

CONGO CHALLENGE
THE MONTHLY BULLETIN

EVOLUTION OF THE ECONOMIC AND POLITICAL SITUATION IN THE DEMOCRATIC REPUBLIC OF CONGO

Issue 69 | January 2023

Kinshasa, DRC



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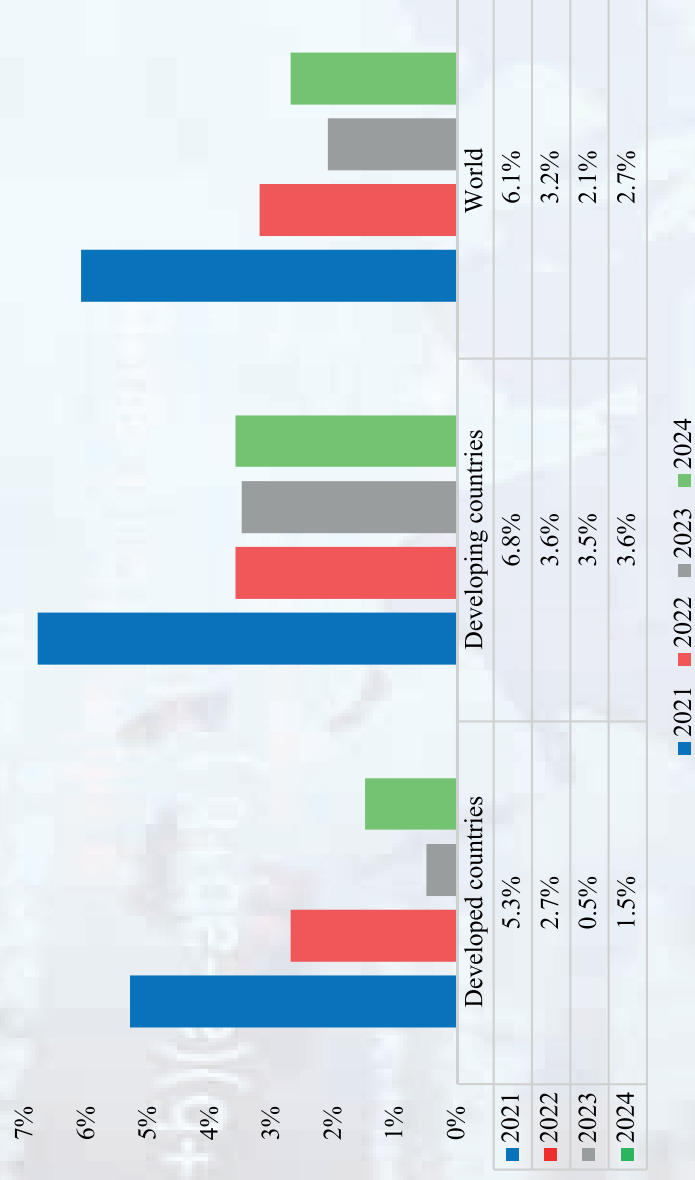
**EVOLUTION OF THE ECONOMIC
AND POLITICAL SITUATION IN THE
DEMOCRATIC REPUBLIC
OF CONGO**

Issue **69** | January **2023**

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Kinshasa, DRC

Global Economic Growth Projections



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Matata Ponyo Mapon

What I think

Are Congolese youth really the future of this country ?

I think that youth is indeed the future of a country. The cycle of life is like that. We are born one day, that is the starting point. We die another, that is the end of the race. Between the two points, there is life with its different age groups. Youth, the most beautiful and sometimes the most carefree period, runs from birth to about 24 years old. We are generally taken care of by our parents. Then comes adulthood until the age of 74. This is the most responsible and productive period of a human being's life. Finally, comes old age which leads to death. It is marked by the drastic decrease of the productive force, but also and above all by the emergence of wisdom drawn from the experience of the ups and downs of the two previous periods. No one, whatever the means and power, can escape this intractable cycle that does not allow a human being to be professionally very active beyond 74 years. The retirement age is even set at a maximum of 65 years in many countries around the world. However, one can still work for oneself or in politics until 80 years old, or even 90 and beyond depending on the life expectancy of the country. But the human output is far less than that of a young person or an adult under the age of 75. Beyond this age, we can force ourselves to work, but we are quickly caught up by the law of diminishing returns and organ degeneration. Moreover, the risk of cardio-vascular accidents increases. Some Presidents of the Republic over 80 years old have collapsed in the middle of an official ceremony. Others could not recognize the audience they were addressing in a high-level conference. This means that adulthood is the best period in which human beings are able to offer humanity the best of themselves in terms of reflection, imagination, invention, initiative, work and production. This is why youth is the future of a country, and even of humanity, because it is the only one, such is the evidence, to be able to enter adulthood, the longest

period of life of a human being on earth, that is to say nearly 50 years.

I think that youth must be **prepared** to play their role effectively and fully. And education is the only way to achieve this. An educated youth has all the **intellectual** and **human** capacities to face the main challenges of life, which can be rightly considered as a process during which man continuously finds solutions to the different problems he encounters for his well-being and that of his fellow men. This is why most of the time of the youth is devoted to education. Two types of education are juxtaposed for this purpose. Social education as well as education in primary and secondary school, then in university. The first type of education begins at an early age and is carried out within the family. It transmits the values that guide the life of a human being on earth such as work, honesty, discipline, constancy, culture, respect, perseverance, loyalty, love, kindness, humility, reading, etc. This type of education continues until the young person leaves home, usually between the ages of 18 and 25. It is hammered into a Japanese person, for example, from an early age that one should never be late for a meeting. **Punctuality is considered a sign of respect to oneself and to others.** The second education, as a reminder, is school and university. During almost 18 years, the man acquires knowledge in all the fields of the life on earth. He learns to read and write, to think, to discover and understand the world, to exploit it and to shape it. The various inventions and discoveries on earth are essentially the result of this second education which gives man the intellectual capacity to ask himself all sorts of questions and to answer them in order to make his life more pleasant. This education is the first one which endows man with the values indispensable to social life and forms the



magic binomial which allows the youth to be useful to the society. Therefore, each country must ensure the quality of these two types of education for the benefit of its youth.

I think that young people in most developing countries are increasingly **ill-prepared** to take over both the public and private management of their territorial entities. They are forced to never aspire to the small circle of the developed countries, let alone the emerging economies. As for education on values, most families, under the weight of the multiform socio-economic crisis, seem to have abandoned it believing that it will be taken care of by the public authorities at school. The latter, in the name of a certain misunderstood secularism, have excluded from the school and university programs, the training in life education. Civics and religion courses have been eliminated. The consequence is that young people enter the workforce with a chronic deficit of the main values, however indispensable for their success. They sometimes arrive with anti-values. As for school and university education, its quality is declining while the challenges are increasing in view of the more and more complex global issues. School certificates and higher or university diplomas have more of a symbolic value. They are only parchments! As a result, we are faced with a youth that does not have enough values and intellectual skills to face the main challenges of development. A youth that no longer believes in the virtues of work, that loves easy money and considers fraud and corruption as key factors of success in life. A youth that believes that the public sector is the best sector to produce wealth instead of the universally recognized private sector. Under these conditions, youth are not the future of a country. On the contrary, it becomes a danger, or rather a factor

of underdevelopment. Most of the Congolese youth seems to be classified in this category where politicians have huge and disproportionate emoluments that have no reference anywhere in the world. In this category where only the public services and administrations offer better financial advantages than in the private sector. In this category where cunning, inconstancy and transhumance are the best way of life. Thus, it is now easy to see in the country, young people fresh out of university become leaders of political parties without any social project, be elected national or provincial deputies without any political ideology, or be elected senators without any experience and wisdom. No one wants to enter the private sector where the exercise of the profession becomes an ordeal in view of the administrative hassles of all kinds and the overtaxation to the benefit of state officials and political actors. **It is the inversion of values.** The public sector, which is less productive but regulates and encourages, is prized while the private sector, which is more productive and drives the economy, is neglected. **Ultimately, when youth are caught in their own trap and no longer constitute the future of a country, it follows that development is no longer possible.**

