132.6
2017	16.7	15.7	50.5	50.7	115.7	160.6
2018	19.0	13.6	56.1	39.8	128.0	130.1
2019	20.3	13.1	58.6	50.6	134.0	127.0
2020	21.5	12.6	62.2	49.0	139.4	126.2
2021	22.6	11.9	67.3	46.8	143.0	113.7
2022	22.5	10.8	68.8	41.6	137.1	100.1
2023	21.7	9.6	67.3	37.1	126.8	87.8
2024	20.9	8.8	66.3	33.3	122.0	78.0
avg 2025-38	20	5.5	66.7	22.4	103	52.6

Sources: Congolese authorities and IMF staff calculations and projections.

4. DRC's external debt has remained low following debt relief at the beginning of the decade. After DRC reached the completion point under the Enhanced Heavily Indebted Poor Countries (HIPC) initiative and benefited from assistance under the Multilateral Debt Relief Initiative (MDRI) in July 2010, external debt has fallen from $13.7 billion at end-2009 to US$6.4 billion by end-2018. The ratio of public and publicly-guaranteed external debt (PPGE) to GDP dropped to 22 percent in 2010 and to 13.6 percent in 2018. The low stock of external debt reflects mostly adverse external borrowing conditions: new disbursements in 2017-18 were only US$27.5 million or 0.07 percent of GDP. The country carries external arrears to bilateral and commercial creditors amounting to 0.7 percent of GDP. However, the authorities are under discussion with creditors to resolve outstanding issues.

Text Table 3. External Arrears as of End-2018

External arrears are limited and date from pre-HIPC Completion Point, amounting to US$328.7 million. Four non-Paris Club creditors hold claims against the DRC for half of the total amount in arrears and are in negotiation or under reconciliation process. The remaining half are claims to commercial creditors. Amounts have been reconciled but there are cases under litigation. A 5-year schedule for the repayment of external arrears has been assumed, starting in 2021.

Democratic Republic of the Congo - External Arrears

	2018	
	Nominal in millions of US$	Percent of GDP
	Est.	
Total External Arrears	329	0.7
Bilateral creditors	164	0.3
Commercial creditors 1/	165	0.3
Memo item:		
GDP	47,099	

1/ Includes Sicomines debt

Sources: Congolese authorities; IMF staff estimates

Text Table 4. Democratic Republic of the Congo: Total Public Debt Stock, 2018

	Nominal in millions of US$	Percent of GDP	Percent of Public Debt	Percent of External Debt
	Est.			
Total Public Debt	9,475	20.1	100	
Of which: arrears	3,403	7.2	36	
Total External Debt	6,401	13.6	68	100
Of which: arrears	329	0.7	3	5
Multilateral creditors	1,916	4.1	20	30
Bilateral creditors	1,240	2.6	13	19
Commercial creditors 1/	3,245	6.9	34	51
Total Domestic Debt	3,074	6.5	32	

1/ Includes Sicomines debt

Sources: Congolese authorities; IMF staff estimates

5. **About half of the public external debt is owed to official creditors.** At end-2018, 30 percent of the debt was owed to multilateral creditors and 19 percent to bilateral official creditors, a significant increase from 4 percent in 2014 due to borrowing from non-Paris Club creditors. The share of debt owed to commercial creditors has remained stable with a third of the external debt (see Text Table 5). Sicomines' debt represents almost 40 percent of total external debt. It is assumed to be repaid over 10 and 15 years for mining and infrastructure projects, respectively.

6. **The overall domestic debt is composed of arrears.** As of 2018, total domestic debt was equivalent to US$3.1 billion, or about one third of total public debt. Reconciled legacy arrears equal US$1.9 billion, or almost 60 percent of domestic public debt. They have been audited and fall into 5 categories: financial debt, social debt, judiciary debt, suppliers, and rent and other services. Other legacy arrears amounting to about US$3 billion have still to be audited. According to the authorities, in the past, only 20 percent of audited arrears became validated. VAT arrears represent the second largest category of arrears with almost a quarter of the domestic debt. They are expected to be repaid against taxes due. Arrears from provinces are also included in the stock of domestic debt. Only one province did not report its stock of arrears but, according to the authorities, its amount should be marginal.

Text Table 5. Democratic Republic of the Congo: Total Stock of Domestic Debt, 2018

	Nominal in US$ million	in percent of GDP	in total domestic debt
Reconcilied legacy arrears	1,866	4.0	60.7
Arrears from provinces	147	0.3	4.8
Arrears to oil companies	262	0.6	8.5
VAT arrears	799	1.7	26.0
Total	3,074	6.5	100.0

Sources: Congolese authorities; IMF staff calculations

UNDERLYING ASSUMPTIONS

7. **The medium- and long-term macroeconomic framework underlying the DSA is consistent with the baseline scenario presented in the 2019 Article IV Staff Report.** Compared to 2015 DSA, GDP growth assumptions are more conservative in the first half of the projections' period though growth is projected to pick up in the second half (Box 1). Similarly, fiscal policy is projected to be tighter than assumed under the 2015 DSA in the first half of the projection period but to loosen up in the second half. These assumptions carry over into the projected paths for public and private investment as well as for imports.

Text Table 6. Democratic Republic of the Congo: Macroeconomic Forecast and Assumptions

	Real GDP Growth (percent change)		Revenue (excluding grants) growth		Overall fiscal deficit (percent of GDP)		Exports of goods and services growth		Imports of goods and services growth		Current account balance (percent of GDP)	
	Previous	Current	Previous	Current 1/	Previous	Current 1/	Previous	Current	Previous	Current	Previous	Current
2015	9.2	6.9	14.3	2.2	-0.8	-0.2	6.5	-17.2	-0.7	-19.1	-7.4	-3.8
2016	8.5	2.4	12.3	-21.0	-0.2	-0.3	13.2	14.9	6.6	11.5	-7.6	-4.1
2017	8.3	3.7	12.9	-10.2	-0.2	1.6	7.0	-3.0	12.9	-8.3	-9.4	-3.2
2018	7.5	5.8	12.0	33.8	-0.3	0.6	11.6	38.0	11.5	36.1	-10.1	-4.6
2019	6.7	4.3	10.5	3.0	0.0	0.8	10.8	-20.9	9.9	-19.0	-10.1	-3.5
2020	5.4	3.9	9.1	1.6	0.1	0.8	6.8	4.3	9.8	5.6	-11.2	-4.2
2021	3.7	3.4	7.3	10.2	-0.4	1.2	1.8	4.0	-2.1	5.2	-7.9	-4.4
2022	4.9	4.5	9.7	8.5	-0.5	1.2	2.9	7.6	3.7	6.9	-7.9	-4.3
2023	4.5	4.3	10.0	8.3	-0.6	1.3	4.0	6.4	3.7	7.5	-7.7	-4.4
2024	3.8	4.6	5.2	8.4	-0.4	1.3	2.8	7.4	2.7	7.9	-7.4	-4.5
avg. 2025-39	3.6	4.5	6.5	5.3	1.0	0.7	3.5	5.4	2.3	5.1	-5.7	-3.7

Sources: Congolese authorities and IMF staff calculations and projections.
1/ Adjusted with Sicomines and Gecamines' debt service projections.

