



DR Congo

DR Congo: Scenarios

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DR Congo: Scenarios

- Relationship between scenarios
- Demographics and Health scenario
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- Large Infrastructure and Leapfrogging scenario
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- Governance scenario

Relationship between scenarios

Chart 9: Current Path and scenarios

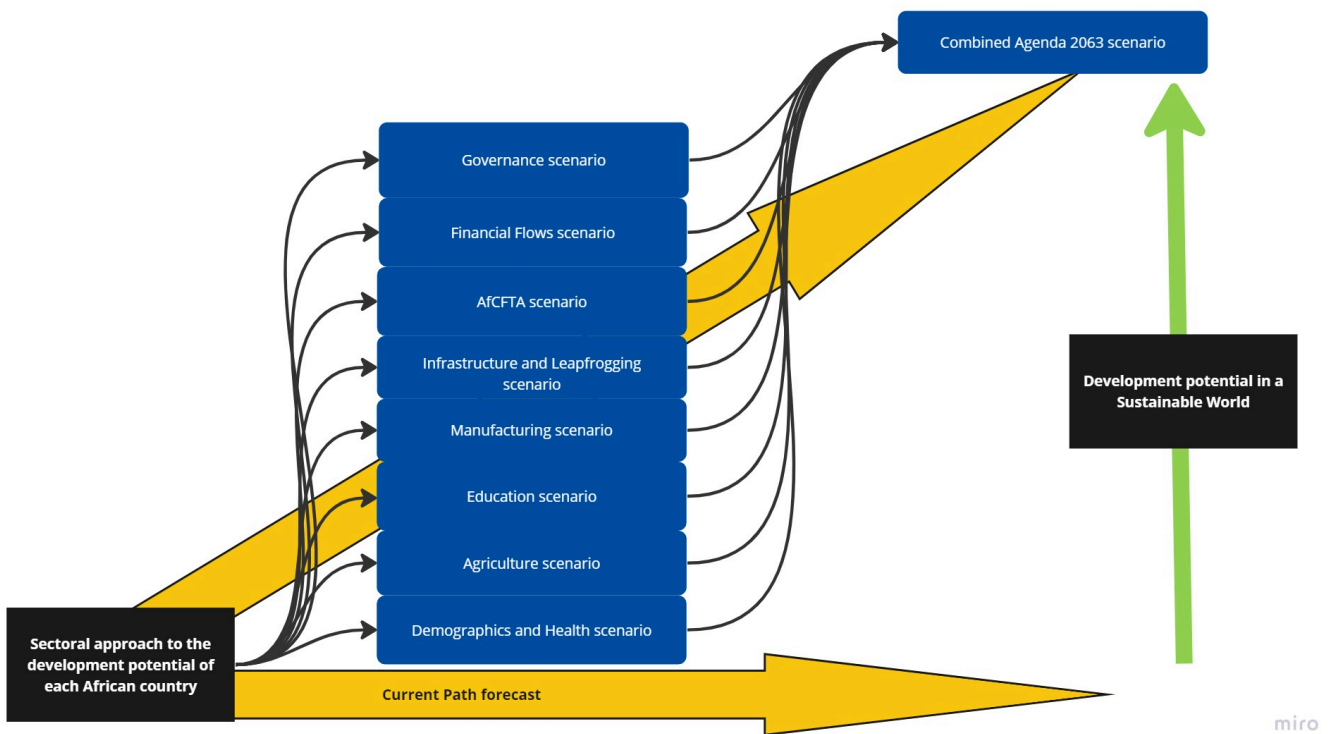


Chart 9 depicts the relationship between the Current Path forecast, the various sectoral scenarios and the Combined Agenda 2063 scenario.

The **Current Path** forecast is a dynamic scenario in the [International Futures forecasting platform](#) that imitates continuing current policies and environmental conditions.

The eight sectoral scenarios are each explained in the various themes on the website and the impact on each is compared

with the Current Path forecast and a Combined Agenda 2063 scenario. The eight scenarios are:

- A more rapid **demographic** transition and investments in better **health** and water, sanitation and hygiene (WaSH) infrastructure
- Better and more **education** (looking at quantity, quality and relevance)
- Large **infrastructure** and **leapfrogging** (the impact of renewables, ICT and the more rapid formalisation of the informal sector)
- Food security and an **agricultural** revolution
- A low-end **manufacturing** transition
- The full implementation of the **African Continental Free Trade Area (AfCFTA)**
- More inward **financial flows** (consisting of aid, foreign direct investment, remittances and illicit financial flows).
- Better **governance** (consisting of stability, capacity and inclusion)

The **Combined Agenda 2063** scenario is a combination of all eight sectoral scenarios.

The impact of these scenarios on **jobs/employment** and **greenhouse gas emissions and energy** are presented in separate themes.

A final theme models the effect of alternative **global scenarios** on Africa's development potential.

The interventions within IFs are detailed in an annexure at the end of this page.

Demographics and Health scenario

Chart 10: Demographics and Health scenario

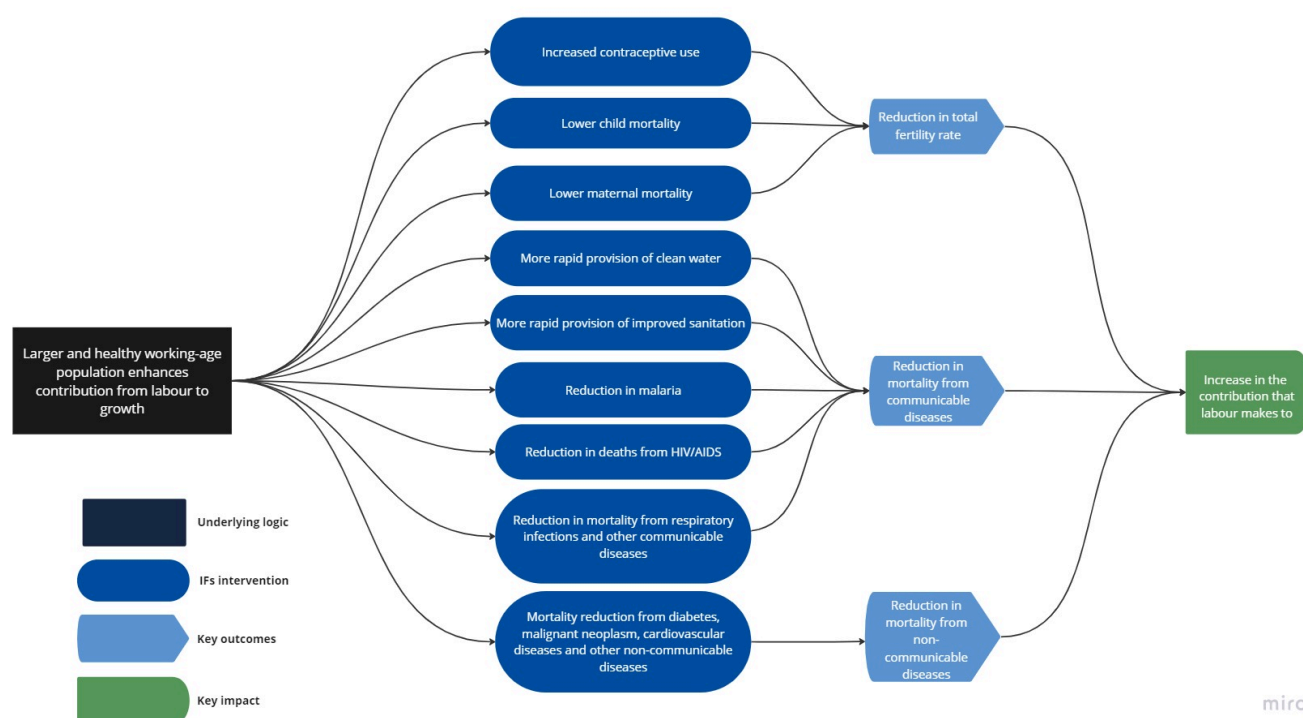


Chart 10 presents the structure of the Demographics and Health scenario as modelled in IFs that advances the demographic dividend and improves health.

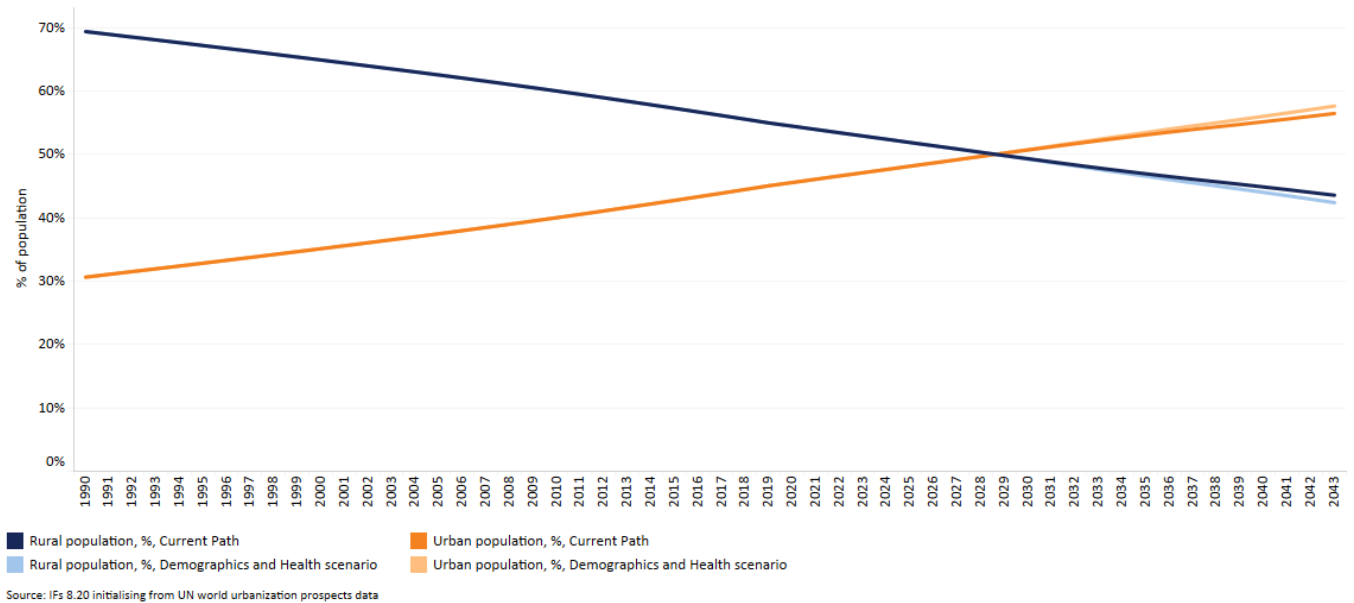
The Demographics and Health scenario consists of reasonable but ambitious reductions in child and maternal mortality ratio, increased access to modern contraception and reductions in the mortality rates associated with both communicable diseases (e.g. AIDS, diarrhoea, malaria and respiratory infections) and non-communicable diseases (e.g. diabetes), as well as improvements in access to safe water and better sanitation.

Visit the themes on [Demographics](#) and [Health/WaSH](#) for more detail on the scenario structure and interventions.