Executive Summary

Economic situation

- **At the international level**, the world economic outlook indicates that the growth of economic activity will slow down to 2.1% in 2023, while it is estimated at 3.2% in 2022. In the face of this deceleration, it becomes essential to implement global investment reforms capable of stimulating and sustaining global economic growth.
- With respect to inflation, the OECD forecasts that it will ease over the course of 2023, but remain well above pre-Covid levels. Therefore, monetary policy will need to work to restore price stability and fiscal policy will be called upon to ease cost-of-living pressures.
- During the month of January 2023, the stock market indices showed upward trends. These gains in the stock markets were due to the depreciation of the U.S. currency, which stimulated demand for stock assets.
- In the international foreign exchange market, the U.S. dollar continued to depreciate against the euro and the British pound during January 2023, due to the U.S. current account deficit and the ECB's aggressive monetary policy to contain inflation. In Asia, the Japanese yen and Chinese yuan also appreciated against the greenback.
- In terms of commodities, copper prices broke through the USD 9,000 per metric ton mark. Gold prices continued to rise, following the collapse of the US currency. In the crude oil market, prices rose slightly as China relaxed its sanitary measures.
- With global economic activity projected to slow down in 2023, this gloomy outlook is expected to have a negative impact on the development of international trade. WTO statistics indicate that the volume of merchandise trade is expected to grow by 1.0% in 2023, down from 3.5% in 2022. Tightening monetary policies and the unpredictability of the Russian-Ukrainian conflict are expected to compound the pessimistic nature of this trade outlook.
- **At the national level**, unlike the previous month, the macroeconomic framework deteriorated. Indeed, the national currency depreciated slightly by 0.59% in the interbank market, foreign exchange reserves fell by 4.55% in gross value and by 12.21% when considering import coverage (in months). In addition, the national economy recorded positive changes in inflation rates compared to the previous month. Year-on-year inflation stood at 15.47% in the fourth week of January 2023 compared to 13.33% in December 2022. Annualized inflation was 38.63% compared to 13.13% in the previous month. This leads to variations of 17.77% and 194.12% for year-on-year inflation and annualized inflation respectively between the end of December 2022 and the fourth week of January 2023.
- On the public finance side, the Treasury recorded a deficit of 140,937 million CDF in the fourth week of January 2023. This deficit is the result of an expenditure level of 1,150,739 million CDF compared to revenue of 1,009,802.00 million CDF. However, it should be noted that the available data refer to the fourth week of the month and could change at the end of the month, particularly with the continuation of the civil service payroll operation.
- Finally, the economic news of January 2023 was marked by several notable events. More explicitly, these events are presented as follows: (i) the government's validation of MIBA's recovery plan of more than US\$450 million; (ii) the recording by Equity-BCDC of a US\$11 million discrepancy in its cash-in-transit account; and (iii) the announcement by the Minister of Finance of the introduction of an identity card with a tax identifier.



Political situation

The month of January 2023 was particularly marked by the following political events: (i) President Felix Tshisekedi's four-year record; (ii) the continuing insecurity in North Kivu; and (iii) the electoral process.

It is since January 20, 2019, four years to the day since Felix Tshisekedi Tshilombo was confirmed President-elect for a term running until December 2023. To this end, in the run-up to the elections, several people took the opportunity to evaluate this mid-term mandate.

On the security front, the M23 rebels, whose support from Rwanda increased during January, repeatedly violated the cease-fire, even taking the city of Kitchanga, which caused the displacement of people fleeing the fighting.

On the electoral issue, the identification and voter registration operation started with many difficulties in December 2022, has raised several questions in different political parties' headquarters.

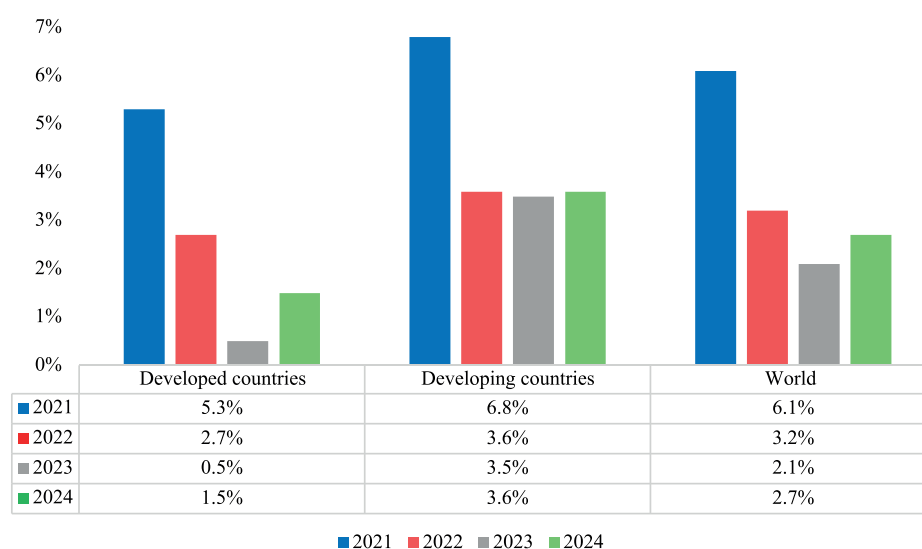
1. International context

I.1. Economic growth

The World Bank's economic outlook indicates that growth in economic activity is expected to slow to 2.1% in 2023, down from an estimated 3.2% in 2022. This deceleration is expected to be driven by inflation, higher interest rates, lower investment and the

disruption caused by Russia's invasion of Ukraine. This would have a negative impact on the education and health sectors, as well as on the reduction of poverty and inequality.

Figure 1 » GLOBAL ECONOMIC GROWTH PROJECTIONS



Source : World Bank.

Figure 1 shows that the advanced economies will experience a fairly deep recession in 2023, while the emerging economies will be in a stagnant situation during that same year. In the face of this near-universal deceleration in economic activity, the recovery of the global economy will depend on a good calibration

of monetary and fiscal policies, the unfolding of the war in Ukraine, and the growth prospects in China. Furthermore, the implementation of global investment reforms should also help to stimulate strong and sustained economic growth worldwide.

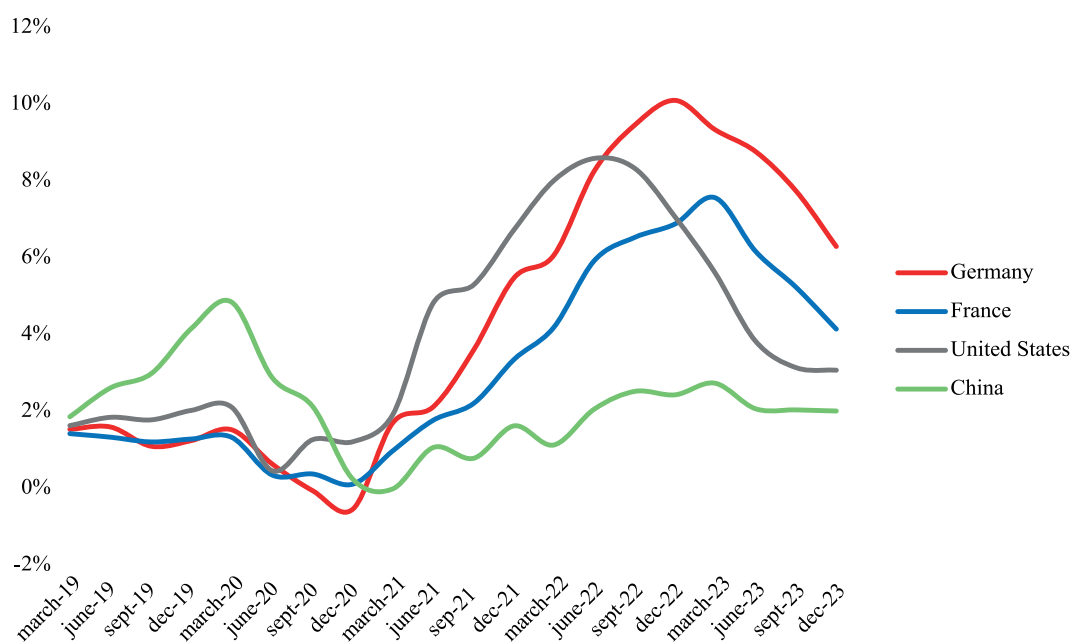


I.2. Inflation

After the record levels reached in 2022, the upward momentum of inflation is expected to ease in 2023. Anticipated lower demand for manufactured goods and efforts to improve global supply chains are

among the factors that may explain this disinflation process. However, projected at 6.4% according to OECD statistics, the global inflation rate is still far from returning to its pre-pandemic level.

Figure 2 » QUARTERLY FORECASTS OF INFLATION RATE IN THE WORLD



Source: OECD.

Following the upward trends observed between 2021 and 2022, Figure 2 shows that these price pressures will have to subside from 2023 onwards, although well above the central bank targets. Higher interest rate policies will increase the cost of borrowing for businesses and drain the financial resources of

households. There is therefore a need for monetary policy to continue to focus on restoring stability to the general price level, and for fiscal policy to focus on relieving the cost of living pressures on those most vulnerable to deteriorating purchasing power.