Box 1. Democratic Republic of the Congo: Macroeconomic Assumptions for 2019-39

Real GDP growth. GDP growth over the medium term would average almost 4 percent driven by sustained increases in mining production and a gradual recovery in investment. The newly elected President laid out his development plan that aims at supporting private sector activity, particularly in the agriculture, energy, and tourism sectors. He also plans to increase public investment, specifically in infrastructure.

***Inflation*.** Inflation is projected to stabilize at around 5 percent, below the 7 percent target of the BCC, as the economy slowly recovers.

Primary balance. The primary fiscal balance is projected to stay close to zero percent of GDP on the basis of prudent fiscal policies and still limited access to external credit. Capital expenditure would reach 3.9 percent of GDP at the end of the projection period. It would be initially financed mostly through foreign sources, but domestic financing would increase gradually to represent about half of its financing. Revenues are computed as central government revenues plus revenue from SOEs assumed to be equivalent to their debt service flows. The latter represent an average of 4.4 percent of total revenues over the repayment period.

***Current account balance*.** The current account balance has been stable while significantly affected by the developments in the mining sector. After a recovery in 2017, the current account deficit increased again in 2018 mainly due to capital equipment and other imports. Mineral export constitutes significant portion of export and projected to improve, on average, over the medium term while import is projected to rise gradually on the back of increasing demand for capital goods and intermediates for infrastructure investment. Thus, the current account deficit would average around 4 percent of GDP over the medium term."

FDI inflows. FDI inflows are projected to remain at around 4 percent of GDP. Investment flows are projected to increase in the non-mining sector to compensate for an assumed slowdown in investments in the mining sector due to increased taxation under the new mining code.

Gross official reserves are expected to gradually rise over the medium term to about 5 weeks of imports.

***Financing assumptions*.** Public debt is expected to increase slowly to help finance the investment program of the new government. However, public investment is assumed to increase gradually to about 3 percent of GDP over the medium term. External financing is projected to be a mix of concessional loans (accounting for half of it) and bilateral and commercial loans. 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 bonds issuance in the domestic market. The financing mix is projected to remain unchanged over the projection period as it is assumed that DRC would not be able to switch from concessional to non-concessional borrowing.

8. The realism tool's outputs compare the DSA projections to cross-country experiences and to DRC's own historical experience (Figures 3 and 4).

- **Debt drivers:** Over the last 5 years DRC's external debt has barely changed (it actually fell), in contrast to LICs' upward PPGE debt trend. With regard to total public debt, the main driver behind its increase was the extension of debt coverage.

- **Fiscal adjustment and growth.** As noted in the staff report, the baseline is a sub-optimal scenario that assumes limited structural reforms and weak domestic revenue mobilization and limited access to external financing. The baseline scenario will not be sufficient to generate inclusive and sustained growth over the medium- to long-terms.

Compared to the previous DSA, the stock of PPG external debt is lower in 2018 than anticipated in 2015 reflecting adverse borrowing conditions over recent years.

9. **DRC's debt carrying capacity is classified as weak (Text Table 2)**. 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 variables, such as real GDP growth, import coverage of foreign exchange reserves, remittances as percent of GDP, and growth of the world economy. The CI also incorporates forward-looking elements, with the calculation based on a 10-year average (5 recent years of historical data and 5 years of projections). DRC's CI is 1.98 and is below the previous vintages. It can be explained by lower CPIA, which accounts for more than half of the total components of the CI index. DRC is a fragile state and highly vulnerable to external shocks. A tailored stress was set up for a commodity price shock as the country's main export products are copper and cobalt. Regarding the contingent liability stress test, a shock of 7.5 percent of GDP was used. The shock includes the default value of 5 percent of GDP for financial markets, a zero percent of GDP for risks associated with private-public partnerships (PPPs) as there are no PPPs in DRC, and 0.5 percent of GDP for SOEs to acknowledge the risk of having unreported debt due to the lack of regular reporting between the authorities and SOEs (Text Table 1).

Text Table 7. 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 vintages
Weak	Weak 1.98	Weak 2.04	Weak 2.09

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 2019 April WEO vintage; The previous vintage refers to the 2018 October WEO vintage.

EXTERNAL DEBT SUSTAINABILITY

Baseline

10. External debt levels are lower than projected in the 2015 DSA. PPG external debt to GDP stood at 13.6 percent of GDP at end-2018 versus a projected 24.8 percent of GDP in the 2015 DSA. A lower debt level reflects much lower borrowing flows than assumed under the previous DSA. The present value of debt to GDP ratio, reflecting the concessionality of DRC's debt, was 10.8 percent in 2018, and is anticipated to decline over the medium term (Table 1 and Figure 1).

11. External debt would be sustainable under the baseline scenario, but with vulnerabilities stemming from some structural weakness. All indicators remain well below the indicative thresholds for the PV of debt ratios and for the debt service-to-exports ratio. Specifically, the PV of PPG external debt-to-GDP ratio peaks at 10.3 percent in 2019 against a 30 percent threshold. However, the debt service-to-revenue reaches the threshold (14 percent) in 2020 and declines steadily throughout the rest of the projection period. The latter results highlight a key weakness of the Congolese economy. The low level of government revenues undermines debt sustainability and the ability of the government to borrow externally to finance its development and public investment plans.

Alternative scenarios and stress tests

12. Several external debt ratios breach their thresholds under the extreme shock[3] scenario (Figure 1). Under the exports shock scenario, the ratios of the PV of debt-to-exports, debt service-to-exports and debt service-to-revenue breach their respective thresholds, reflecting DRC's vulnerability to export shocks. The mining sector constitutes the main source of export receipts and a key driver of economic growth (Box 2 – in the staff report) and it is very sensitive to the volatility of international prices. The results also highlight the need to build buffers given low FX reserves at the BCC.

13. The low level of revenues explains why the country is classified as having a moderate risk of debt distress despite a low stock of external debt. As shown in Figure 5, the debt service-to-revenue ratio shows limited space for additional borrowing in the short term without worsening the debt rating. Revenues averaged only 9.5 percent of GDP in 2016-17, compared with 20 percent of GDP in SSA. Increasing revenue mobilization is a priority to create fiscal space to be able to invest in much needed infrastructure and priority sectors and generate inclusive growth.

14. Risks stem from commodity prices and the ability to carry meaningful reforms. As illustrated in the commodity price stress test, the country is highly vulnerable to external shocks because it is strongly dependent on volatile mining exports. The DRC needs to build buffers through prudent macroeconomic and indebtedness policies. The DGDP needs to prepare a medium-term debt strategy consistent with the sustainability of debt and efficient use of borrowed

[3] 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 2021-22.

resources. In this regard, the authorities need to ensure the high quality of projects being financed and to prioritize concessional borrowing.