The characteristics of a country's population can shape its long-term social, economic and political foundations. Thus, understanding a nation's demographic profile indicates its development prospects. A healthy population is a key driver of labour and capital investment and economic growth. A healthier population can lead to higher GDP per capita in the long term due to its impact on population participation and productivity.

The DR Congo's health sector has been greatly impacted by the country's own protracted conflicts, as well as by the continued long-standing complex humanitarian crises in the world. This has been worsened by the COVID-19 pandemic and by recurrent disease outbreaks such as cholera, measles and Ebola. There is significant evidence that COVID-19 has had a negative effect on the utilisation of health services since March 2020, with a decline in hospital visits, a decrease in the number of antenatal care visits, reduction in access to family planning and contraception and increased food insecurity. Nearly 23 million children missed out on routine vaccinations in 2020 due to the COVID-19 pandemic—the highest number in more than a decade, according to [WHO/UNICEF data](#).

Chart 11: Urban and rural population in Current Path and Demographics and Health scenario, 1990-2043



Rapid population growth in the DR Congo goes hand-in-hand with rapid urbanisation. In 2021, about 45.3% of the population lived in urban areas, up from 30.6% in 1990. This is about 16.6 percentage points more than the average of 28.7% for low-income African countries.

On the Current Path development trajectory, the rate of urbanisation in the DR Congo is projected to increase to about 58.3% (nearly 95.4 million people) by 2043, while the rural population will drop to 41.7% by 2043 from about 69.4% in 1990 and 54.7% in 2021.

In the Demographics and Health scenario, the urban population in the DR Congo will decrease to about 92 million people (nearly 59.6% of total population). This is a reduction of about 3.5% (equivalent to nearly 3.4 million people) relative to the Current Path forecast in 2043. The size of the urban population in 2043 will be significantly above the projected average of low-income African countries by 17.3 percentage points in this scenario.

Rapid urbanisation in the DR Congo is associated with unemployment, poverty, inadequate healthcare, poor sanitation, urban slums and environmental degradation, especially in the main cities such as Kinshasa. Nearly three-quarters of the urban population in the DR Congo live in slums, which is 15 percentage points higher than the average for sub-Saharan Africa.

Chart 12: Infant mortality rate in Current Path and Demographics and Health scenario, 2019-2043

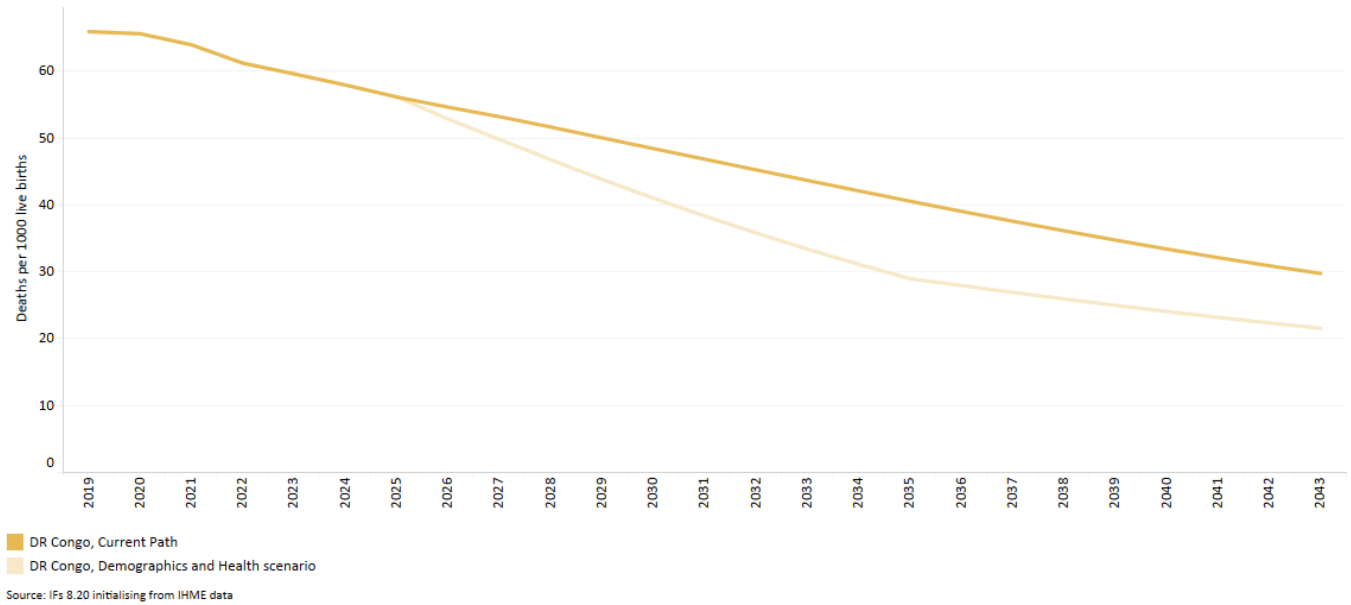


Chart 12 presents the infant mortality rate in the Current Path and the Demographics and Health scenario.

The infant mortality rate is the probability of a child born in a specific year or period dying before reaching the age of one. It measures the survival rate of children born and reflects the social, economic and environmental conditions in which children live, including their healthcare. The rate is measured as the number of infant deaths per 1 000 live births, and it is considered a proxy indicator of general population health. A high rate of infant mortality reflects precarious conditions such as poor nutrition, low access to safe drinking water and inadequate healthcare services.

At 49 infant deaths per 1 000 live births in 2021, infant mortality in the DR Congo was higher than the average of 46 and 43.6 deaths per 1 000 live births for low-income African countries and Africa, respectively. One reason for high infant mortality in the DR Congo is its reliance on a physical and healthcare infrastructure that has suffered from lack of investment and fallen prey to decades of protracted conflict, poor governance and economic mismanagement. The Demographics and Health scenario will reduce the infant mortality rate in the DR Congo to 19.2 deaths per 1 000 live births by 2043, compared to 27.1 deaths in the Current Path forecast.

When it comes to **fertility rates**, in 2021, the DR Congo had the fourth highest total fertility globally (an average of six births per woman) after Niger, Chad and Somalia, respectively. The fertility rate in the DR Congo is mainly driven by cultural values, which encourage people to have large families, and an early start to childbearing, which means more years of giving birth and less use of contraception. The Demographics and Health scenario will reduce the fertility rate from about four births per woman in the Current Path forecast to three births per woman in 2043.

Chart 13: Demographic dividend in the Current Path forecast and the Demographics and Health scenario, 1990-2043

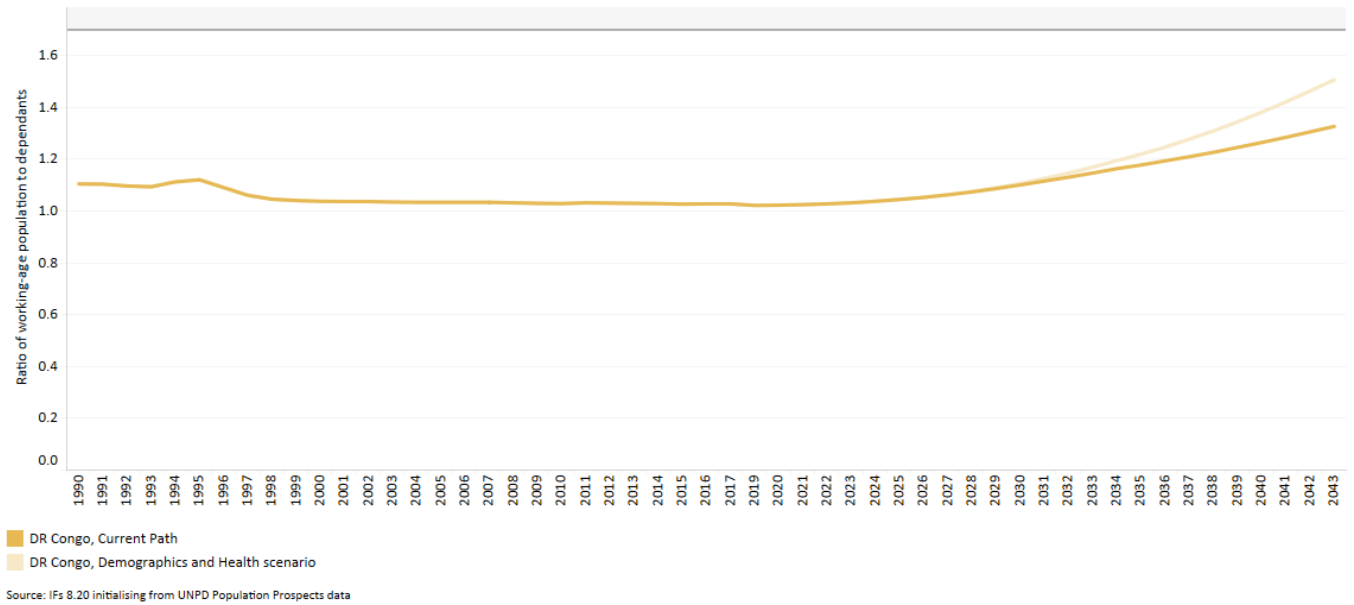


Chart 13 presents the demographic dividend in the Current Path and in the Demographics and Health scenario.

Demographers typically differentiate between a first, second and even a third demographic dividend. We focus here on the contribution of the size of the labour force (people between 15 and 64 years of age) relative to dependants (children and elderly people) as part of the first dividend. A window of opportunity opens when the ratio of the working-age population to dependants is equal to or surpasses 1.7.

In 2021, the ratio of the working-age population to dependants stood at 1.02 to 1. On the Current Path, it is forecast to be 1.5 to 1 by 2043. In the Demographics and Health scenario, the ratio of working-age population to dependants will be 1.7 to 1 by 2043. The minimum ratio of 1.7 to 1 described above will first be reached in 2043, six years earlier than the average for African low-income countries.

The increasing size of the working-age population in the DR Congo can be a catalyst for growth if sufficient education is provided and adequate employment is generated to successfully harness their productive power. Otherwise, it could turn into a demographic 'bomb' as many people of working age may remain in poverty, potentially creating frustration, social tension and conflict.