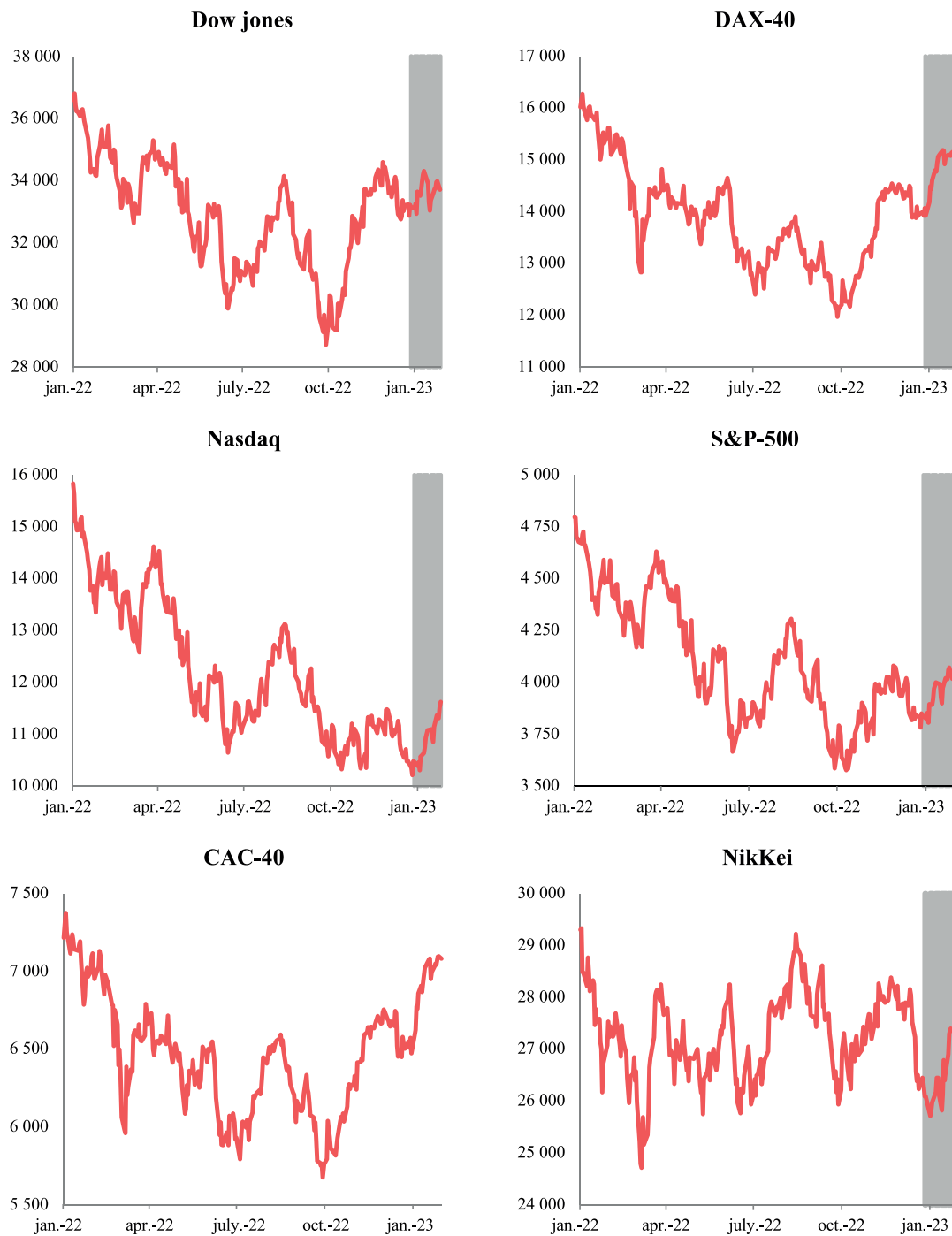
I.3. Financial market

After the fall posted in the previous month, the stock markets began to rise during this month of January 2023. On Wall Street, the Dow Jones, the S&P-500 and the Nasdaq reached levels of 34,302 points, 4,071 points and 11,513 points respectively in the last week of January 2023. The same is true on the European continent. On the Paris stock exchange, the CAC-40 almost reached a peak of almost 7,082 points; and on the Frankfurt stock exchange, the peak was close to 15,182 points for the DAX-40 index. The Tokyo Stock Exchange was also characterized by the same bullish momentum, with the Japanese Nikkei index rising to a level of nearly 27,433 points at the end of January 2023.

These gains in the stock market indices are explained by the downward pressure exerted on the US currency. Indeed, the depreciation of the U.S. dollar is leading private investors to seek alternative safe haven assets to protect themselves against currency erosion. Among these alternative assets are stock market assets. The demand on the financial markets would thus have increased due to speculations of operators to preserve their purchasing power. However, there is reason to believe that this dynamic is only temporary. The monetary tightening measures advocated by central banks are expected to continue throughout the first quarter of 2023. Thus, as long as this aggressive tightening policy continues, we should expect continued poor performance in the equity markets.



Figure 3 » DAILY TRENDS IN THE MAIN STOCK MARKET INDICES



Source : Macrotrends.



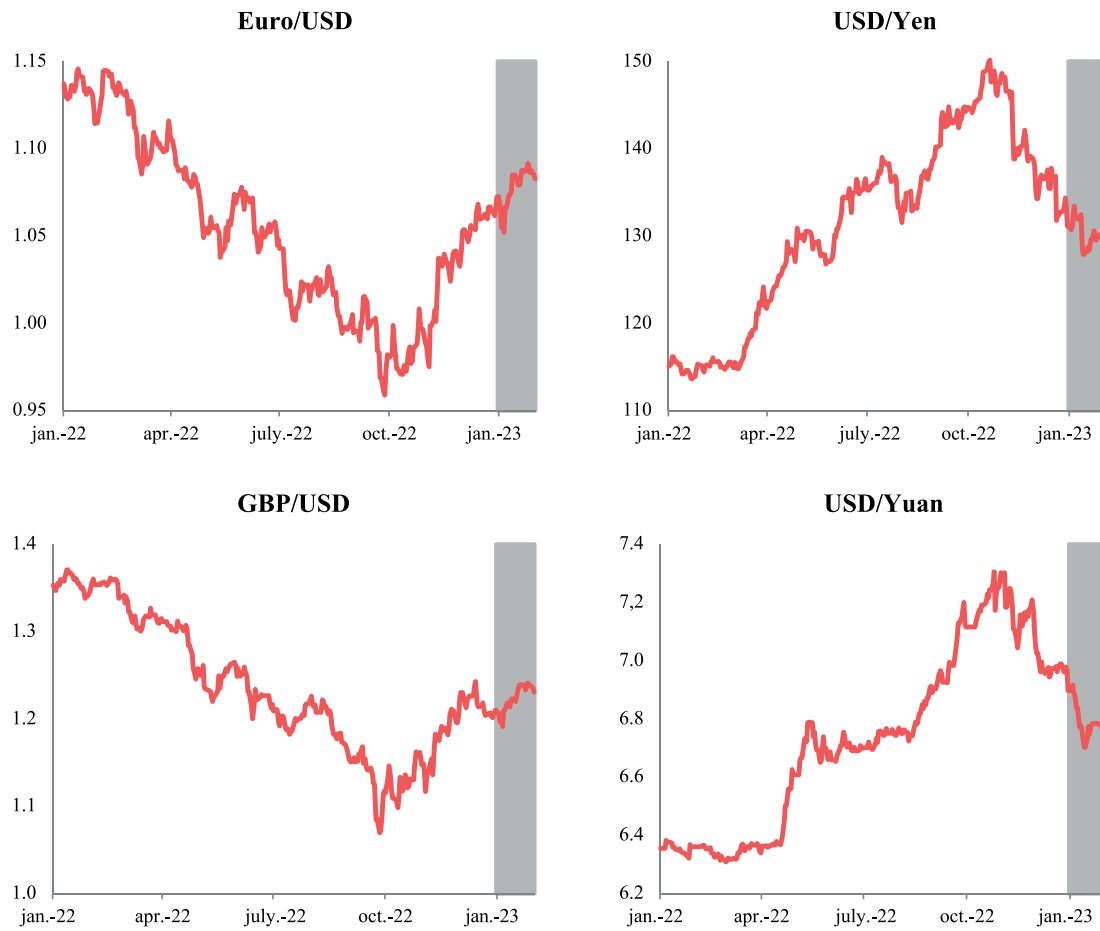
I.4. Foreign exchange market

Just as during the last quarter of 2022, this January 2023 was marked by the depreciation of the U.S. dollar against the euro and the British pound. At the close of the month, the European currency was valued at 1.09 EUR/USD, while the British currency reached a high of 1.25 GBP/USD. At least two factors can explain this collapse of the greenback: (i) the U.S. current account deficit, reflecting the deteriorating economic health of the U.S.; and (ii) the hawkish behavior of the European Central Bank with respect to bond yields to combat inflation.

On the Asian continent, the Japanese yen appreciated considerably against the U.S. dollar, following the upward adjustment of bond rates by the Bank of Japan. This change in policy would have attracted foreign capital and thus stimulated demand for the Japanese currency, which in turn had a negative effect on the US currency. At the same time, the Chinese yuan has also strengthened its position against the US dollar. With the lifting of health restrictions, it is expected that manufacturing activity in China will pick up, which will have a big impact on China's exports and the Chinese currency.



Figure 4 » DAILY EVOLUTION OF THE MAIN EXCHANGE RATES



Source : Macrotrends.





I.5. Market for strategic products

- Copper

After stagnating in the previous month around an average of USD 8,400 per metric ton, copper prices started to rise again during January 2023. By the fourth week of the month, prices for the red metal had significantly exceeded the symbolic limit of USD 9,000 per metric ton. This renewed strength can be attributed to the easing of sanitary restrictions in China. Indeed, the lifting of the containment measures is expected to cause a revival of Chinese manufacturing activity, as this sector is one of the main outlets for raw materials worldwide. However, the continuing risks of recession in the global economy should limit price increases to below USD 10,000 by the end of the first half of 2023.