PUBLIC DEBT SUSTAINABILITY

Baseline

15. The most significant difference relative to the 2015 DSA is the increase in domestic debt. At the time of the 2015 DSA, reported domestic debt was negligible, representing only 0.3 percent of GDP at end-2014. Since then, the authorities have made strong efforts to account for and reconcile accumulated arrears to suppliers and VAT arrears to the private sector accrued during the recent economic crisis. Total domestic debt now represents 6.5 percent of GDP, which brings total public debt to 20.1 percent of GDP at end-2018. The ratio of the PV of total debt-to-GDP remains below the threshold during the projection period. The baseline scenario assumes an ambitious repayment profile of arrears over the next 15 years. A conservative assumption of full amount is projected to be repaid to provision for the unaudited amount. However, while repayment of legacy arrears from social and financial are repaid in full, legacy arrears from other categories are subject to a discounted payment. Overall, the authorities expect to repay 72 percent of the legacy arrears. The PV of public debt-to-GDP ratio would reach 16.7 percent in 2019, well below the 35 percent threshold, and would follow a downward trajectory the following years, declining to 5.1 percent by 2029.

Alternative scenarios and stress tests

16. Stress tests confirm DRC's vulnerability to external shock and repayment capacity. Based on the evolution of ratios of the PV of debt-to-GDP and to revenue, the most extreme shock is the commodity price shock, in line with the findings of the previous section (Figure 2). The PV of debt-to-GDP peaks at 30.2 percent, still below the 35 percent threshold in 2021 and declines thereafter. The most extreme shock for the debt service-to-revenue ratio stems from the one-time depreciation shock highlighting the vulnerability of an economy that lacks buffers. The ratio of debt service to revenue would reach 46 percent in 2021, while being forecasted to be below 14 percent in 2019.

RISK RATING AND VULNERABILITIES

17. The external and overall risk of debt distress for the DRC remain moderate. Under the external indicators, the debt service-to-revenue ratio gets closer to the 14 percent threshold in the first years of projections and declines steadily afterwards. However, lower revenues or higher borrowing (or both) could push the rating to high risk of debt distress, even more so in the case of non-concessional borrowing. Moreover, as shown in the stress tests, the country is prone to severe shocks, especially through the export channel. External arrears are below 1 percent of GDP qualifying as *de minimus* case, so they do not affect the risk rating consideration. Domestic arrears rose significantly in recent years and will likely increase further after completion of the audit of legacy arrears. It is important that the authorities refrain from accumulating additional domestic arrears and prepare realistic plans to repay them. The current low level of domestic debt still justifies the moderate risk of debt distress rating.

Text Table 8. Democratic Republic of the Congo: Risk Ratings

	External Debt Distress Rating	Overall Risk Rating
Mechanical overall debt distress rating	Moderate	Moderate
Final external debt distress rating	Moderate	Moderate
Judgement was applied	No	No

Sources: Country authorities; and staff estimates and projections.

18. Vulnerabilities have increased, especially on debt repayment capacity, despite lower total public debt levels than projected at the time of the 2015 DSA. The weak revenue mobilization is reflected in debt service-to-revenue ratios with limited space to absorb negative shocks, especially at the beginning of the projection period (Figure 5). A cautious borrowing policy, as well as prudent fiscal policy supported by domestic revenue mobilization and structural reforms including for better management of public investments, will be key to supporting the authorities' ambitions to scale up public investment in infrastructure.

AUTHORITIES' VIEWS

19. The authorities broadly agreed with the overall assessment of the country's debt sustainability. The new government supported increased transparency and full disclosure of public debt. The authorities committed to further broaden debt coverage, especially for SOEs, and to audit the rest of the legacy arrears. While committed to prioritize concessional borrowing, they also noticed the scarcity of it. They agreed with the need to prepare a medium-term strategy to help frame the debt policy and strengthen debt management capacity.

Table 1. DRC: External Debt Sustainability Framework, Baseline Scenario, 2016-2039
(in percent of GDP, unless otherwise indicated)