Agriculture scenario

Chart 14: Agriculture scenario

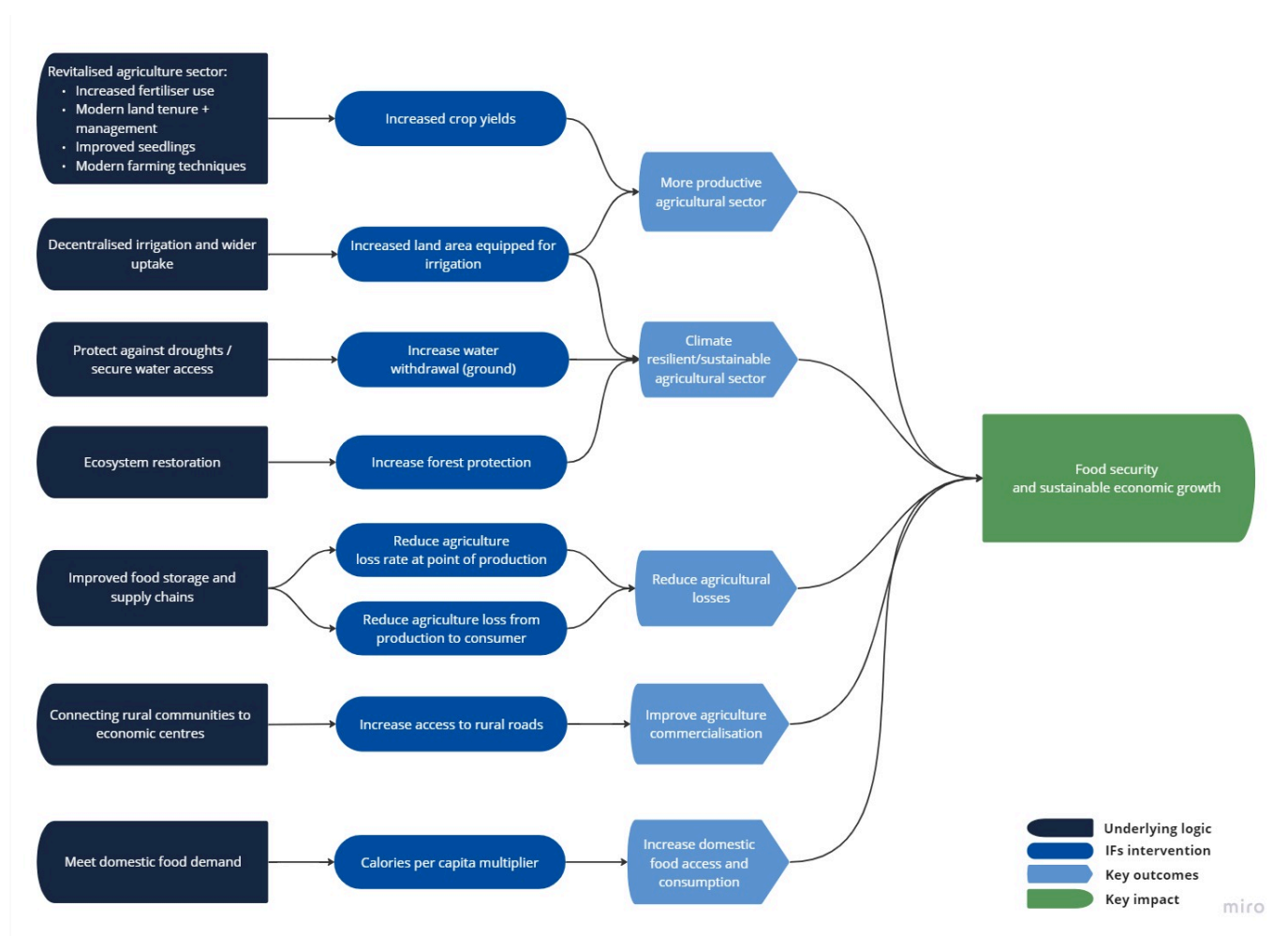


Chart 14 sets out the composition of the Agriculture scenario to advance food security.

The Agriculture scenario represents reasonable but ambitious increases in yields per hectare (reflecting better management and seed and fertiliser technology), increased land equipped and under irrigation and reductions in food loss and waste. We use increased calorie consumption as a proxy for food self-sufficiency above food exports as a desirable policy objective.

The increase in forest protection reflects sustainable land use practices.

Visit the theme on [Agriculture](#) for our conceptualisation and details on the scenario structure and interventions.

The DR Congo has more **agricultural land** than any other country in Africa. It has an estimated 80 million hectares of available arable land but only about 10% of this land is currently being cultivated. The country has the largest **untapped agricultural production**, with production potential capable of feeding a quarter of the world’s population. But the country has so far failed to make the required investments and policy changes to make this potential a reality.

Despite being the country with the largest available farmland in Africa, the DR Congo has not achieved food independence

and malnutrition is widespread. According to the Global Hunger Index 2023, the DR Congo is one of the world's most food-insecure countries, ranking 122nd out of 125, with an agricultural extension system that is apparently ineffectual. The main cash crops are coffee, palm oil, rubber, cotton, sugar, tea and cocoa. Food crops include cassava, plantains, corn, peanuts and rice.

The **agriculture sector** accounts for over 60% of new jobs, and in 2021, the sector accounted for about 19% of its GDP—a decline from about 56.5% in 1994. The agriculture sector in the DR Congo was severely affected by violent armed conflicts from 1996 to 2000. For instance, by 2006, agricultural productivity had **fallen** to 60% of its level at independence in 1960.

The DR Congo Agriculture Rehabilitation and Recovery Support project (ARRSP) aims to increase agricultural productivity by smallholder farmers. Other **constraints** on production include a lack of transport infrastructure, limited access to agricultural inputs and land disputes.

In 2021, crop yields were estimated at about 5 metric tons per hectare, a decline of nearly 1.5 metric tons per hectare in the past decade, however, above the estimated average of 2.9 metric tons per hectare for low-income African countries in the same year. In the Current Path forecast, crop yields are projected to increase to about 5.5 metric tons per hectare in 2043. In the Agriculture scenario, crop yields in the DR Congo will improve to 8.3 metric tons per hectare, which is an increase of nearly 2.8 metric tons per hectare relative to the Current Path forecast.

Chart 15: Import dependence in the Current Path and Agriculture scenario, 2019-2043

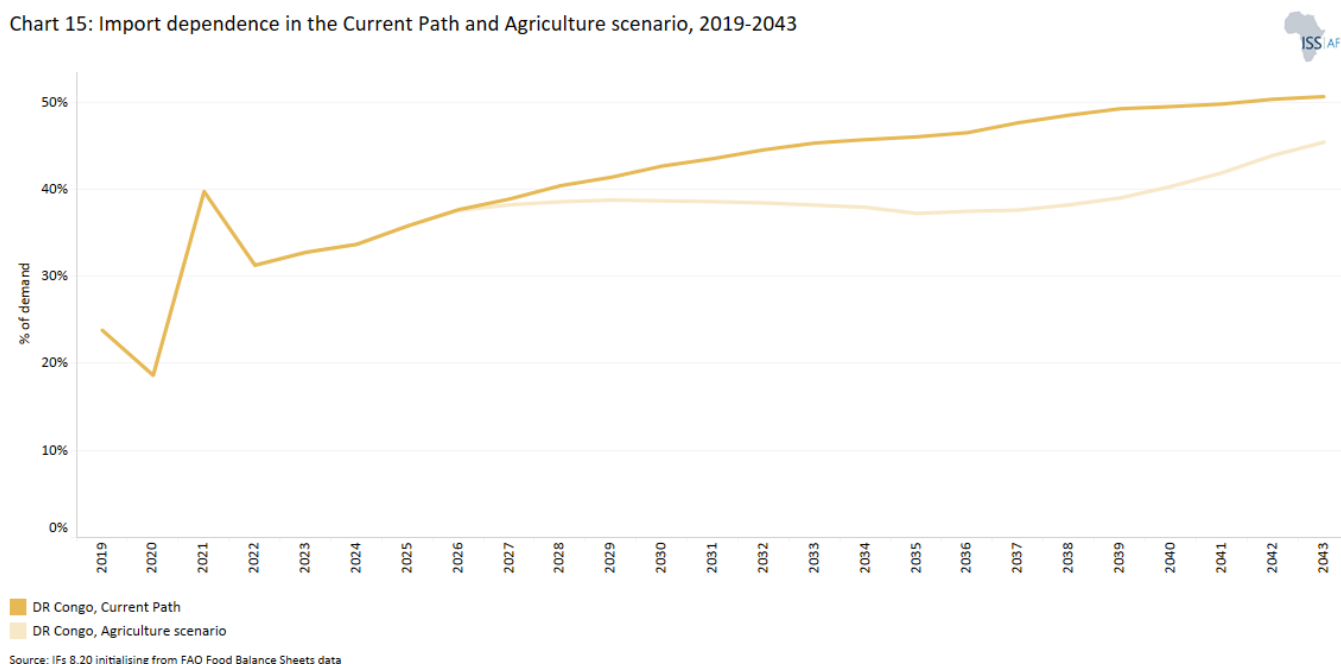


Chart 15 presents import dependence in the Current Path forecast and the Agriculture scenario.

The data on agricultural production and demand in the IFs forecasting platform initialises from data provided on food balances by the Food and Agriculture Organization (FAO). IFs contains data on numerous types of agriculture but aggregate its forecast into crops, meat and fish, presented in million metric tons. Chart 17 shows agricultural production and demand as a total of all three categories.

Without significant efforts to improve agricultural production, the current low crop yield will continue to make the DR Congo a net food importer for the foreseeable future. In 2021, the DR Congo's post-loss agricultural production (crop, meat and fish) stood at 59 million metric tons, falling short of 9.2 million metric tons to meet the year's agricultural

demand of 68.3 million metric tons.

In the Current Path forecast, by 2043, the gap between agriculture production and demand is projected to increase to nearly 50 million metric tons. The Agriculture scenario will increase post-loss production by nearly 4.1 million metric tons relative to the Current Path forecast of 90.3 million metric tons in 2043.

Education scenario

Chart 16: Education scenario

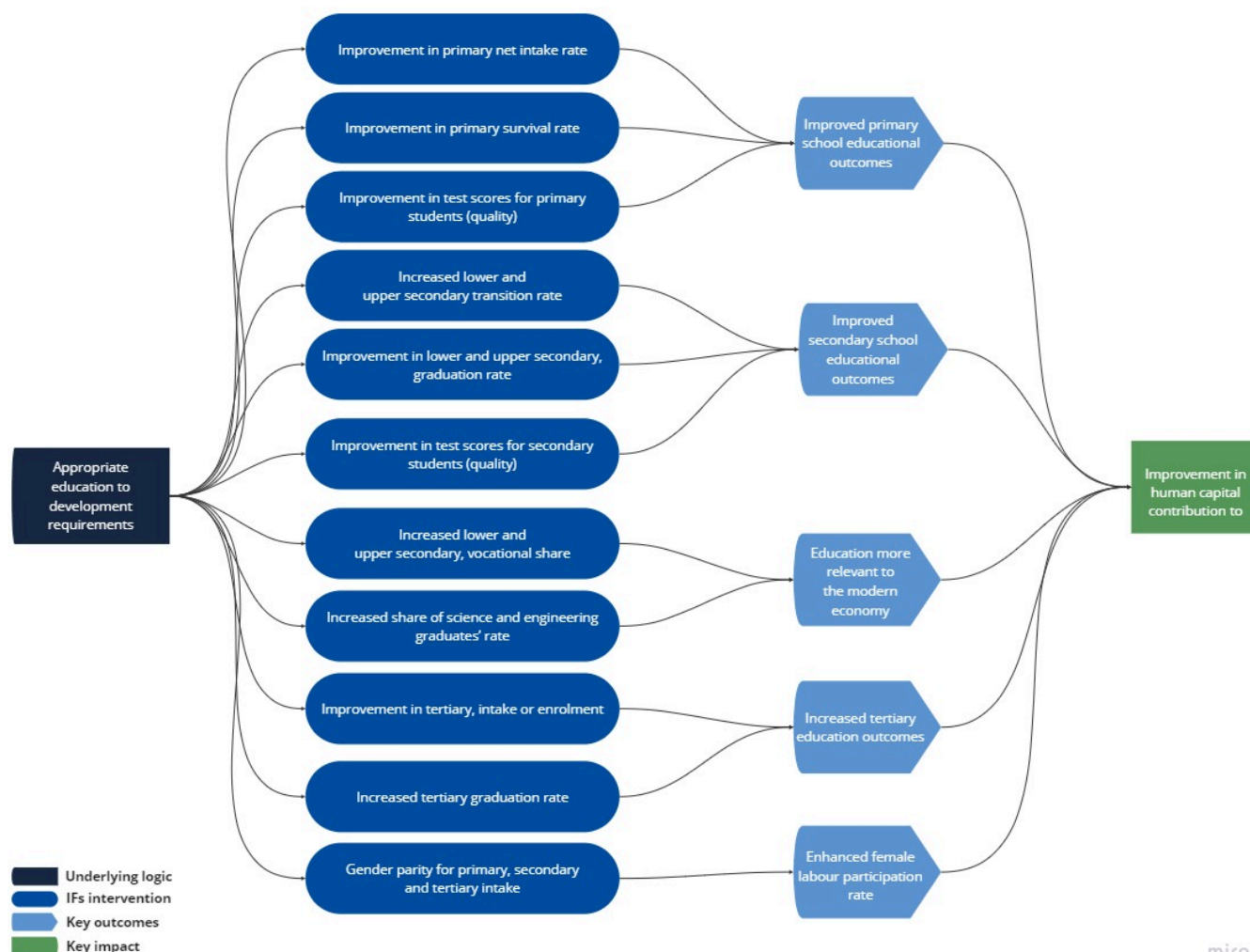


Chart 16 presents the structure of the Education scenario as modelled in IFs. The scenario improves the quantity and quality of education as well as its relevance to job requirements.