Figure 5 » DAILY EVOLUTION OF COPPER PRICES (IN USD PER TON)

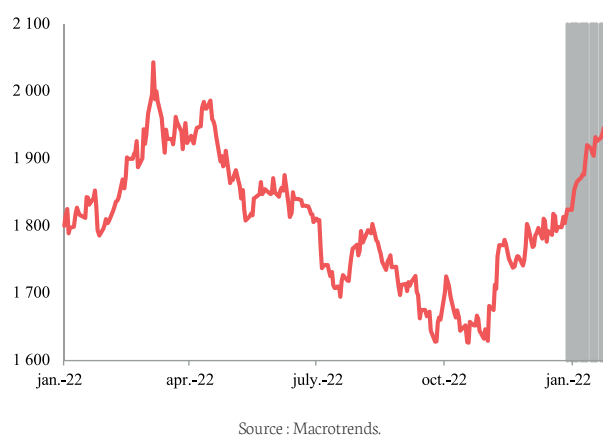


- Gold

The rise in gold prices that began during November 2022 continued during this month of January 2023. At the close of the month, the yellow metal was valued at nearly USD 1,945 per ounce. The depreciation of the U.S. currency is believed to be the reason for this price rise. Indeed, the collapse of the greenback has increased the opportunity cost of holding gold bullion, and in

turn boosted the attractiveness of the yellow metal. By virtue of the negative correlation between the U.S. dollar and the yellow metal, there has therefore been a revival in favor of gold as a safe haven, as with stock market assets (see subsection 3).

Figure 6 » DAILY EVOLUTION OF GOLD PRICES (IN USD PER OUNCE)

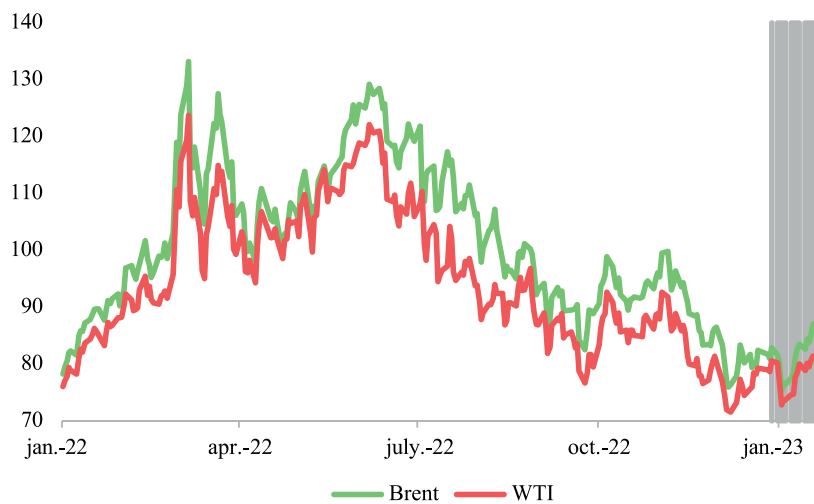


- Oil

The month of January 2023 was characterized by a slight acceleration in crude oil prices, both on the US (WTI) and European (Brent) markets. At the close of the month, prices were valued at USD 87.5 and USD 81.6 per barrel for Brent and WTI respectively. This increase is believed to be driven by the prospect of a significant increase in Chinese oil demand, following the moderation of its anti-Covid policy. In addition, the relatively low level of inventories in Western countries could lead to a gradual restocking that could slightly support prices. We should wait for the next meeting of OPEC+ countries to clarify the long-term dynamics on the market, especially regarding the policy of capping the supply of black gold.

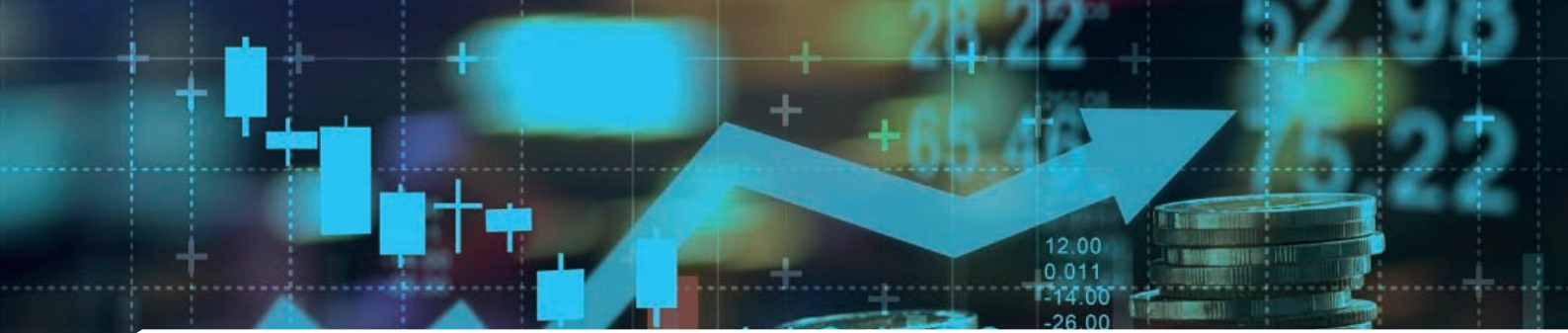


Figure 7 » DAILY EVOLUTION OF OIL PRICES (IN USD PER BARREL)



Source : Macrotrends.





I.6. International trade

In the course of 2023, a slowdown in global economic activity is projected. If the growth prospects of the world economy are continuously revised downwards, this will undoubtedly impact the dynamics of international trade. World Trade Organization (WTO) statistics indicate that the volume of merchandise

trade is expected to grow by 1.0% in 2023, while the growth recorded in 2022 was around 3.5%. Among the factors highlighted to explain this recession, we note the rise in energy prices, the tightening of financial conditions, and the impact of geopolitical tensions in Ukraine.

Figure 8 » QUARTERLY TRADE GROWTH



Source: WTO.

Examination of Figure 8 indicates that import demand is expected to weaken as the major economies slow down. In Europe, higher energy prices resulting from the Russian-Ukrainian war will squeeze household spending and increase costs in the manufacturing sector. In North America, tighter monetary policy will impact interest rate sensitive spending on housing, automobiles and fixed asset investment. In Asia, the resurgence of Covid-19 will reduce its demand for strategic minerals as the world's largest

industry. Finally, rising food import bills in Africa and Latin America could lead to food insecurity and debt overhang in these developing economies. If these inhibiting factors consolidate over the course of 2023, the WTO's pessimistic forecasts could be subject to a further downward revision at mid-term, given the uncertainty about monetary policy developments in advanced economies, but also in light of the unpredictable nature of Russian actions in the Ukraine conflict.



2. National context

II.1. Evolution of the national economy

The economic news of January 2023 was marked by several notable events. More explicitly, these facts are presented as follows: (i) the validation by the government of MIBA's recovery plan of more than USD 450 million; (ii) the recording by Equity-BCDC of a difference of USD 11 million in its cash in transit account; and (iii) the announcement by the Minister of Finance of the introduction of an identity card with a tax identifier.

1. Validation by the government of MIBA's recovery plan of more than 450 million USD

The Société Minière de Bakwanga (MIBA) was incorporated on December 13, 1961 as a Société Congolaise Par Actions à Responsabilité Limitée. It is following the harmonization of its statutes to OHADA law, that it became a Public Limited Company (MIBA SA), as of September 12, 2014. Its share capital is distributed at 80% for the Congolese State and 20% for SIBEKA, a limited company under Belgian law. Its industrial exploitation is concentrated on an area of 74.76 km² covering the exploitation rights held by MIBA (i.e., 7 exploitation permits) and located mainly at the mining polygon in Mbuji-Mayi in Kasai-Oriental on a total area of 753.58 km² (i.e., 23 exploitation permits). It also holds exclusive exploration rights in the two Kasai provinces, covering an area of 14,943.58 km² (50 exploration permits).

Through the resources it provided to the state in the form of foreign exchange and taxes, MIBA had occupied an important place in the economy in the past. At the provincial level, its activities formed the backbone of economic and social life in Kasai. Its vast industrial complex was surrounded by social achievements that met the needs of its staff and their families (nearly 30,000 people) as well as those of the population of Kasai Oriental.

However, as a result of bad governance, the dilapidation of its facilities, misappropriation and looting of resources, particularly during the Congo wars (1997 and 2003), the company has inexorably declined in activity. And Mbuji-Mayi, the Congolese "diamond capital", a city built by MIBA, has lost its luster. In the early 2000s, MIBA produced an average of six million tons of diamonds per year. But during the financial crisis of 2008, riddled with debt and hit by falling prices, the company was forced to shut down completely. It had to wait until 2011 to restart. In 2020, a government audit revealed major dysfunctions within the company, prompting the Head of State, Félix Tshisekedi, to dismiss the board of directors and release five million dollars to "get this company back on its feet, a company that yesterday was the pride of the entire nation. MIBA's technical management indicated that the sum injected was not sufficient to ensure the revival of the mine's activities. Of the five million received, three million were used to rehabilitate the Disele diamond processing plant and to purchase a completely new diamond processing plant with a capacity of 200 tons per hour. But this new Chinese-made plant is still waiting in containers to be installed. The Technical Director had stressed that even being operational, the current operation is at a minimum.

It is in the face of all the above elements that it was necessary to reflect on the modalities allowing the revival of MIBA's activities so that it can once again play an important role in the development of the national economy as well as the Kasai region. It is in this context that the MIBA revival plan fits.

For the record, this Plan is valued at four hundred and fifty million U.S. dollars and was developed last year by the Steering Committee for the Reform of State-owned Enterprises (COPIREP), in collaboration with the Presidential Council for Strategic Watch (CPVS) and the Board of Directors of MIBA.

It is during the workshop of January 06, 2023 relating to the restitution and validation of the plan of revival of the MIBA, chaired by the Minister of the portfolio, that the aforementioned Plan was validated.