	Actual			Projections												Average 8/	
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2039	Historical	Projections
External debt (nominal) 1/	17.6	16.9	13.7	13.3	12.7	12.1	10.9	9.8	8.9	8.1	7.4	6.8	6.2	5.9	4.6	23.3	9.3
of which: public and publicly guaranteed (PPG)	17.6	16.9	13.7	13.3	12.7	12.1	10.9	9.8	8.9	8.1	7.4	6.8	6.2	5.9	4.6	23.3	9.3
Change in external debt	4.2	-0.7	-3.2	-0.4	-0.5	-0.7	-1.1	-1.1	-0.9	-0.8	-0.7	-0.6	-0.6	-0.3	-0.1		
Identified net debt-creating flows	2.0	0.0	-1.5	-0.2	0.1	0.1	0.0	0.4	0.7	0.9	1.0	1.0	1.0	0.4	-0.1	-1.7	0.5
Non-interest current account deficit	4.1	3.2	4.6	3.2	3.9	4.1	4.0	4.2	4.3	4.3	4.4	4.3	4.2	3.6	2.4	4.2	4.1
Deficit in balance of goods and services	6.1	3.7	3.6	3.4	3.8	4.1	4.0	4.3	4.5	4.5	4.6	4.5	4.4	3.8	2.8	4.4	4.2
Exports	32.8	31.0	34.1	25.9	25.7	25.5	25.9	26.0	26.4	25.4	25.3	25.1	24.7	24.6	23.3		
Imports	38.9	34.7	37.7	29.4	29.5	29.6	29.9	30.2	30.9	30.0	29.9	29.6	29.0	28.3	26.2		
Net current transfers (negative = inflow)	-3.6	-3.4	-2.6	-2.6	-2.1	-2.2	-2.2	-2.3	-2.3	-2.3	-2.3	-2.2	-2.2	-2.2	-2.1	-4.2	-2.3
of which: official	-3.2	-1.9	-0.6	-2.1	-1.8	-1.9	-2.0	-2.0	-2.1	-2.1	-2.1	-2.1	-2.0	-2.0	-2.0		
Other current account flows (negative = net inflow)	1.6	2.8	3.5	2.4	2.3	2.2	2.3	2.2	2.1	2.1	2.1	2.1	2.1	2.0	1.6	4.0	2.2
Net FDI (negative = inflow)	-2.5	-2.8	-2.7	-3.2	-3.6	-3.9	-3.7	-3.5	-3.4	-3.3	-3.2	-3.2	-3.1	-3.0	-2.3	-4.0	-3.4
Endogenous debt dynamics 2/	0.5	-0.4	-3.3	-0.2	-0.2	-0.1	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2		
Contribution from nominal interest rate	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1		
Contribution from real GDP growth	-0.3	-0.6	-0.8	-0.6	-0.5	-0.4	-0.5	-0.4	-0.4	-0.3	-0.3	-0.3	-0.3	-0.2	-0.2		
Contribution from price and exchange rate changes	0.8	0.2	-2.6	...	...	...	...	...	...	...	...	...	...	...	...		
Residual 3/	2.2	-0.7	-1.7	-0.2	-0.7	-0.8	-1.1	-1.5	-1.6	-1.7	-1.7	-1.6	-1.6	-0.7	0.0	-4.8	-1.2
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	0.0	0.0	0.0	0.0		
Sustainability indicators																	
PV of PPG external debt-to-GDP ratio	...	...	10.8	10.4	9.9	9.3	8.2	7.2	6.4	5.7	5.1	4.5	3.9	3.7	2.8		
PV of PPG external debt-to-exports ratio	...	...	31.7	40.2	38.7	36.4	31.7	27.8	24.4	22.4	20.0	17.8	15.9	15.0	12.0		
PPG debt service-to-exports ratio	2.2	1.9	1.4	5.4	5.4	5.5	4.7	4.6	3.8	3.8	3.4	3.2	3.1	1.9	1.0		
PPG debt service-to-revenue ratio	6.4	6.1	4.6	13.5	14.0	13.3	11.4	10.8	9.0	8.9	8.0	7.5	7.2	4.5	2.4		
Gross external financing need (Million of U.S. dollars)	813.1	366.3	1084.4	683.3	892.2	891.1	864.5	1108.7	1238.3	1373.8	1494.0	1486.1	1534.9	875.1	474.6		
Key macroeconomic assumptions																	
Real GDP growth (in percent)	2.4	3.7	5.8	4.3	3.9	3.4	4.5	4.3	4.6	4.0	4.1	4.1	4.2	4.2	5.1	6.1	4.1
GDP deflator in US dollar terms (change in percent)	-5.6	-1.0	18.3	-0.2	1.4	1.5	1.1	1.9	1.1	1.6	1.7	1.7	1.7	1.7	1.8	3.2	1.4
Effective interest rate (percent) 4/	0.4	0.3	0.4	2.4	2.4	2.3	2.2	1.9	2.3	2.1	2.0	1.8	1.6	1.4	1.5	0.4	2.0
Growth of exports of G&S (US dollar terms, in percent)	14.9	-3.0	38.0	-20.9	4.3	4.0	7.6	6.4	7.4	2.0	5.1	5.2	3.9	5.6	11.1	12.9	2.8
Growth of imports of G&S (US dollar terms, in percent)	11.5	-8.3	36.1	-19.0	5.6	5.2	6.9	7.5	7.9	2.7	5.5	4.8	4.0	3.3	7.9	9.6	3.1
Grant element of new public sector borrowing (in percent)	...	...	...	20.7	23.6	30.1	49.2	43.2	40.8	39.4	40.2	40.9	41.5	40.6	35.5	...	37.3
Government revenues (excluding grants, in percent of GDP)	11.2	9.8	10.4	10.3	10.0	10.5	10.8	11.0	11.3	11.0	10.8	10.9	10.7	10.5	9.9	11.9	10.7
Aid flows (in Million of US dollars) 5/	1040.5	754.2	537.1	854.8	1051.7	1168.9	1211.7	1282.7	1393.2	1458.3	1542.8	1632.2	1726.5	1816.7	3224.0		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	1.5	1.8	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.9	...	1.9
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	62.5	65.7	72.6	88.7	87.9	88.0	87.8	88.1	88.4	88.6	88.6	89.1	...	82.4
Nominal GDP (Million of US dollars)	36,640	37,615	47,099	49,014	51,627	54,174	57,257	60,819	64,313	67,997	71,933	76,143	80,634	85,455	159,518		
Nominal dollar GDP growth	-3.4	2.7	25.2	4.1	5.3	4.9	5.7	6.2	5.7	5.7	5.8	5.9	5.9	6.0	7.0	9.6	5.6
Memorandum items:																	
PV of external debt 7/	...	...	10.8	10.4	9.9	9.3	8.2	7.2	6.4	5.7	5.1	4.5	3.9	3.7	2.8		
In percent of exports	...	...	31.7	40.2	38.7	36.4	31.7	27.8	24.4	22.4	20.0	17.8	15.9	15.0	12.0		
Total external debt service-to-exports ratio	2.2	1.9	1.4	5.4	5.4	5.5	4.7	4.6	3.8	3.8	3.4	3.2	3.1	1.9	1.0		
PV of PPG external debt (in Million of US dollars)			5096.3	5115.7	5131.5	5022.3	4710.8	4387.0	4134.9	3869.9	3636.3	3402.6	3165.8	3149.2	4466.9		
(PVt-PVt-1)/GDPt-1 (in percent)				0.0	0.0	-0.2	-0.6	-0.6	-0.4	-0.4	-0.3	-0.3	-0.3	0.0	0.2		
Non-interest current account deficit that stabilizes debt ratio	-0.2	3.9	7.8	3.6	4.4	4.8	5.1	5.3	5.1	5.2	5.1	5.0	4.8	3.9	2.5		

Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

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.

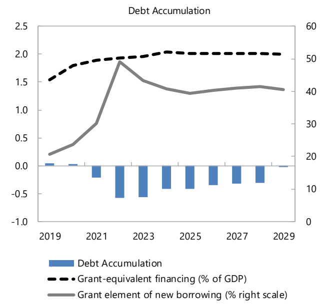
5/ Defined as grants, concessional loans, and debt relief.

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.

Definition of external/domestic debt	**Residency-based**
Is there a material difference between the two criteria?	**No**



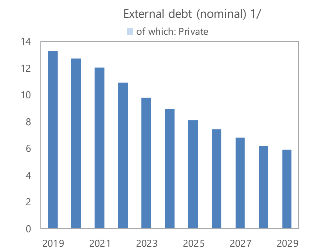
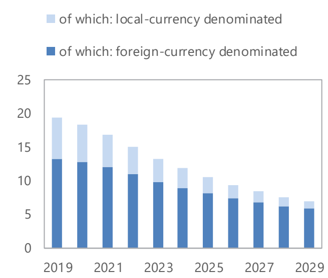


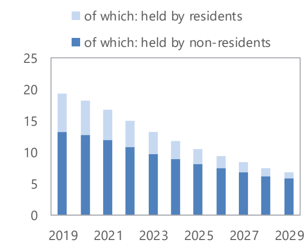
Table 2. DRC: Public Sector Debt Sustainability Framework, Baseline Scenario, 2016-2039
(in percent of GDP, unless otherwise indicated)