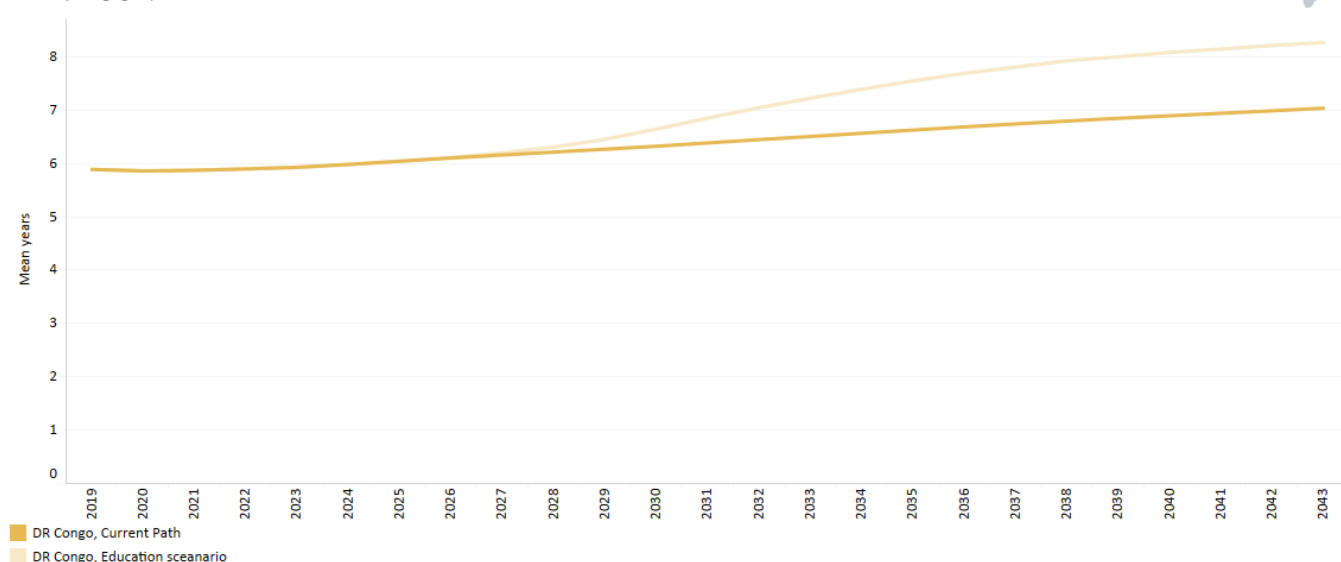
The Education scenario represents reasonable but ambitious improved intake, transition and graduation rates from primary to tertiary levels and better quality of education at primary and secondary levels. It also models substantive progress towards gender parity at all levels, additional vocational training at the secondary school level and increases in the share of science and engineering graduates.

Visit the theme on [Education](#) for our conceptualisation and details on the scenario structure and interventions.

Political instability and conflicts in the 1990s severely affected the educational outcomes in the DR Congo. In addition, widespread malnutrition, the difficulty of switching from mother tongue tuition to learning in French, and, in particular, financial constraints continue to hamper educational **outcomes**. Despite these challenges, the DR Congo has recorded a notable improvement in indicators related to education (i.e. literacy and net enrollment rates) in recent years. For example, the literacy rate for people aged 15 years and older improved from 61.2% in 2007 to 79.4% in 2021.

Quality education is crucial for economic development. It not only allows the country to increase its current added value but also creates tomorrow's technological innovations. Thus, Congolese authorities should accelerate reforms to improve the quality of education in the country.

Chart 17: Mean years of education in Current Path and Education scenario, 2019-2043
15 to 24 year age group



Source: IFS 8.20 initialising from Barro-Lee data

Chart 17 presents mean years of education in the Current Path forecast and the Education scenario for 15 to 24 age group.

The average years of education in the adult population (aged 15 years and older) is a good first indicator of the stock of knowledge in society. However, since that measure changes only very slowly, Chart 17 presents the mean for the 15 to 24 age cohort.

The average years of education in the adult population (aged 15 to 24 years) is a good indicator of the stock of education in a country. The average years of education for adults aged 15 to 24 years was estimated at 6.8 years in 2021, about eight months above the average of low-income African countries. On the Current Path, the average years of education in the DR Congo is projected to improve to about 8.5 years by 2043, which is above the projected average of low-income African countries at 7.8 years in the same year. In the Education scenario, the mean years of education will increase to 10.1 years—an increase of about 1.5 years relative to the Current Path forecast in 2043.

Although the DR Congo has made **significant progress** in getting more children into school in recent years, the quality of education they receive is poor and not well suited to the needs of the job market. The main factors explaining this low quality of education are a shortage of teaching staff with the required skills, obsolete equipment and overcrowded classrooms. The **education sector** is underfunded: government spending on education was about 1.5% of GDP in 2021, while the average of low-income African countries was 3.6% of GDP.

In the Education scenario, the score for the quality of primary education will improve from 33.3 out of a possible 100 in 2021 to 35.7 in 2043—a 0.9% increase compared to the Current Path forecast of 35.4 in 2043. The score for the quality of secondary education will improve from 42.2 in 2021 to 41.7 in 2043 (in the scenario)—a 1.8% reduction in quality compared to the Current Path forecast of 42.4 in 2043.

By investing in the education of its citizens, the DR Congo can cultivate a foundation for innovation, economic advancement, and social harmony.

Manufacturing scenario

Chart 18: Manufacturing scenario

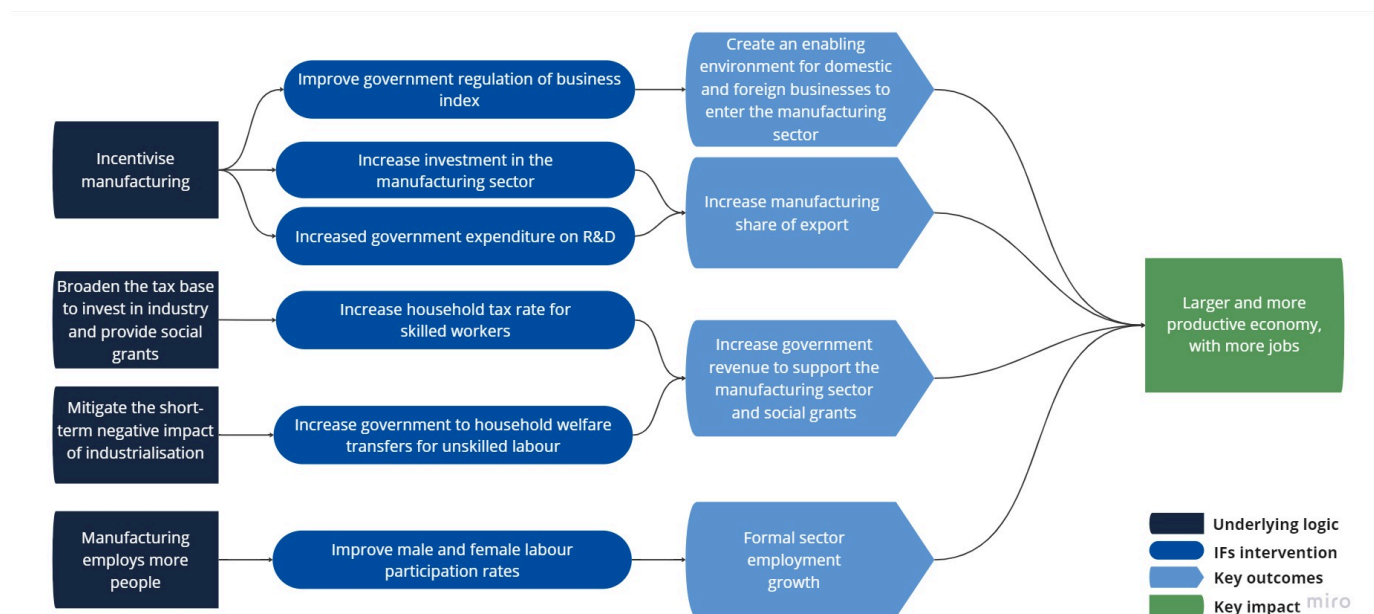


Chart 18 presents the structure of the Manufacturing scenario as modelled in IFs.

The Manufacturing scenario represents reasonable but ambitious manufacturing growth through greater investment in the manufacturing sector, in research and development (R&D) as well as improvement in government regulation of businesses. It increases total labour participation rates with a larger increase in female participation rates where appropriate. It is accompanied by increased welfare transfers (social grants) to unskilled workers to moderate the initial increases in inequality typically associated with a manufacturing transition.

Visit the theme on [Manufacturing](#) for our conceptualisation and details on the scenario structure and interventions. Chart 18 presents a summary chart that sets out the composition of the scenario.

In the DR Congo, manufacturing plays a marginal role in the country's economy. In terms of value added, the sector only contributed about 17.2% of GDP in 2021. Products include processed foods (particularly flour and sugar), beer and other beverages, cigarettes, textiles and clothing, footwear, processed wood and paper, chemicals, cement and bricks, glassware and metal goods, such as nails and metal furniture.