According to the Minister of Portfolio, out of the four hundred and fifty-three million dollars set for the revival of MIBA for a period of 5 years, one hundred and forty-nine (149) million will be disbursed in the first phase. The Minister indicated that, in addition to this envelope, an investment plan of more than one hundred and sixty (160) million USD has also been validated to accompany the revival of the company for 3 years. Thirty-five million USD of this investment plan will be disbursed during the first year.

The Minister stressed the need for an effective implementation of the recommendations adopted during the above-mentioned workshop in order to really ensure the revival of MIBA.

However, even though the initiative is commendable and relevant, it is necessary to indicate that it is necessary to put in place appropriate management and control mechanisms in order to ensure that the funds dedicated to this project will really be used to relaunch the activities of MIBA in order to avoid the almost systematic misappropriation of funds in the realization of the State projects.

2. Equity BCDC recorded an \$11 million difference in its cash-in-transit account

As of January 5, 2023, Equity BCDC, the bank created by the merger of Equity Bank Congo (formerly Procredit Bank Congo) and BCDC (the country's oldest

bank established in 1909), reported that it had recorded a difference of US\$11 million in its cash in transit account¹.

Equity BCDC's senior management indicated that over the past two years, the bank has focused on a major technological transformation, the merger of two banks (Equity Bank Congo and BCDC), the harmonization of policies and procedures, and cultural integration to create the largest and most inclusive bank in the DRC.

It was during this gradual integration that the bank recorded a difference in the cash in transit account of about 11,101,970 USD and 172,500,000 CDF. This significant difference in funds represents almost 3% of equity and 0.3% of the total assets of the financial institution. From an accounting point of view, this is a loss of funds since the actual balance in this account does not correspond to the balance generated by the accounting entries.

This loss could be caused by a variety of reasons, including fraud, errors of commission or omission, failure to make proper accounting entries, or failure to correctly link accounts, etc.) especially when two banks merge.

The disclosure of this information, out of a duty of transparency, has given rise to a great deal of concern and speculation among the Congolese public. Such a situation represents a significant risk for the banking sector, particularly with the panic movement that can lead to massive withdrawals of savers' deposits, which in turn can weaken the entire sector.

1. The transitory cash account, in simple terms, is a centralized account that a bank uses internally to pass funds and direct them to their final destination accounts. This transitory account, which records the movement of cash within a bank for both cash operations, safe deposit box and its bank accounts with other banks, has nothing to do with customer deposit accounts. It should be noted that the management of discrepancies is a permanent activity in commercial banks through the departments in charge of reconciliation and reconciliation. Once the sources of error are identified, the discrepancies can be corrected. However, if fraud is involved, the situation may be more complex to manage.

However, even if this news seems to be alarming at first sight, analysts believe that this situation does not present any risk to the survival of the bank and the safety of savers' deposits. The arguments put forward are as follows :

- The transit account subject to the discrepancy is different from the client accounts, which are correct. In addition, the Central Bank of Congo has not received any alerts in the course of its supervision of the merger operations of two banks, Equity and BCDC, which are currently underway.
- According to the relevant procedures, all operations carried out in a commercial bank's cash-in-transit account are supported by accounting documents and sealed with the relevant accounting entries. For this purpose, the orientation of the funds is known (account of a client and/or third party; an internal account of the commercial bank, etc.). Thus, with a meticulous audit of the accounting documents, it is possible to trace the true destination of these funds or to identify the origin of the error or the fraud at the base of this loss.
- In the event that this loss is realized, it could be absorbed by the bank's equity. In other words, the major consequence of this difference is that it will affect the capital, given that the role of the capital is to absorb any loss (in this case, the loss represents only 3% of the bank's capital) or else it will impact the bank's operating account. In this case, it would be a charge to the operating account.

However, even if several analysts believe that the situation is under control and poses no risk to the public, it should be noted that such a situation could have a negative impact on the image of the bank, public perception and the entire sector through the memory effect. Indeed, the Congolese banking sector has experienced several upheavals with the closure of major financial institutions, most recently with BIAC.

Thus, the public had developed a strong reluctance towards banking institutions. Such an announcement could only exacerbate this reluctance. It is therefore the responsibility of the Central Bank of Congo to strengthen the supervision and control of banking institutions in order to ensure the stability of the sector and to promote financial inclusion.

3. Minister of Finance announces the introduction of a tax ID card

Finance Minister Nicolas Kazadi, in an interview, said that the country is preparing to implement an important reform by 2024 that will bring a totally different perspective. This is the reform of the corporate and personal income tax. According to him, this reform will bring more clarity and will bring the country closer to international standards.

He stressed that, on companies, the reform will bring a great simplification and, at the key, a reduction in the rate. For him, the country will go from 30% to 25% for corporate tax. On individuals, it is the largest tax reform that the country has experienced since 1969, he said. Specifying that, with this reform, every individual will be obliged to declare his income, his wealth and the taxes paid by individual will now be known and annualized.

In addition, he said that, while today the Directorate General of Migration (DGM) and other agencies are only pressuring companies to perform, with the new law he has already presented to the Assembly and Senate (effective in 2024 once enacted), individuals will also be prosecuted and redressed by the tax authorities as is the case for companies.

Thus, in terms of accountability, he insisted that individuals should be accountable for their assets, income, salaries and the RPI they have to pay, and all of this should be known annually with a tax form.



To facilitate this reform and in order to have the most comprehensive identification of individuals possible, the Minister of Finance has announced the introduction of a new identity card with tax identifier by June 30, 2023.

For him, this reform should place the DRC among the strong countries in terms of tax mobilization and is in line with the commitment to digitalize the entire population. He said that the electoral file that will be established in 2023 will facilitate the identification process.

It should be noted that the initiative to tax individuals is a good one and is relevant to improving revenue collection in the country. However, it is unrealistic to expect revenue optimization if the shortcomings in revenue mobilization mentioned in previous Congo Challenge reports are not addressed. Indeed, throughout 2022, the DRC recorded apparent performance in terms of revenue mobilization. The pace of public revenue collection remained mainly dependent on the price of mining products, and therefore on the evolution of the economic situation. The low tax burden in the DRC has suggested that economic growth has not yielded sufficient financial resources for the state. Hence the need for the government to put in place appropriate mechanisms for optimal collection of resources both from traditional taxpayers and from individuals who may be integrated by 2024.

II.1.1. Economic activity

The World Bank recently released its global economic outlook for the year 2023. According to the report, growth in the DRC is expected to reach 6.4% in 2023 and then 6.6% in 2024. The Congolese economy continues to show resilience in the face of the effects of the Russian-Ukrainian crisis and inflationary pressures on food prices. The DRC's governance remains marked by corruption, which plagues its economy, and its

economic growth is being driven by rising commodity prices and a rebound in other sectors. The country has recorded a budget deficit of 3% and its debt is one of the lowest in sub-Saharan Africa, at less than 25% of GDP.

The DRC benefited from a budget support of 250 million in June 2022 and could still benefit from a second tranche by June 2023. The World Bank is developing 25 projects in the DRC in the areas of human development and sustainable development, infrastructure and equitable growth. It intends to help the government in the fight against corruption, which does not help the population, which is already poor, to get out of its misery.

According to the African Development Bank (AfDB), Africa's economic growth is expected to outpace that of the rest of the world over the next two years, with real gross domestic product (GDP) averaging about 4 percent in 2023 and 2024. In general, the five regions of the African continent have remained resilient with stable medium-term prospects, although they face significant headwinds from global socioeconomic shocks. These shocks are related to soaring food and energy prices, tightening global financial conditions, and the associated increase in domestic debt service costs. Climate change—with its adverse effects on food supply and the potential risk of political change in countries holding elections in 2023.

This report calls for bold policy measures at the national, regional, and global levels to help African economies mitigate these cumulative risks. Mitigation measures include rapid and aggressive monetary policy tightening in high-inflation countries and decisive action to reduce structural budget deficits and public debt accumulation in countries facing a high risk of debt distress or already in debt distress. In addition, the outlook calls for GDP growth in the DRC to reach 6.8% in 2023.

The Mo Ibrahim Foundation² has released its report on the African Governance Index for the year 2022. The report finds that progress in human and economic development in Africa is being held back by a "generalized decline in democracy" and an "increasingly tense security situation. The report indicates that the average level of overall governance on the continent is better in 2021 than in 2012, although it has been marked by slow progress since 2019.

Five countries dominate the governance ranking: Mauritius, Seychelles, Tunisia, Cape Verde and Botswana. The DR Congo is ranked 49^{ème} out of 54 and South Sudan is in last position in this ranking. Emphasis was placed on the recurrent coups d'état that the Sahel zone has been experiencing for more than a decade, with a total of 23 coups d'état. As a result, in 2021, nearly 70% of the continent's population will be living in a country where security and rule of law conditions have deteriorated since 2012. In addition to these evils, there is a decline in freedom of association and assembly.

Mo Ibrahim puts all his hope in African youth, who he believes are better equipped and better informed than his generation. To improve its ranking, the DRC should (i) fight corruption by strengthening laws and prosecuting those responsible for corruption; (ii) improve transparency in the management of public finances; (iii) develop democracy by organizing free and fair elections while guaranteeing freedom of expression; (iv) strengthen the justice system by ensuring its independence and guaranteeing equality before the law for all citizens; and (v) improve public services by increasing investment in infrastructure in the education, health and transportation sectors.