	Actual			Projections							Average 6/	
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2029	Historical	Projections
Public sector debt 1/	17.6	16.9	20.3	19.3	18.3	16.9	15.0	13.2	11.8	6.9	23.9	12.5
of which: external debt	17.6	16.9	13.7	13.3	12.7	12.1	10.9	9.8	8.9	5.9	23.3	9.3
Change in public sector debt	4.2	-0.7	3.4	-0.9	-1.0	-1.4	-1.9	-1.8	-1.4	-0.6		
Identified debt-creating flows	3.3	-3.6	-4.9	-1.8	-2.0	-2.2	-2.3	-2.3	-2.1	-1.7	-4.8	-2.0
Primary deficit	0.2	-1.6	-0.7	-1.2	-1.2	-1.4	-1.5	-1.5	-1.5	-1.3	-2.0	-1.4
Revenue and grants	14.0	11.7	11.6	11.6	11.5	12.1	12.5	12.7	13.1	12.3	14.4	12.4
of which: grants	2.8	2.0	1.1	1.3	1.5	1.6	1.7	1.8	1.8	1.8		
Primary (noninterest) expenditure	14.2	10.1	10.9	10.5	10.3	10.6	11.0	11.2	11.6	11.0	12.5	11.0
Automatic debt dynamics	3.1	-2.0	-4.2	-0.7	-0.8	-0.7	-0.8	-0.8	-0.6	-0.4		
Contribution from interest rate/growth differential	-0.4	-0.9	-1.2	-1.0	-0.9	-0.9	-0.9	-0.8	-0.7	-0.4		
of which: contribution from average real interest rate	-0.1	-0.2	-0.3	-0.1	-0.2	-0.3	-0.2	-0.2	-0.1	-0.1		
of which: contribution from real GDP growth	-0.3	-0.6	-0.9	-0.8	-0.7	-0.6	-0.7	-0.6	-0.6	-0.3		
Contribution from real exchange rate depreciation	3.5	-1.1	-3.0	...	...	...	...	...	...	...		
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
Privatization receipts (negative)	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		
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		
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		
Residual	0.9	2.9	8.3	1.2	1.1	0.9	0.6	0.5	0.8	1.1	-1.1	0.9
Sustainability indicators												
PV of public debt-to-GDP ratio 2/	...	...	17.5	16.6	15.6	14.2	12.4	10.8	9.4	4.8		
PV of public debt-to-revenue and grants ratio	...	...	151.1	142.7	136.1	117.6	99.8	84.5	72.0	38.9		
Debt service-to-revenue and grants ratio 3/	5.1	5.1	4.1	12.0	12.2	14.4	12.4	11.6	9.7	5.2		
Gross financing need 4/	0.9	-1.0	-0.2	0.2	0.2	0.3	0.1	0.0	-0.2	-0.7		
Key macroeconomic and fiscal assumptions												
Real GDP growth (in percent)	2.4	3.7	5.8	4.3	3.9	3.4	4.5	4.3	4.6	4.2	6.1	4.1
Average nominal interest rate on external debt (in percent)	0.4	0.4	0.4	2.5	2.4	2.3	2.2	2.0	2.3	1.4	0.4	2.1
Average real interest rate on domestic debt (in percent)	-3.8	-29.8	-22.7	-3.5	-4.6	-4.6	-4.3	-5.0	-4.3	-4.8	-11.6	-4.6
Real exchange rate depreciation (in percent, + indicates depreciation)	26.9	-6.7	-19.1	...	...	...	...	...	...	...	-1.8	...
Inflation rate (GDP deflator, in percent)	4.3	43.1	29.8	3.6	4.8	4.9	4.5	5.3	4.5	5.1	15.4	4.8
Growth of real primary spending (deflated by GDP deflator, in percent)	-14.2	-26.1	13.8	0.4	2.4	6.3	8.0	6.8	7.9	4.2	4.2	4.3
Primary deficit that stabilizes the debt-to-GDP ratio 5/	-4.0	-0.9	-4.1	-0.2	-0.1	0.0	0.4	0.3	-0.1	-0.7	-3.0	-0.2
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		

Definition of external/domestic debt	**Residency-based**
Is there a material difference between the two criteria?	**No**

Public sector debt 1/





Sources: Country authorities; and staff estimates 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.

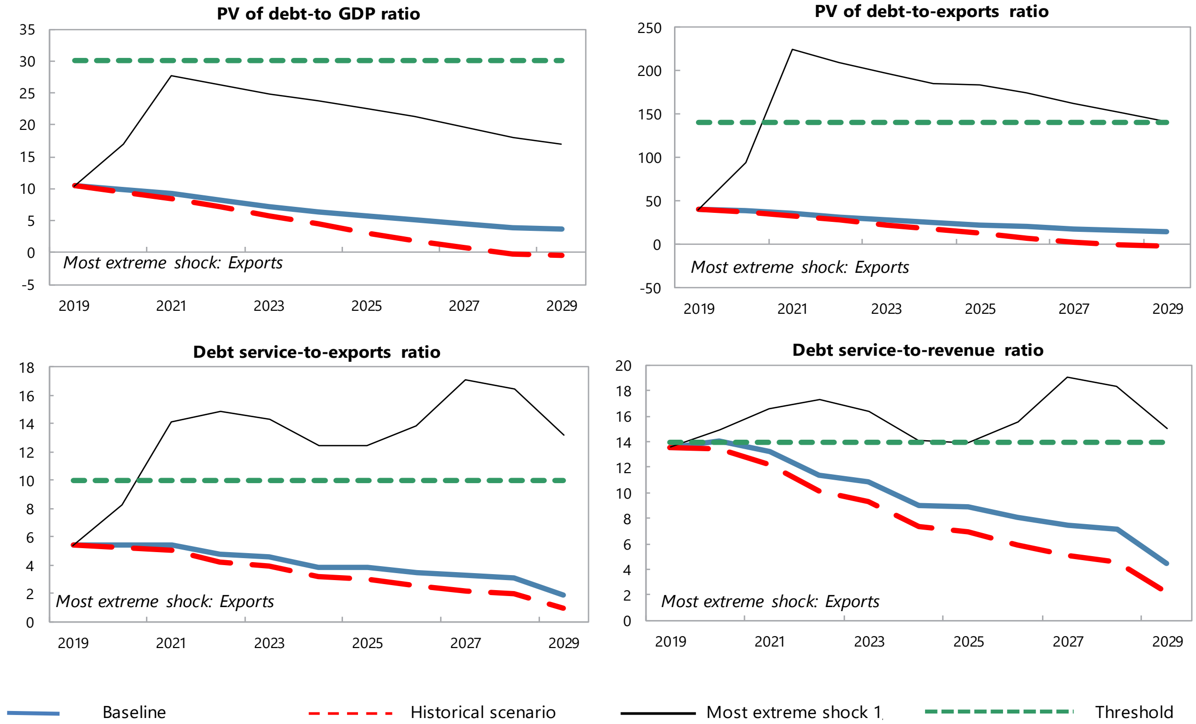
3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

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 stabilizes 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.