Chart 19: Value-add by the manufacturing sector in Current Path and Manufacturing scenario, 2019-2043

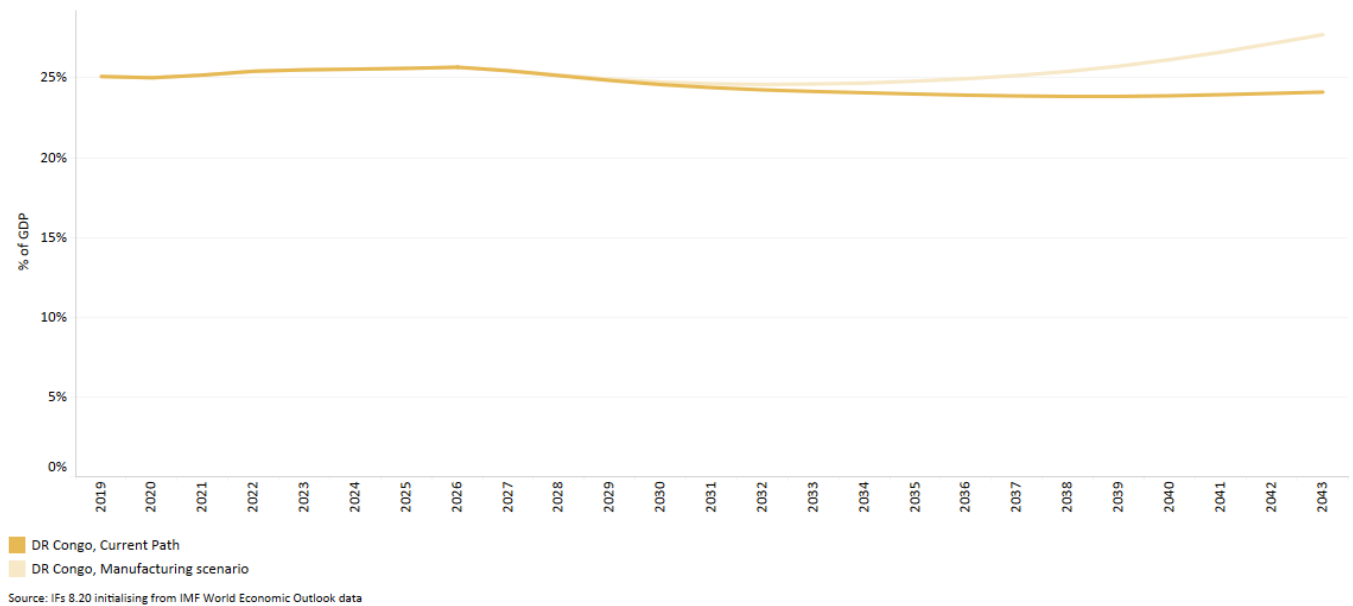


Chart 19 presents the contribution of the manufacturing sector to GDP in the Current Path and in the Manufacturing scenario. The IFs platform uses data from the Global Trade and Analysis Project (GTAP) to classify economic activity into six sectors: agriculture, energy, materials (including mining), manufacturing, services and information and communication technologies (ICT). Most other sources use a threefold distinction between only agriculture, industry and services, with the result that data may differ.

In the Current Path forecast, the manufacturing sector value-added contribution to GDP is projected to reach 25.2% by 2043. The manufacturing scenario will increase the share to 30.1% of GDP by 2043—an increase of nearly five percentage points relative to the Current Path forecast. Thus, the Manufacturing scenario will increase the size of the DR Congo’s economy by U\$16.9 billion relative to the Current Path forecast in 2043.

In addition to a larger economy, the Manufacturing scenario also reduces extreme poverty. Instead of 66.9 million people living below US\$1.90 in the Current Path forecast in 2043, 57.4 million (in the Manufacturing scenario) will live below the poverty threshold. This is the result of the inclusion of social transfers to unskilled workers and more rapid economic growth, as outlined in the Manufacturing scenario.

AfCFTA scenario

Chart 20: AfCFTA scenario

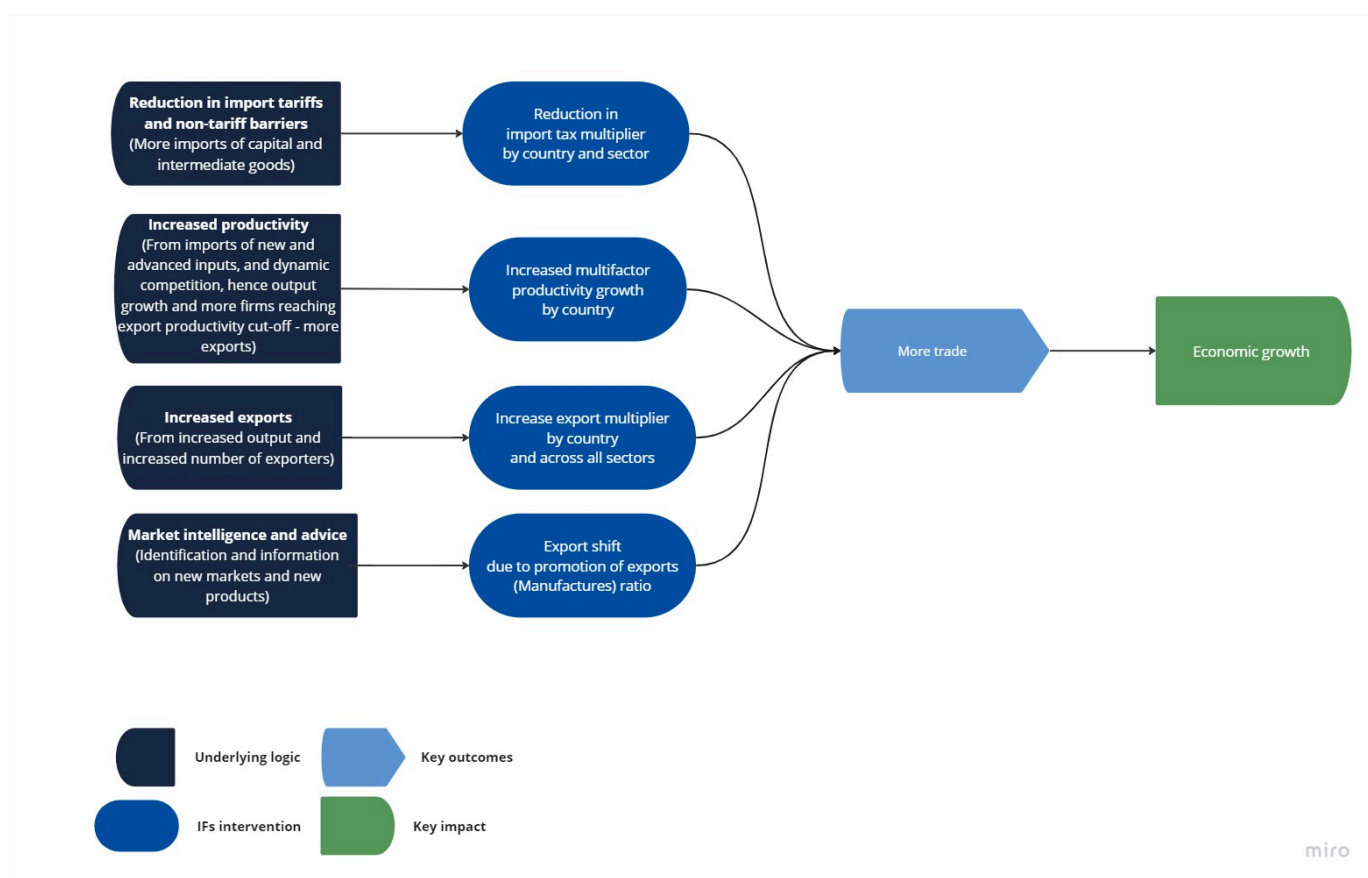


Chart 20 presents the structure of the AfCFTA scenario as modelled in IFs. The AfCFTA scenario represents the impact of fully implementing the continental free trade agreement by 2034. The scenario increases exports in manufacturing, agriculture, services, ICT, materials and energy. It also includes an improvement in multifactor productivity growth emanating from trade and a reduction in tariffs for all sectors.

Visit the theme on [AfCFTA](#) for our conceptualisation and details on the scenario structure and interventions.

International trade can help accelerate growth and improve living standards. In 2021, exports and imports represented 31% and 36% of GDP, respectively, in the DR Congo. The country's exports are highly concentrated in commodity goods, with the top five exports including refined copper and unwrought alloys, cobalt, unrefined copper, copper ores/concentrated and crude oil. Together these are the top five export products, representing about 92.2% of the country's exports.

According to the [Observation of Economic Complexity](#) (OEC), in 2021 the DR Congo was the world's biggest exporter of cobalt (US\$4.44 billion), tin ores (US\$282 million), copper alloys (US\$98 million) and cobalt ore (US\$92 million). In the same year, the value of exported refined copper was valued at US\$8.95 billion, raw copper at US\$779 million and crude petroleum at US\$582 million, destined mostly to China, the United Arab Emirates, South Korea, Saudi Arabia and Italy. The country's imports were mainly refined petroleum (US\$406 million), delivery trucks (US\$255 million), packaged medicaments (US\$254 million), poultry meat (US\$215 million) and stone processing machines (US\$170 million), sourced mostly from China, Zambia, South Africa, Rwanda and India.

The DR Congo deposited its instrument of ratification in February 2022 and became the 42nd country to ratify the AfCFTA. The country signed the AfCFTA in March 2018 and the National Assembly approved the treaty in April 2021.

Chart 21: Trade balance in Current Path and AfCFTA scenario, 2019-2043

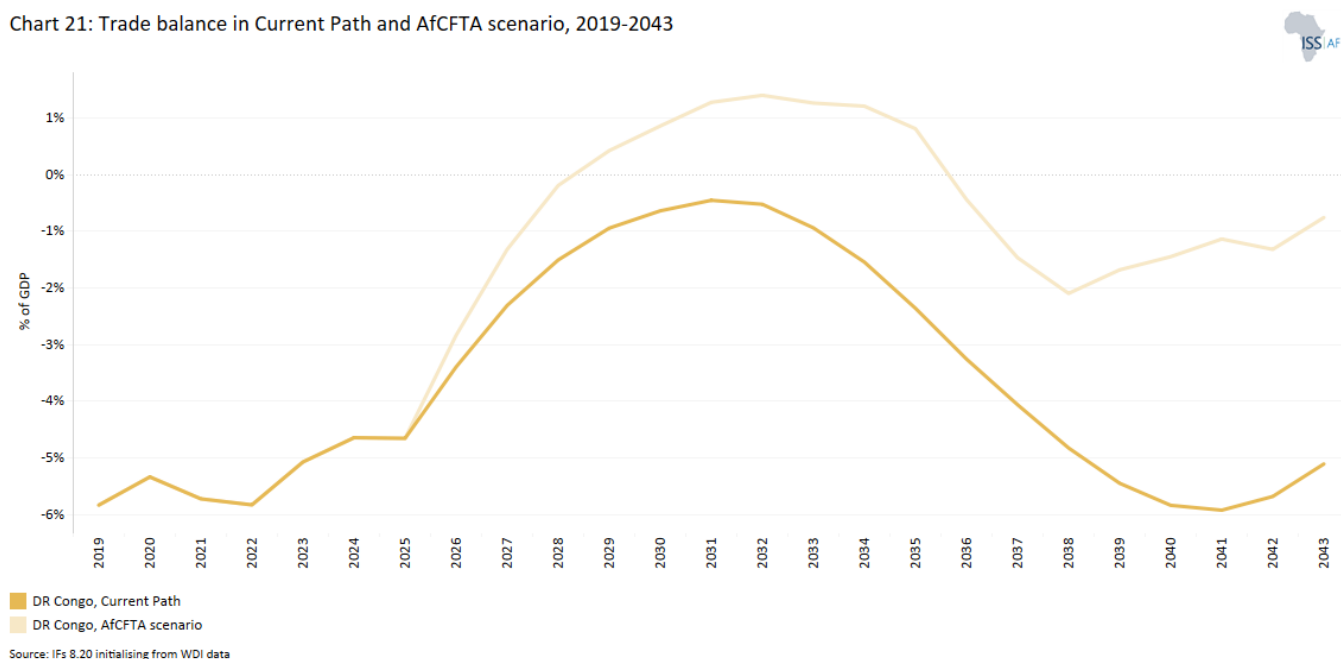


Chart 21 compares the trade balance in the Current Path forecast with the AfCFTA scenario.