II.1.2 Price dynamics

During January 2023, prices moved upward overall compared to December 2022. As shown in Table 1, the inflation rates (weekly, cumulative, year-on-year, and annualized) indicate that prices have increased. This could be explained by developments in fuel and food prices. The continued Russian invasion of Ukraine and ineffective government policies may be supporting this price slippage.

As for the year-on-year inflation rate, it stood at 15.47% in the fourth week of January 2023, an increase of 17.77% compared to that recorded at the close of December 2022, when it stood at 13.13%.

As for the annualized inflation rate, it stood at 38.63% in the fourth week of January 2023. This level is higher than that of the previous month when annualized inflation was 13.13%, a change of 194.12%. This situation could be explained by significant expenses incurred by the Treasury during the month under review, including expenses related to the arrival of Pope Francis in the DRC.

2. The Ibrahim Index of Governance in Africa (IIAG) is based on more than 80 indicators classified into four sub-categories: "security and rule of law", "participation, rights and inclusion", "human development" and "foundations of economic opportunity".

The table below shows the evolution of inflation in January 2023.

Table 1 » INFLATION TRENDS (JANUARY 2023)

	Weekly inflation	Cumulative inflation	Year-on-year inflation	Annualized inflation
Week 1	0.17	0.17	13.27	9.48
Week 2	1.35	1.53	14.69	48.28
Week 3	0.74	2.30	15.34	48.38
Week 4	0.24	2.54	15.47	38.63

Source : CCO, January 2023.

In addition, it should be noted that other important developments could further compromise the macroeconomic framework. These include: (i) the insecurity in the east of the country, which has led to massive population displacements, disruption of economic activity in areas affected by fighting, and a loss of investor confidence in the country; (ii) the continuing rise in commodity prices; and (iii) the risk of a resurgence of the Covid-19 pandemic with the resurgence of infections in China; (iv) the expenses to be incurred during the current electoral year for the organization of the polls as well as (v) the continuing Russian invasion of Ukraine with its consequences on the dynamics of agricultural and energy prices.



II.1.3 Exchange rates and foreign exchange reserves

Throughout January 2023, the exchange rate deteriorated slightly on the interbank market where it stood at 2,028.82 in the third week of January 2023 compared to 2,016.91 at the end of December 2022, a depreciation of 0.59 percent.

On the parallel market, the exchange rate appreciated slightly to 2,149.84 in the third week of January 2023 from 2,150.00 a month earlier, an appreciation of 0.01%.

Table 2 » EXCHANGE RATES TRENDS

	Closing december 2022	January 2023			Variation december-january 2023
		Week 1	Week 2	Week 3	
Interbank market	2 016.91	2 020.94	-	2 028.82	0.59%
Parallel market	2 150.00	2 190.00	-	2 149.84	-0.01%

Source : CCO.

As for foreign exchange reserves, they were at a lower level than at the end of December 2022. They stood at USD 4.20 billion in the third week of January 2023, a drop of 4.55% compared to the end of December 2022, when they stood at USD 4.40 billion. In terms of the number of months of imports, the Congolese economy

has seen a decline in its capacity since the end of December 2022. Import coverage by foreign exchange reserves fell from 2.62 months to 2.30 months between the end of December 2022 and the third week of January 2023, a drop of 12.21%.

Table 3 » FOREIGN EXCHANGE RESERVES TRENDS

	Closing december 2022	January 2023			Variation december-january 2023
		Week 1	Week 2	Week 3	
In billions of USD	4.40	4.40	-	4.20	-4.55%
In months of imports	2.62	2.63	-	2.30	-12.21%

Source : CCO.



II.1.4 Money market

The elements presented in Table 1 sound the alarm about the overheating of the goods and services market. They indicate that, all other things being equal, the year 2023 would end with instability in the general price level, a situation that recurs in election years.

To reverse this negative trend, appropriate measures must be taken to stabilize prices. The first step would be to identify the causes of the said deterioration. Thus, a careful analysis of the monetary situation will provide the main explanations. In fact, in its process of stabilizing the general price level, the DRC follows the "Money - Exchange - Price" causal scheme. As a result, any increase in the money supply is first reflected in the foreign exchange market before being passed on to the prices of goods. The first reflex is therefore to observe the behavior of the "Claims on non-residents" aggregate. This item fell from 9,634,916 million CDF to 9,327,273 million CDF. This decrease is evidence of the smoothing of the exchange rate fluctuations that occurred at the beginning of 2023 and continue to this day.

Moreover, smoothing corrects any slippage. It is therefore essential to analyze fiscal policy as an independent factor in order to clarify its behavior. Unsurprisingly, there is no recourse to ex nihilo monetary creation as prescribed in the Stability Pact of 18 August 2020. Since claims on the central government are broadly unchanged, an analysis of fiscal policy amounts to determining the change in liabilities to the government. There has been a drastic decrease over time, from 3,400,247 million CDF in August 2022 to 1,613,369 million CDF in January 2023. Thus, there have been more disbursements (financing of public expenditures) than receipts (collection of revenues), thus decreasing the state's resources. This trend is likely to continue in a year that requires sufficient

funds to ensure the holding of elections. Fiscal policy has therefore been expansive.

Monetary policy, as a last resort, is supposed to smooth the slippage of autonomous factors to bring the country back to target. What about the use of institutional factors and related instruments ?

Excluding refinancing, whose interest rate does not change erratically, a small change was observed in the subscription to BCC bonds from July 2022 to January 2023, from 60,000 million CDF to 118,000 million CDF between the two periods. On the other hand, if we consider the same situation as the budgetary policy, we observe a decrease in BCC bonds from 127,000 million CDF to 118,000 million CDF. This reflects an expansionary policy with the injection of liquidity of about 9,000 million CDF.

As for the reserve requirement, only its foreign currency level increased, albeit slightly, from CDF 301,795 million to CDF 416,129 million between August 2022 and January 2023.

Thus, it can be seen that overall fiscal policy has been very expansionary. The monetary policy response has been mixed. Sometimes an injection from August 2022 to January 2023 based on the bills, sometimes a puncture by analyzing the reserve requirements. This reaction, which increased the amount of money in circulation, led to overheating in the foreign exchange market, which in turn affected the market for goods and services.

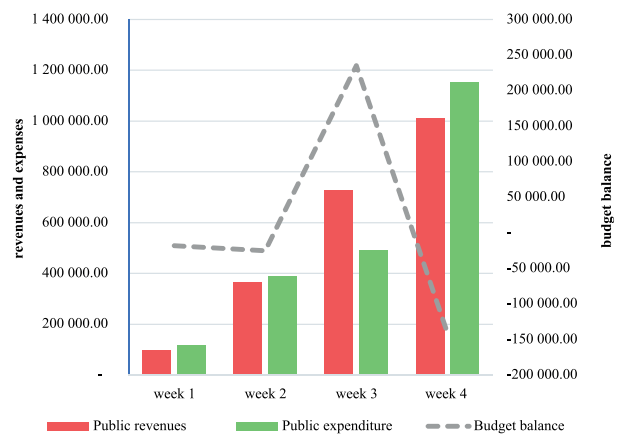
The BCC should therefore intervene more as a last resort to smooth the slippage of autonomous factors in order to preserve the population's purchasing power and bring annualized inflation back to target.



II.1.5 Public finance

CTR (Ministry of Finance) statistics indicate that in the fourth week of January 2023, the Treasury recorded a deficit of 140,937 million CDF. This deficit is the result of an expenditure level of 1,150,739 million CDF versus revenue of 1,009,802 million CDF. At the beginning of this year 2023, tax revenues were 892,366 million CDF and capital expenditures were 98,079 million CDF, representing almost 19% of total expenditures.

Figure 9 » PUBLIC SECTOR AGGREGATES AS OF JANUARY 2023 (IN MILLIONS OF CDF)



Source : CTR (Finance Department).

In the fourth week of January 2023, the government has spent an amount equivalent to 505,163 million CDF, or 44% of total expenditure on the payment of civil servants' salaries. The government continues to stagger the process of paying civil servants, which has negative consequences for civil servants and could lead to frustration and even revolt. The arbitration that is being done is not in line with the sound management of public finances so much vaunted by the authorities. It would be desirable to take measures to improve the management of public finances.

II.2 Evolution of the political situation

The political news of January 2023 was specifically dominated by the following facts: (i) the four-year record of President Felix Tshisekedi; (ii) the persistent insecurity in North Kivu; and (iii) the electoral process.

1. The four years of President Felix Tshisekedi

Tshisekedi has been in charge of the DRC for four years, with a mandate that has seen the Covid-19 pandemic that has paralyzed the world economy since December 2019 until 2021, the invasion of a large part of the territory of the Eastern part by the M23 supported by Rwanda, which situation sows desolation in the civilian population fleeing constantly the sounds of boots and channels.

For those in power, this painted picture has undermined the first four years of Tshisekedi's mandate, and they plead on occasion for the renewal of the mandate during the elections scheduled for December 2023.

Several people expressed their views on the achievements of these years of Felix's mandate.