Figure1. DRC: Indicators of Public and Publicly Guaranteed External Debt under Alternatives Scenarios, 2019-202



Customization of Default Settings		
	Size	Interactions
Tailored Stress		
Combined CL	Yes	
Natural disaster	n.a.	n.a.
Commodity price	No	No
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	2.0%	2.0%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	29	29
Avg. grace period	5	5

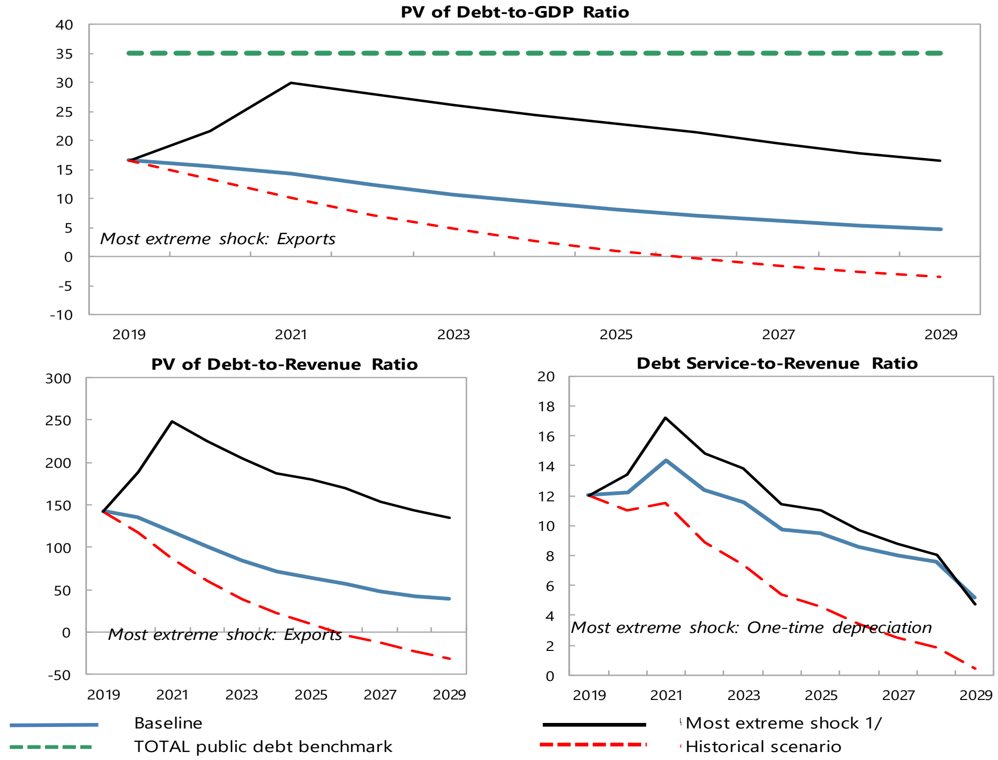
* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2029. 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 exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

2/ The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

Figure 2. DRC: Indicators of Public Debt under Alternative Scenarios, 2019-2029



Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	100%	100%
Domestic medium and long-term	0%	0%
Domestic short-term	0%	0%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	2.0%	2.0%
Avg. maturity (incl. grace period)	29	29
Avg. grace period	5	5
Domestic MLT debt		
Avg. real interest rate on new borrowing	0.0%	0.0%
Avg. maturity (incl. grace period)	1	1
Avg. grace period	0	0
Domestic short-term debt		
Avg. real interest rate	-5.3%	-5.3%

* 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 staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2029. 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 exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Table 3. DRC: Sensitivity Analysis for Key Indicators of PPG External Debt, 2019-2029

(in percent)

	Projections 1/										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
PV of debt-to GDP ratio											
Baseline	10	10	9	8	7	6	6	5	4	4	4
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2019-2029 2/	10	10	8	7	6	4	3	2	1	0	-1
B. Bound Tests											
B1. Real GDP growth	10	10	10	9	8	7	6	5	5	4	4
B2. Primary balance	10	13	15	14	13	12	11	10	9	9	8
B3. Exports	10	17	28	26	25	24	23	21	20	18	17
B4. Other flows 3/	10	12	13	12	10	10	9	8	7	7	6
B5. Depreciation	10	13	9	8	7	6	5	4	4	3	3
B6. Combination of B1-B5	10	15	14	13	12	11	10	9	8	8	7
C. Tailored Tests											
C1. Combined contingent liabilities	10	15	14	13	12	11	10	10	9	8	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	10	12	12	11	10	9	8	8	7	6	5
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	40	39	36	32	28	24	22	20	18	16	15
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2019-2029 2/	40	37	33	28	22	17	12	7	3	-1	-2
B. Bound Tests											
B1. Real GDP growth	40	39	36	32	28	24	22	20	18	16	15
B2. Primary balance	40	50	59	53	49	45	43	40	38	36	34
B3. Exports	40	94	**225**	**210**	**198**	**186**	**184**	**175**	**162**	**152**	**142**
B4. Other flows 3/	40	45	50	44	40	36	35	32	29	27	25
B5. Depreciation	40	39	29	25	21	18	15	13	11	10	9
B6. Combination of B1-B5	40	65	52	68	62	57	54	49	45	41	39
C. Tailored Tests											
C1. Combined contingent liabilities	40	58	56	51	46	42	41	38	36	34	33
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	40	49	53	46	41	36	34	30	27	24	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.
Threshold	140	140	140	140	140	140	140	140	140	140	140
Debt service-to-exports ratio											
Baseline	5	5	5	5	5	4	4	3	3	3	2
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2019-2029 2/	5	5	5	4	4	3	3	3	2	2	1
B. Bound Tests											
B1. Real GDP growth	5	5	5	5	5	4	4	3	3	3	2
B2. Primary balance	5	5	6	5	5	4	4	4	5	5	3
B3. Exports	5	8	14	15	14	12	12	14	17	16	13
B4. Other flows 3/	5	5	6	5	5	4	4	4	4	4	3
B5. Depreciation	5	5	5	5	4	4	4	3	3	3	1
B6. Combination of B1-B5	5	7	9	8	7	6	6	7	6	6	4
C. Tailored Tests											
C1. Combined contingent liabilities	5	5	6	5	5	4	4	4	4	4	2
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	5	6	6	5	5	4	4	4	4	4	3
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	14	**14**	13	11	11	9	9	8	7	7	4
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2019-2029 2/	14	13	12	10	9	7	7	6	5	5	2
B. Bound Tests											
B1. Real GDP growth	14	**15**	**14**	12	12	10	10	9	8	8	5
B2. Primary balance	14	**14**	**14**	13	12	10	10	10	11	11	8
B3. Exports	14	**15**	**17**	**17**	**16**	**14**	14	**16**	**19**	**18**	**15**
B4. Other flows 3/	14	**14**	14	12	12	10	10	9	10	9	6
B5. Depreciation	14	**18**	**17**	14	13	11	11	10	8	8	4
B6. Combination of B1-B5	14	**15**	**16**	14	13	11	11	11	11	10	7
C. Tailored Tests											
C1. Combined contingent liabilities	14	**14**	**15**	13	12	10	10	9	9	8	5
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	14	**16**	**15**	14	13	10	10	10	9	9	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	14	14	14	14	14	14	14	14	14	14	14