Trade openness increases the size of the market available to domestic firms. As for the DR Congo, trade openness has led to significant progress in strengthening total trade (export plus imports), which represented 66.9% of its GDP in 2021.

The DR Congo's trade balance is structurally in deficit, and on the Current Path this trend is forecast to continue until at least 2043. The DR Congo's trade deficit will represent about 3.6% of GDP (equivalent to about US\$6.4 billion) in 2043, which is a slight improvement in trade balance compared to a deficit of 5% of GDP (equivalent to about US\$2.4 billion) in 2021.

In the AfCFTA scenario, the DR Congo's trade balance will become positive (a surplus) from 2028, with a trade surplus of US\$3.5 billion, equivalent to 1.1% of GDP in 2043, compared to a trade deficit of about 3.6% of GDP in the Current Path forecast in 2043. The trade surplus will come from the materials sector. In the AfCFTA scenario, the country's materials sector will have a trade surplus of US\$98.2 billion (equivalent to 31.9% of GDP) in 2043—an increase of about 2.5 percentage points relative to the Current Path forecast in the same year.

With the removal of trade restrictions following the implementation of the AfCFTA, it will become easier to import; however, DR Congo firms face intense competition on the export markets. Only using the trade balance is not a viable indicator to conclude that the DR Congo will be a loser in the implementation of AfCFTA, as other indicators need to be considered too.

Large Infrastructure and Leapfrogging scenario

Chart 22: Infrastructure and Leapfrogging scenario

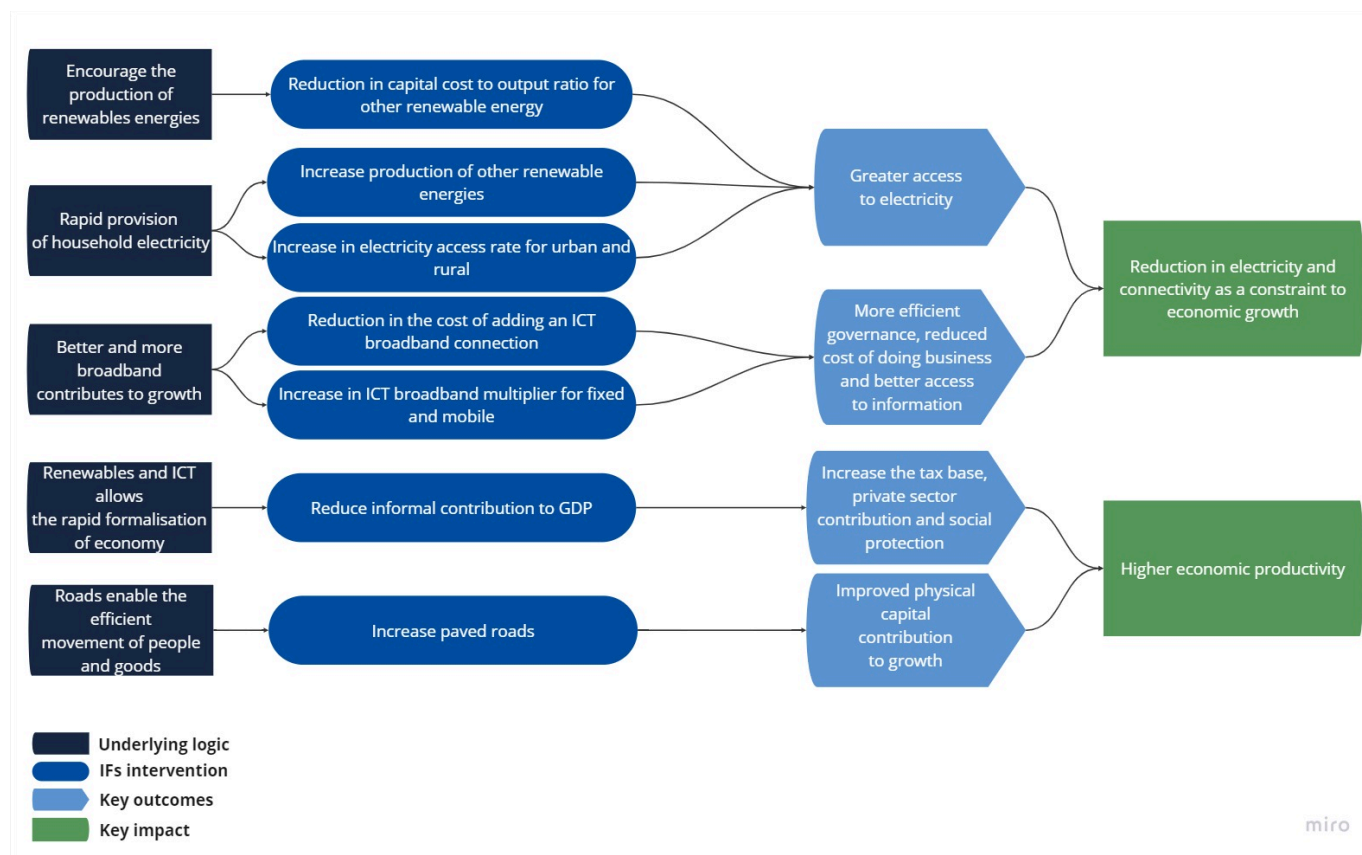


Chart 22 presents the structure of the Large Infrastructure and Leapfrogging scenario as modelled in IFs.

The Large Infrastructure and Leapfrogging scenario represents a reasonable but ambitious investment in road infrastructure, renewable energy technologies and improved access to electricity in urban and rural areas. The scenario includes accelerated access to mobile and fixed broadband and the adoption of modern technology that improves government efficiency and allows for the more rapid formalisation of the informal sector. A final intervention emulates investments in large infrastructure such as rail, port and airports.

Visit the themes on [Large Infrastructure](#) and [Leapfrogging](#) for our conceptualisation and details on the scenario structure and interventions. Chart 24 presents a summary chart that sets out the composition of the scenario.

Infrastructure shortage in the DR Congo is one of the key impediments to higher productivity and, hence, faster economic growth, particularly transport infrastructure. According to the [World Bank](#), the infrastructure investment needed in the DR Congo is among the highest in Africa.

Road transportation has always been a challenge and the country's vast geography, low population density, extensive forests and criss-crossing rivers further complicate the development of infrastructure networks. Due to a decade of war conflict, networks have been seriously damaged or left to deteriorate. Road and rail [infrastructure](#) is dilapidated, and the rail network has fallen into disuse. In 2021, the DR Congo's share of paved roads accounted for about 2.6% of total roads, and the share is forecasted to increase to 23.5% in 2043.

The country has abundant and varied energy resources such as hydroelectricity, biomass, solar, wind and fossil fuels. For instance, the country possesses a huge potential of hydroelectric power estimated at 100 GW, which represents about 13% of the world's hydroelectric potential. The country also has potential in other sources of energy, estimated at 70 GW for solar and 15 GW for wind power. In sum, the DR Congo has the potential to become a leading exporter of electricity in Africa.

Paradoxically, the country has one of the largest deficits in energy access in the world. The energy supply is largely insufficient for the country's needs and energy consumption comes mainly from biomass. Only 3% is generated by hydroelectric power, and the rest is from charcoal and firewood. Although progress has been made, the DR Congo still has one of the lowest rates of electrification globally. The share of the population with access to electricity increased from 6% in 2005 to 20.1% in 2021. IFs estimated electricity access at 20.8% in 2021, far below the 33.4% average of low-income African countries. By 2043, electricity access in the DR Congo is projected to increase to 46% of population.

Authorities in the DR Congo have taken several steps to overcome the infrastructure development problem, including entering into contracts with Chinese firms to modernise transport infrastructure. The country is continuing to implement reforms to make the energy and telecommunications sectors more efficient. Public-private partnerships have also been encouraged as a way to increase investment, including foreign direct investment (FDI), in infrastructure-related sectors.

Chart 23: Cookstove usage in Current Path and Infra/Leapfrogging scenario, 2019-2043

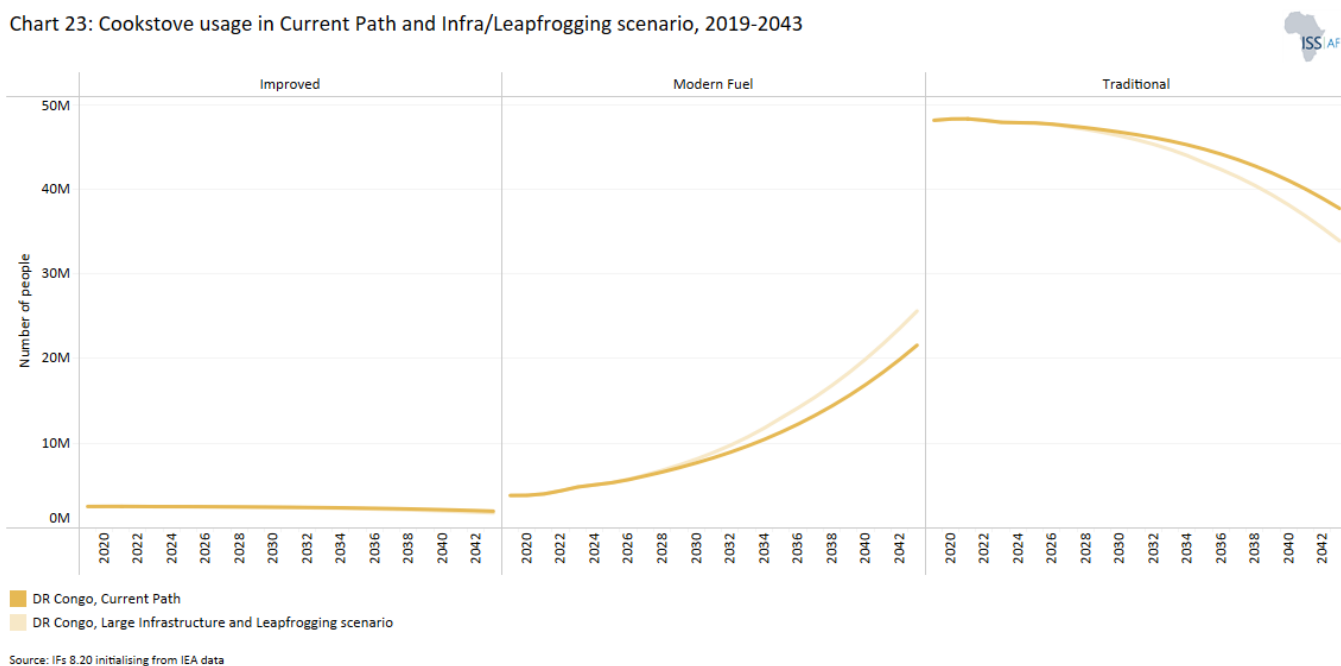


Chart 23 presents cookstove usage in the Current Path and the Large Infrastructure and Leapfrogging scenario.