On the PPRD side, President Felix Tshisekedi's record has been described as largely negative. Indeed, the Deputy Permanent Secretary of the PPRD, Ferdinand Kambere, argued that in four years, the CENI has not been able to be set up even though we are already in the election year, that on the security front, part of the country is occupied by foreign armies, and the population is wandering and massacres are continuing. And on the social level, he continues, "there too, no reform has been put in place and it is the population that is suffering. The dollar rate is galloping. The roads, whether in the capital, in the cities and in the provinces, are almost non-existent, and the health infrastructures are not even mentioned. Finally, in terms of justice, it is clear that those in power embezzle without being worried. But on the other hand, there are prisoners of conscience, I myself come from Makala, Jimmy Kitenge, Barnabé, and Kabund are still there.

In a statement made public, the civil society of Kasai Central judges this four-year report to be not very encouraging in terms of justice. Indeed, for it, justice shows the face of a poor relation as under the Kabila regime and the judicial system has remained ineffective and inefficient, because several evils continue to plague the functioning of the judicial system in the country, including poor working conditions of judges, the collection of illegal fees, clientelism and influence peddling, but also corruption. In addition, the Congolese Society for the Rule of Law also notes the absence of a culture of positive and negative sanctions, the non-existence of a system of integrity, insufficient local judicial coverage and impunity for serious crimes under the regime of Félix Tshisekedi.

For her part, Senator Francine Muyumba considered that, since the advent of Félix Tshisekedi to power, several voices have constantly denounced the establishment of a government parallel to the presidential of the Republic. Some advisers to the



President of the Republic are, rightly or wrongly, accused of embezzling public funds allocated to major works projects. For her, the DRC has become a country of powerful advisers and a very weak government. Advisors immersed in scandalous misappropriations that accentuate the anger of the Congolese people at a time when the blood of our fellow citizens continues to flow savagely in the east of the country. In fact, despite the accusations against the previous regime, the country has never known professional thieves of public money of this level. And at the same time, in Tshilenge there is not even a dispensary, women give birth on mats without medical assistance, she argued.

In one of its reports made public this month, the Observatory of Public Expenditure (ODEP), through the mouth of its Chairman Florimond Muteba, indicated that the 100-day program and the Tshilejelu project were managed "by a parallel government set up at the presidency of the Republic, the pilot of which is the chief of staff of the head of state. In addition, other advisors to President Tshisekedi are cited as negotiating mining contracts by mutual agreement, bypassing members of the government.

According to ODEP, this "situation results in a race to illicit enrichment, trampling on the constitutional provisions, which do not recognize the right of an adviser to take action on behalf of the government. For ODEP, it is practically in all the financial scandals that the collaborators of the Head of State are pointed out.

For the Union for Democracy and Social Progress (UDPS), the political group that brought Félix Tshisekedi to power, the results of four years are considered very positive, while advocating for a second term.

To this end, Augustin Kabuya, secretary general of the UDPS, gives a very positive assessment in all sectors of national life: from the economy to social, political, security, diplomatic and judicial areas.

On the political front, he praised the establishment of the CENI and the willingness of the President of the Republic to organize elections within the deadline. Regarding the economy, Augustin Kabuya welcomes the budget as revised upwards for this year 2023, essentially all the performances recorded in the mobilization of revenues since they came to power. On the social front, Mr. Kabuya mentioned free education, while on the judicial front, he affirmed that up to now, there are no political prisoners and praised the actions initiated by the judiciary against the executioners of democracy as well as the embezzlers of state funds. And finally, on the security front, Augustin Kabuya praised the efforts to eradicate armed groups.

In its report called "Fatshimetrie" made public after four years in power, the citizen movement Lutte pour le Changement (Lucha) indicated that in the political governance record of President Félix Tshisekedi, a degradation of the political and civic space with various forms of political repression. To this end, the movement cites, for example, the relentlessness against the supposed political opponents of the President, headed by the saga in the case of Bukanga Lonzo of Matata Ponyo, former Prime Minister. But also, the "fiscal relentlessness" against the Panzi hospital of the Nobel Peace Prize winner, Dr. Denis Mukwege in Bukavu, the arrest of Lucha activists and committed artists, political activists, as well as journalists muzzled and forced to leave the country (the expulsion of Sonia Rolley of Reuters or the clandestinity of Steve Wembi, etc).

In addition, Lucha points out that the Congolese police continue to perpetrate acts of "bloody" repression resembling a "totalitarian" regime, in collusion with Monusco. This was an opportunity to recall what happened in July 2022, when the youth who were bloodily repressed, leading to the loss of ten of their number, were demonstrating against the inaction and ineffectiveness of MONUSCO and the deterioration of security by demanding the withdrawal of this most expensive UN force in the world, but whose results were deemed mediocre. In addition, the movement notes with regret that the "uninformed" and "uninvestigated" arrests of François Beya, former special security advisor, and Jean-Marc Kabund Wa Kabund, former vice-president of the National Assembly, are also disturbing and indicative of "totalitarianism", which is being built to the detriment of democracy and the rule of law. "This narrowing of political and civic space suggests a desire on the part of the current president to build a political totalitarianism to the detriment of democracy, for which the Congolese people, including himself and his political party, the UDPS, stood up fiercely against the dictatorships of Mobutu and Kabila. Finally, Lucha noted that it is regrettable that the Head of State has created several agencies and establishments within his cabinet, which is already flooded with political advisors who are involved in corruption, influence peddling, embezzlement and conflicts of interest in several public procurement cases, including the Tshilejelu project and the construction of the universities.

For Franck Diongo Shamba, national president of the Mouvement Lumumbiste Progressiste (MLP), who has also announced his candidacy for the December 20, 2023 presidential election, Félix Tshisekedi's record is "catastrophic. Indeed, according to him, nothing works on the political, diplomatic, social, economic or security level. He argued that from January 24, 2019 to January 24, 2023, Congolese have experienced, in their

majority, a dramatic deterioration of living conditions. "The prices of basic necessities have increased significantly. Fuel shortages have been frequent.

In an interview with a Kinshasa daily on January 24, 2023, Prince Epenge gave a very bleak assessment of President Félix Tshisekedi's four years in power. For him, January 24 is "a date that the Congolese will curse forever. "It is the date which is at the base of all the misfortunes that the Congolese know today with the illegitimate landing of Mr. Felix Tshilombo in power".

According to him, in Kinshasa or in the provinces, the Congolese have closed faces, tortured by poverty, misery. A face frightened by the insecurity that threatens and corrodes the future of their children. He continued that on the security front, chaos continues following the growing insecurity in North Kivu, which has been transformed into a veritable archipelago of terror, leaving the President unable to protect the Congolese people, but having called on all kinds of bandits, such as the Burundian, Ugandan, Kenyan and South Sudanese armies. And finally, on the socio-economic level, Prince Epenge regretted the depreciation of the Congolese franc against the dollar.

The Engagement for Citizenship and Development (ECIDE) of Martin Fayulu was expressed by Mbaya Musampa, who maintained that over the past 4 years they have witnessed the shameless plundering of the meager resources of the state by the coalition in power with impunity as never before, and that they are watching helplessly as the security situation deteriorates throughout the national territory, particularly in Ituri and Kivu, two provinces occupied in part by foreign armies and armed groups. Also, his political party is witnessing, with great concern, the return of a personality cult that was thought to be over and that recalls the dark hours of the cruel Mobutu dictatorship.

Box 1. Sensitizing the population to enroll for the December 2023 elections: Senator MATATA PONYO Mapon's speech of January 28, 2023

Dear Congolese people,

Dear young people, the future of this country,

It is time for the DRC people to register to vote in December 2023 in order to choose the leaders they deserve. We have decided today to solemnly address the entire Congolese population, in general, and the members of our party, the LGD, in particular, to remind everyone of the crucial importance of registration at this time when the Congolese are living through some of the most dramatic moments in their history since independence.

Indeed, it is well known that the socio-economic situation has continued to deteriorate over the past four years despite the huge promises made by the current government at the beginning of its mandate in January 2019. The economic growth rate of GDP per capita, although positive (1.4%), is largely insufficient to raise the real income level of the population significantly. This rate was 3.3% during the 2012-2016 period when I was Prime Minister.

The inflation rate remains relatively high, at 9% on average per year, and is a burden on the purchasing power of the population, especially the lower classes such as government employees, small business owners, vegetable and beverage sellers and other resourceful people. How can we not remember the time when I was the head of the Ministry of Finance and the government, when prices were totally stable (2.6% on average per year) ?

The deterioration of the road network in Kinshasa and in the interior of the country has no comparison in the country's recent history and is a cruel reminder of the 1990s, which were marked by the almost total absence of the State.

The exchange rate of the Congolese franc against the U.S. dollar continues to depreciate notwithstanding the somewhat high levels of foreign exchange reserves that the government shamefully boasts about. False reserves resulting in particular from an external debt to international institutions that mortgages the future of future generations after reaching the completion point, which made it possible to erase nearly 10 billion US dollars in June 2010 when I was Minister of Finance. Foreign exchange reserves that do not reflect the level of economic activity and external accounts of the country that remain unbalanced.

Public finances unable to ensure the regular payment of civil servants' salaries, to allow the smooth functioning of state institutions and to provide for the financing of public investments capable of supporting strong economic growth in the years to come. Public finances marked by the increase in the level of revenue touted in campaigns to plug the ears of the Congolese. Unfortunately, tax revenues are used to fuel large-scale corruption through the payment of domestic debt and the financing of public projects that swallow up tens, if not hundreds, of millions of U.S. dollars, as was recently denounced by the presidential press.