Sources: Country authorities; and 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. DRC: Sensitivity Analysis for Key Indicators of Public Debt, 2019-2029

	Projections 1/										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
PV of Debt-to-GDP Ratio											
Baseline	17	16	14	12	11	9	8	7	6	5	5
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2019-2029 2/	17	13	10	7	5	3	1	0	-2	-3	-3
B. Bound Tests											
B1. Real GDP growth	17	16	16	15	13	13	12	11	11	10	10
B2. Primary balance	17	18	20	18	16	15	14	12	11	10	10
B3. Exports	17	22	30	28	26	24	23	21	20	18	16
B4. Other flows 3/	17	17	18	16	14	13	11	10	9	8	7
B5. Depreciation	17	18	15	13	11	9	7	5	4	3	2
B6. Combination of B1-B5	17	17	16	12	10	9	8	7	6	5	4
C. Tailored Tests											
C1. Combined contingent liabilities	17	21	19	17	16	14	13	12	11	10	9
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	17	17	16	16	15	15	14	13	13	12	12
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	143	136	118	100	84	72	64	56	49	42	39
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2019-2029 2/	143	117	86	60	39	22	9	(3)	(13)	(23)	(31)
B. Bound Tests											
B1. Real GDP growth	143	143	132	117	104	95	91	87	82	80	80
B2. Primary balance	143	161	164	145	127	113	105	98	88	82	78
B3. Exports	143	188	248	225	204	187	179	170	154	143	134
B4. Other flows 3/	143	151	146	127	110	97	89	81	71	64	59
B5. Depreciation	143	154	129	106	86	68	56	44	31	21	13
B6. Combination of B1-B5	143	151	133	96	81	69	61	54	46	40	37
C. Tailored Tests											
C1. Combined contingent liabilities	143	180	159	139	123	108	101	93	85	79	75
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	143	157	147	137	126	116	111	106	101	99	100
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	14	12	12	10	9	9	8	8	5
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2019-2029 2/	12	11	12	9	7	5	5	3	3	2	0
B. Bound Tests											
B1. Real GDP growth	12	13	15	13	13	11	11	10	9	9	7
B2. Primary balance	12	12	15	14	13	11	11	11	11	11	8
B3. Exports	12	12	16	16	15	13	13	14	16	16	13
B4. Other flows 3/	12	12	15	13	12	10	10	10	10	9	7
B5. Depreciation	12	13	17	15	14	11	11	10	9	8	5
B6. Combination of B1-B5	12	12	14	12	11	10	9	8	8	7	5
C. Tailored Tests											
C1. Combined contingent liabilities	12	12	16	14	13	11	10	10	9	8	6
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	13	16	14	13	11	11	10	10	10	8
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.

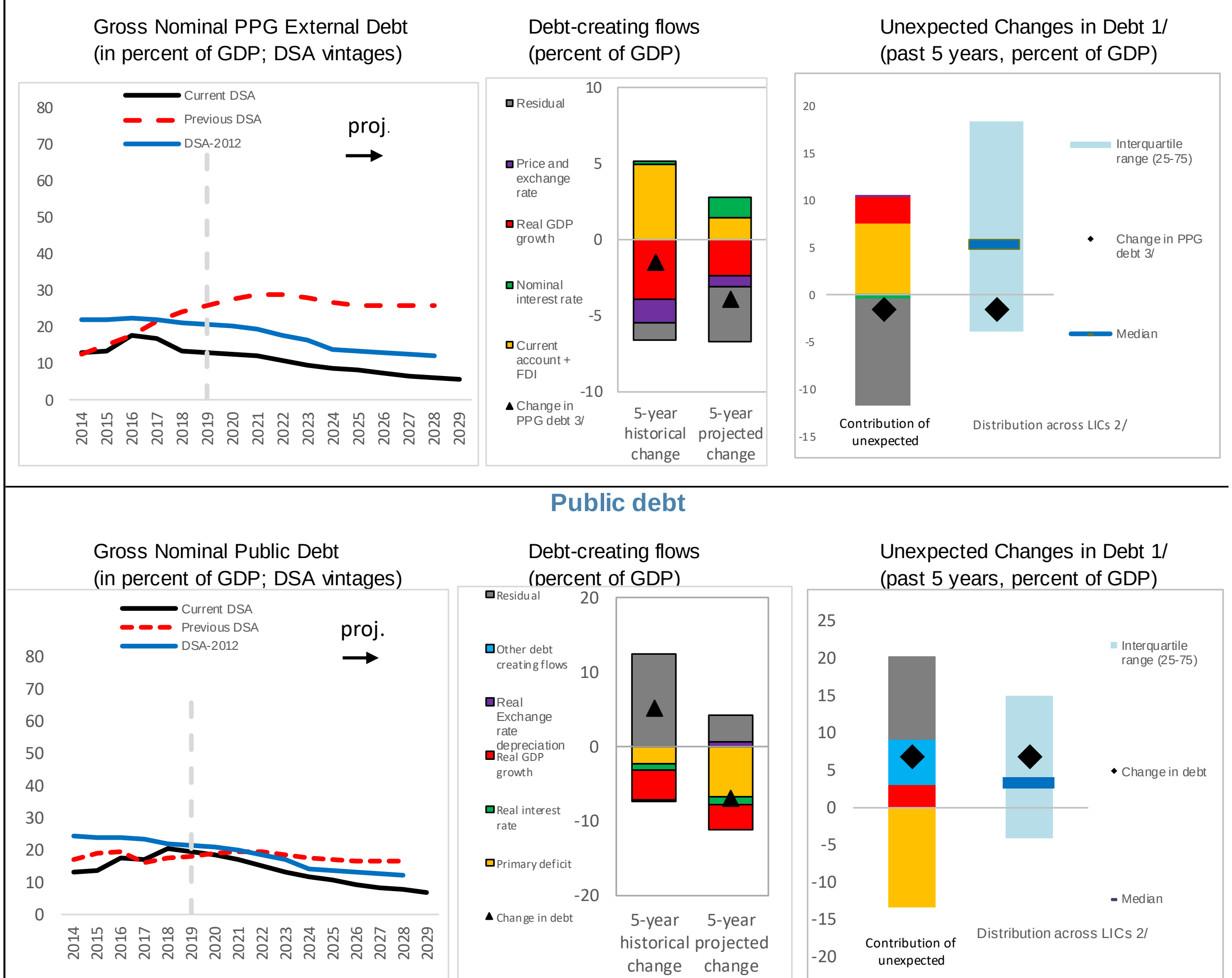
Sources: Country authorities; and staff estimates and projections.

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.