With the low access to electricity in the DR Congo, many households use traditional cooking stoves, such as wood-burning and coal stoves. In 2021, about 87.2% of households in the DR Congo used traditional stoves for cooking, while nearly 4.6% used improved cooking stoves and about 8.3% used modern stoves.

In the Current Path forecast, in 2043, 68.3% of households will be using traditional stoves, while 3.6% will be using improved stoves and 28.1% will be using modern stoves. The Infrastructure and Leapfrogging scenario will reduce the use of traditional cookstoves to 64.2%, improved stoves to 3.4% and increase the use of modern stove to 32.4% of households by 2043.

Chart 24: Access to mobile and fixed broadband in Current Path and Infra/Leapfrogging scenario, 2019-2043

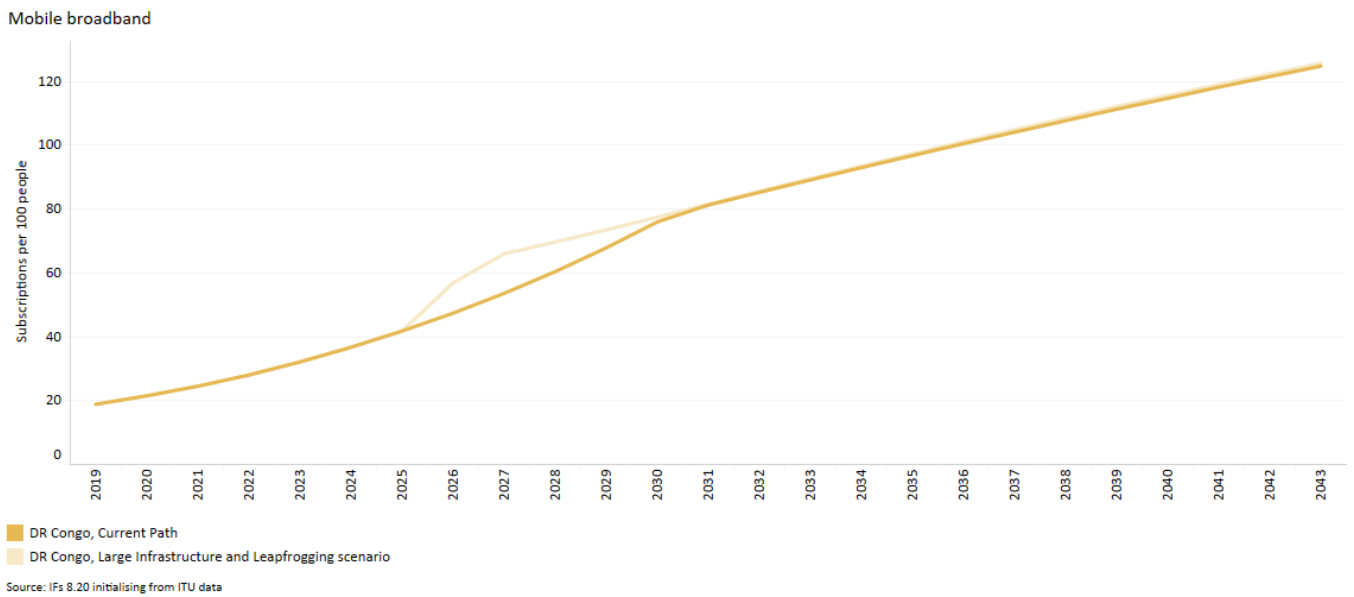


Chart 24 presents access to mobile and fixed broadband in the Current Path and the Large Infrastructure and Leapfrogging scenario.

Mobile broadband in Africa is expanding very rapidly, but fixed broadband lags.

The DR Congo has a very low fixed broadband rate relative to the average of its peers. In 2021, the country had about 1.6 subscriptions per 100 people, which was below the average of 2 subscriptions per 100 people for low-income African countries. In the Current Path forecast, the subscription rate will increase to 18.4 by 2043—less than the average projected for its peer African group. In the Large Infrastructure and Leapfrogging scenario, fixed broadband subscriptions are set to increase to 28 per 100 people by 2043.

The DR Congo had an estimated mobile broadband subscription rate of 12.3 per 100 people in 2021. The rate was significantly below the estimated average of 25.2 subscriptions per 100 people of low-income African countries. Mobile broadband subscription in the DR Congo is projected to increase rapidly reaching 121.7 subscriptions per 100 by 2043. The Large Infrastructure and Leapfrogging scenario will increase the rate by 0.9 subscriptions per 100 people relative to the Current Path forecast by 2043.

Financial Flows scenario

Chart 25: Financial Flows scenario

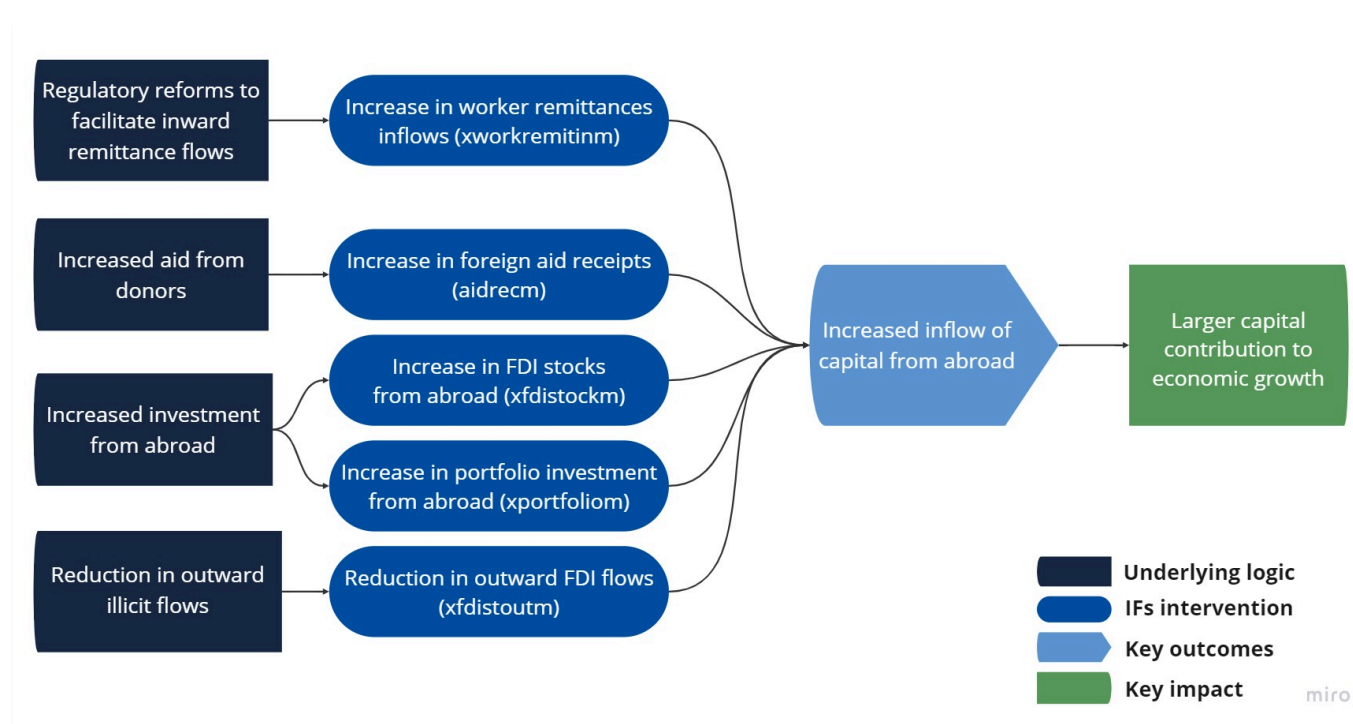


Chart 25 presents the structure of the Financial Flows scenario as modelled in IFs.

The Financial Flows scenario represents a reasonable but ambitious increase in inward flows of worker remittances, aid to poor countries and an increase in the stock of foreign direct investment (FDI) and additional portfolio investment inflows. We also reduce outward financial flows to emulate a reduction in illicit financial outflows.

Visit the theme on [Financial Flows](#) for our conceptualisation and details on the scenario structure and interventions. Chart 27 presents a summary chart that sets out the composition of the scenario.

Without data on illicit financial outflows, we reduce FDI outflows, using that as a proxy.

Many countries in sub-Saharan Africa are still heavily dependent on foreign aid to provide basic services like education and healthcare. This is the case for the DR Congo, despite its immense natural resources. Aid constituted about 5.4% of the country's GDP in 2021, which was below the average of nearly 7.2% of GDP of low-income African countries. In the Financial Flows scenario, foreign aid flows to the DR Congo as a percentage of GDP will increase to 4.3% of GDP by 2043—above the Current Path forecast of 3.9% and below the projected average of 5.1% of GDP for low-income African countries.

The conflicts of the 1990s effectively kept foreign investors away from the DR Congo. The government has recently implemented several policies and reforms to attract more FDI. The extractive sector accounts for most of the FDI flowing into the DR Congo, followed by the telecommunications sector. In 2021, FDI inflows represented 4.8% of the country's GDP, which was an increase of about 1.8% relative to 2020 (the COVID-19 pandemic year). This share was slightly above the average for low-income African countries, which was at 4.7% of GDP in 2021.

In the Financial Flows scenario, FDI inflows in 2043 will represent about 6% of GDP compared to 4.8% in the Current Path forecast. FDI can act as a catalyst for economic development as it brings much needed capital and technology to recipient countries. The Congolese government should continue its reforms to attract more FDI, especially manufacturing FDI.

Chart 26: Government revenue in Current Path and Financial Flows scenario, 2019-2043

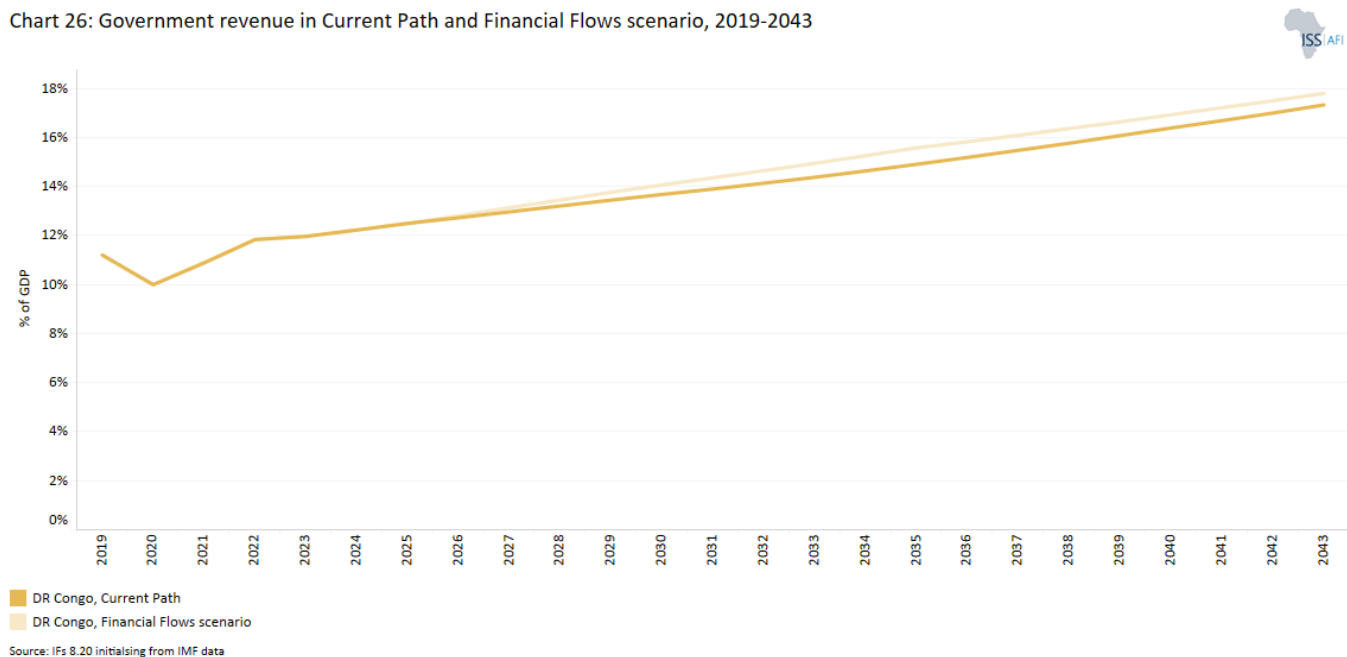


Chart 26 presents government revenues in the Current Path and Financial Flows scenario.

Wagner's law, or the law of increasing state activity, is the observation that public expenditure increases as national income rises. It is, therefore, reasonable to expect that government revenues will increase as a per cent of GDP in the Financial Flows scenario compared to the Current Path forecast.

Measured as a per cent of GDP, government revenue in the DR Congo stood at 12% of GDP (equivalent to US\$5.7 billion) in 2021. In the Current Path forecast, government revenue is projected to reach 17.4% (equivalent to US\$31.2 billion) of its GDP in 2043. In the Financial Flows scenario, however, government revenues will increase by nearly 0.6 percentage points of GDP to US\$33.6 billion (equivalent to 18% of GDP) in 2043. Much of the increase is due to foreign aid and the effect of more inward investment on growth.

Governance scenario

Chart 27: Governance scenario

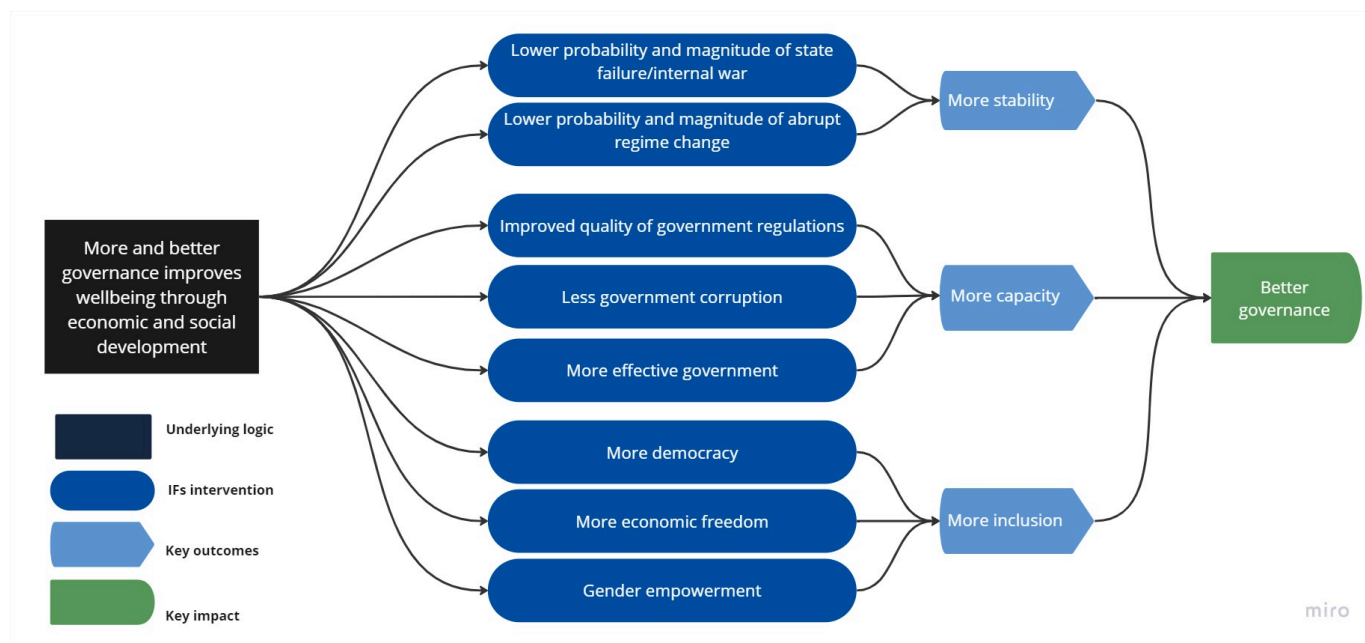


Chart 27 presents a summary chart that sets out the composition of the Governance scenario as modelled in IFs. Thinking of governance in terms of security, capacity and inclusion provides a useful lens to compare how countries progressed over time, as well as compare the state of governance between countries and groups of countries.

Visit the theme on [Governance](#) for a full conceptualisation and details on the scenario structure and interventions.

In brief, the stability dimension uses data from the Political Instability Task Force on:

- the probability and magnitude of state failure/internal war,
- the probability and magnitude of abrupt regime change, and
- social violence consisting of reductions in conflict and terror and police conflict.

Capacity is enhanced by improving the quality of government regulation, government effectiveness (both from the Worldwide Governance Indicators) and reductions in corruption using data from Transparency International.

Inclusion improves as a result of:

- an improvement in levels of democracy using the Polity IV index applied to those countries that evidence a democratic deficit,
- an improvement in gender empowerment using the gender empowerment measure (GEM) from the United Nations Development Programme (UNDP), and
- more economic freedom (using the associated index from the Fraser Institute).

These IFs indices compare well with the results from others, although IFs adopt a more structural/long-term approach. For example, the Worldwide Governance Indicators published by the World Bank measures six dimensions of governance, many of which overlap with the three IFs indices. These are: voice and accountability; political stability and absence of violence/terrorism; government effectiveness; regulatory quality; rule of law; and control of corruption.

As defined by the [World Bank](#), government effectiveness ‘captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government’s commitment to such policies’.

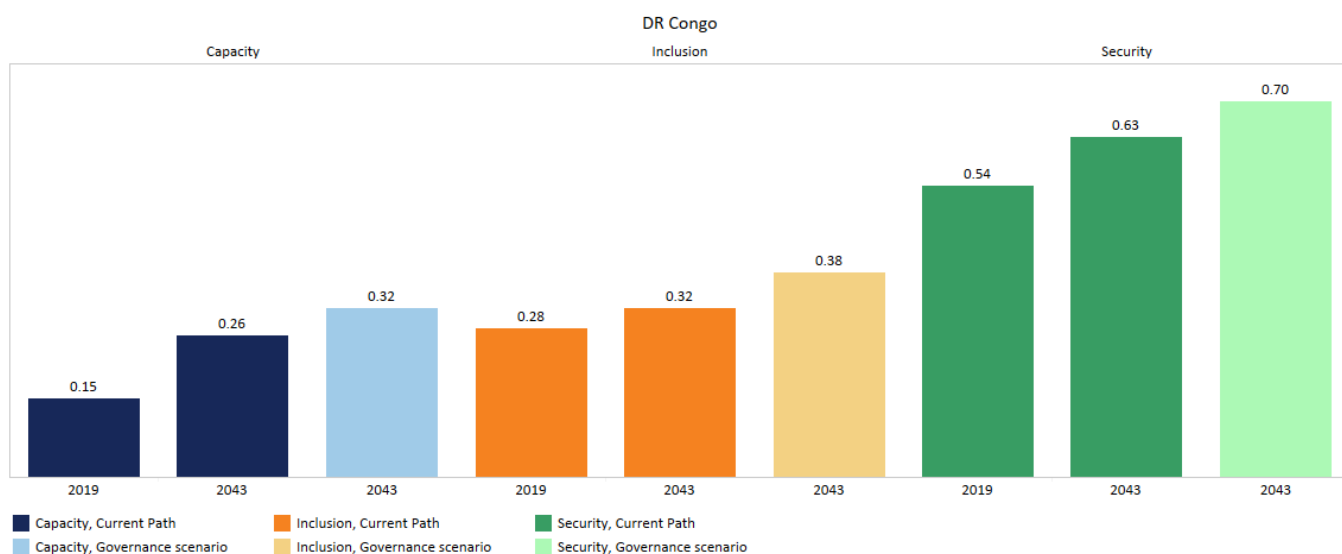
Governance in the DR Congo is characterised by networks of rent-seeking political, military and economic elites who direct and organise the abundant natural resources of the country to serve their ethnic and regional allegiances rather than for sustainable development. Corruption is endemic in the country, ranging from basic bureaucratic and administrative corruption to grand forms of corruption involving high-ranking members of the government and defence and security forces. The [extractive \(oil and mining\)](#) sector, tax and customs administrations, and the state-run enterprises are among the most affected.

Poor government effectiveness (average 0.9 between 2011 and 2021) and the absence of strong institutional and legal mechanisms to ensure accountability hamper economic progress in the DR Congo.

The capacity index within IFs indicates that the DR Congo had 26.7% less government capacity in 2021 than the average of low-income African countries. In the Current Path forecast, the DR Congo is projected to have 20.7% less capacity in 2043 than the average of its African peers. In the Governance scenario, the DR Congo will have 17.7% more capacity than the Current Path forecast in 2043, which will be just 6.6% less than its peers compared to a margin of 20.7% in the Current Path forecast.

The inclusion index with IFs indicates that the DR Congo had 34.4% less inclusion in 2021 than the average of low-income African countries. In the Current Path forecast, the DR Congo is projected to have 37.2% less inclusion in 2043 relative to its low-income African peers, whereas in the Governance scenario, the DR Congo will have 24.4% less inclusion relative to the estimated average for its peers.

Chart 28: Composite governance index in Current Path vs Governance scenario, 2019-2043



Source: IFs 8.20 initialising from WGI and TI data

Chart 28 presents progress with the three governance dimensions by 2043 in the Current Path and Governance scenario compared to 2019.

The composite IFs governance index is an average of the scores for security, capacity and inclusion. In 2021, the DR Congo was 23.8% below the average of low-income African countries, indicating that the DR Congo generally is more poorly governed than most low-income African countries. In the Current Path forecast, in 2043, the index will be 24.2% less than the average of its African peers. In the Governance scenario, the gap will be reduced to 12.2% relative to the estimated average of its low-income African peers in 2043.

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