Figure 3. DRC: Drivers of Debt Dynamics – Baseline Scenario

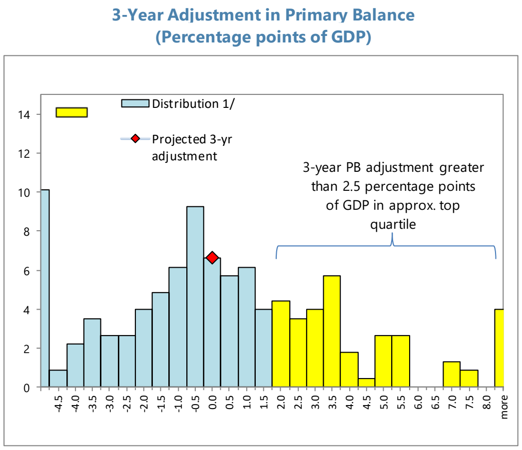


1/ Difference between anticipated and actual contributions on debt ratios.

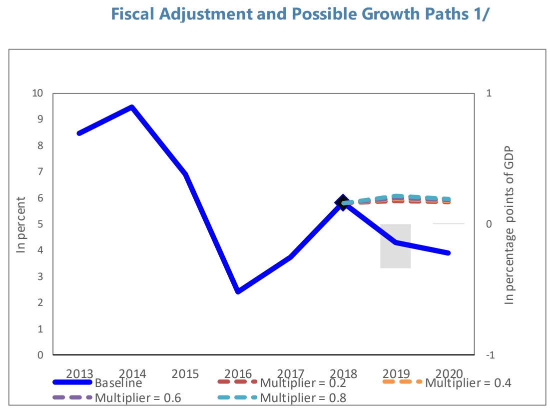
2/ Distribution across LICs for which LIC DSAs were produced.

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.

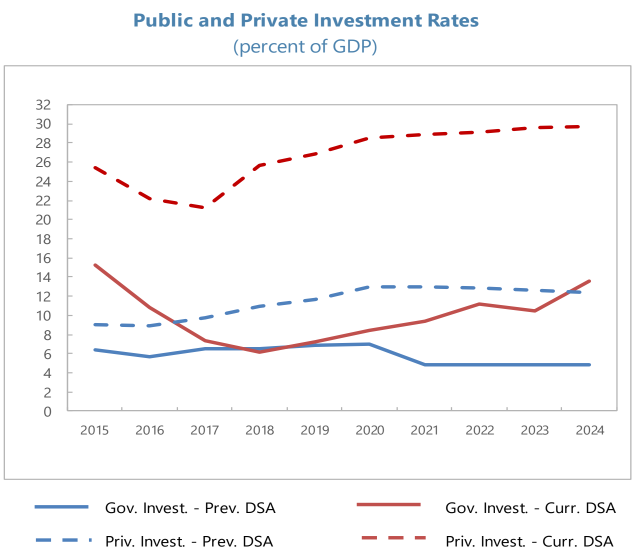
Figure 4. DRC: Realism Tools



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.

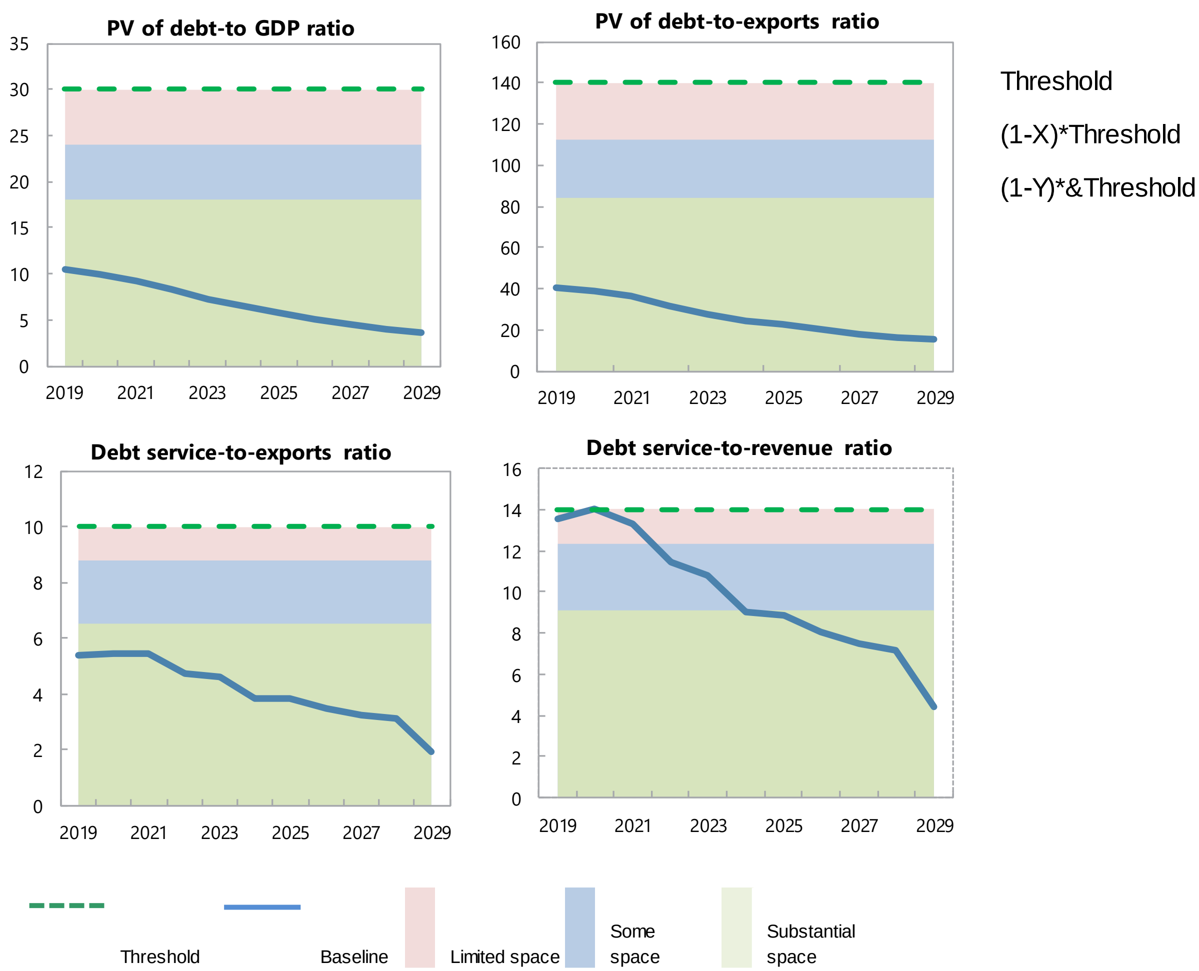


1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).



The Chart on Contribution to Real GDP growth is not presented due to missing data from 2015 DSA.

Figure 5. DRC: Qualification of the Moderate Category 2019-2029[1]



Sources: Country authorities; and 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.