The 20% to 30% kickback phenomenon has resurfaced in the public expenditure payment circuit, whereas it had completely disappeared when I was Minister of Finance and Prime Minister. Can you imagine that I was also asked to pay a 20% kickback to obtain payment for studies carried out by my office for the government? Which I refused, because it is not in line with my ethics and professional requirements. The funds of the African Development Bank, made up of savings of Africans and Westerners, are scandalously diverted to the Ministry of Finance without the authorities of this African institution, fully informed, reacting.

The monetary sector is still marked by the increase in currency circulation outside the bank and the dollarization of the economy, which began to diminish during my time as head of government, due to the return of confidence in the national currency among the Congolese population. We must not forget that during this period marked by a legendary stability of the exchange rate of the national currency for almost five years, a major part of our compatriots working in the private sector had demanded not to be paid in American dollars, but rather in national currency. The Congolese franc had also become a safe haven currency in some neighboring countries such as Zambia and Angola! The Congolese were now proud of their currency. This is no longer the case today.



The dysfunction of the banking system is such that it is no longer possible to withdraw at any height one's own money deposited in a bank where currency withdrawals are now limited. This limitation of authority seriously slows down the speed of circulation of money in the economic circuit and mortgages the momentum of investment in the country. Such a measure, moreover, anti-economic, is the antithesis of the freedom of movement of funds that my government had favored and maintained for nearly five years, and which had supported economic growth, which had approached double digits in 2014.

In a word, the macroeconomic framework has globally deteriorated over the last four years and has nothing to do with the remarkable socio-economic performance of my government between 2012 and 2016.

Dear Congolese people,

Dear young people,

It is therefore time to go and enlist massively to put an end to this downfall of the economy of our own country, to this degrading deterioration of the living conditions of the population. It is your right, but it is also your obligation. The democracy that we have chosen is made this way: **power is obtained through the ballot box and only through the ballot box.**

It is through the ballot box that you will have your President of the Republic, your national and provincial deputies in December 2023. And it is through the ballot box that you will indirectly have your Prime Minister, your President of the National Assembly, your President of the Senate, your Presidents of the Provincial Assemblies and your Provincial Governors. And it is these high elected officials at the national and provincial level that will allow you, through subsequent acts of appointment, to have leaders in the various public structures and institutions. National and provincial ministers, CEOs, DGs, national and provincial directors, etc.

So, you can only have competent and honest national and provincial authorities if you have actually elected them. You can only have better ministers, CEOs, DGs, national and provincial directors if you have first elected better national and provincial authorities. **That is why you must go and register** because you can only vote if you have registered.

Do not fall into the trap of fatalism, pessimism and discouragement to say: "even if I vote, the person I will have chosen will never be proclaimed, the power already has its candidates". No and no. You are mistaken. You must register to vote in December 2023. No one is in a position to oppose the choice of the people and the will of God. The history of the December 2018 elections in this very country reminds us that it is not necessarily the candidates of the powers that be who are absolutely elected and proclaimed.

Even if in some circumstances, the unelected were proclaimed, we cannot, out of defeatism, consider this isolated case as the rule to be repeated in 2023. We have seen candidates supported by the government during the 1980s, 1990s and 2000s on the basis of untimely propaganda with thousands or millions of American dollars, but fail miserably because of the will and determination of the people to change things.

On the other hand, we have seen candidates with little or no money and fought by the power, be proclaimed elected, because they were ardently supported by the people. In December 2018, I myself was fought by my own ruling political party that openly campaigned against me, but the people elected me overwhelmingly.

We can steal the victory of your candidate if you want, but we will never know if you refuse, and especially if you organize yourselves accordingly. For the people are more powerful than any power, whether dictatorial, authoritarian or not.

This is the history of politics in the world through the centuries. Here,

- the people, with Mandela, defeated apartheid in South Africa supported by the power ;
- the people, with Martin Luther King, overcame racial discrimination in the United States supported by the power ;
- the people, with Lumumba, defeated the colonization supported by the power in our country.

Therefore, nothing is impossible with the will and determination of the people. If you want your candidates to be elected, you must enroll massively. And if you want the candidates you elected to be proclaimed, you will have to organize yourselves so that witnesses monitor the polling stations and that the real results are posted right after the counting in accordance with the provisions of the electoral law.

Thus, you will get results that, when aggregated, will give you the true picture of the vote that will be difficult to tamper with or change. Electoral fraud can be done once, as was the case in December 2018, and can in no way be repeated in December 2023, no matter how well imagined and framed, if the people you are fiercely oppose it. We saw it in this same country during different changes of regime in May 1997 and December 2018.

It is therefore necessary to go and enroll whatever traps may be set for you to dissuade you because enrollment is the first and most decisive step in the electoral process. If the enrolment machines are insufficient in your locality, ask that they be added, it is your right. If they break down all the time, ask for them to be repaired, that is your right. If there is not enough time for enrollment, ask for an extension. That's your right too. If you have to walk miles to enlist, do it. You are not going to die. It's for a noble cause. It's even good exercise for your health. If you have to wait several hours in front of an enlistment office to be received, do it. Sometimes that's the price you have to pay to get what you want. If your photo on the voter registration card is not as clear as you would like, accept it. This photo will never change your face and identity. You remain the same as God created you. But at least you will have obtained your voter registration card and won the first battle that will prepare you for the final victory in December 2023.

Dear Congolese people,

Dear young people,

It's time to enlist because you have a historic opportunity to show the world that you do not deserve the **dishonor, ridicule and humiliation** you face today.

Some leaders and citizens of the world openly call **us dancers, enjoyers, lazy and non-working**. Others say that we have no army and that we will never win a war except with arrows and slingshots. Others, finally, are plotting from their countries to create and maintain armed groups and rebellions to kill our brothers and sisters in the East. They dream of a balkanization of the country in order to seize part of our land, an indivisible heritage bequeathed to us by our ancestors since time immemorial.

We must therefore enroll to choose

- leaders who are capable of turning things around and putting the Congolese economy back on the path to emergence as was the case between 2012 and 2016 ;
- leaders capable of driving out the M23 by force of arms as the Congolese Armed Forces did in this same country in November 2013 when I was Prime Minister.

It was not with slingshots or darts; it was with guns. I have been to **Bunagana, Chanzu and Runyonyi**, and I have had the privilege of savoring, on the top of the mountains, the victory due to the valiant fighters of our Congolese Armed Forces.

Let me reassure you, dear compatriots, that the Congolese military is capable of great feats of arms. And they have demonstrated this across the African continent in the 1970s and 1980s, and most recently in Bunagana in November 2013.



Are you going to enlist to elect leaders next December who are capable of restoring our army to the reputation it deserves and restoring peace and security in the East of the country ?

Dear Congolese people,

Dear young people,

It is time to remind you that the future of this country is totally yours. It will not come from the United States, Europe or even China. The development of this country is not their priority.

Think again, dear compatriots.

Neither the International Monetary Fund, nor the World Bank, nor the African Development Bank will develop the DRC. It is not their main mission. These institutions have never developed a country in the history of the world and the DRC will not be the first country to make the exception.

For the record, these institutions have even accompanied the DRC in its underdevelopment with structural adjustment programs of sad memory in the 1970s and 1980s. They still accompany it today in bad governance with important financial support. The deterioration of the current socio-economic situation is mainly due to a leadership and governance deficit tolerated by these institutions.

Justice, which is one of the pillars of governance in a country, is now used as a political weapon to eliminate declared or undeclared candidates for the presidential election. Finally, **all the best candidates desired by the Congolese risk being eliminated in favor of mediocre ones**, which would no longer be an election, but the validation of an electoral process in favor of a candidate chosen in advance. It would be like the Second Republic, where the single candidate was known in advance, and then elected and proclaimed by 99.9%.

The Constitutional Court and the Court of Cassation are used to excess. The country's two major courts systematically violate the constitution in full view of the national and international community, which remains incredibly silent.

The sacrifices for a **State of law** made during decades by one of the worthy sons of this country, **Etienne Tshisekedi wa Mulumba**, are drowned in total contempt by men and women blinded by power. They ignore that the **exercise of power without justice** hurts the deep love, even the soul and spirit of the citizens, and is at the base of wounds that take decades to heal. Injustice is at the root of the frustrations that ineluctably alienate leaders from the people, set politicians against the people, and lead, in the end, to their brutal downfall no matter how long, or how many methods and police practices they may use. This type of leaders ends up being thrown into the dustbin of history, no matter how extravagant their enrichment. This is the evidence of political mathematics, whether we like it or not.

It's high time to get involved, fellow Americans.

So, you need to go and enroll to allow you to choose yourself in December 2023,

- not crooked leaders, but real leaders,
- not embezzlers of public funds, but managers with integrity,
- not demagogues, but deliverers of results,
- not enjoyers, but workers ;
- better men and women capable of putting the country back on the path of emergence and development, of putting an end to the war and insecurity in the east of the country ;
- restoring the honor and dignity of the DRC people throughout Africa and the world. And this is possible.



Finally,

Dear Congolese people,

Dear young people,

Go and enlist so that the dream of **Patrice Emery Lumumba**, that of seeing one day the DRC as a center of impulse and development of the African continent and the world, **becomes a reality**.

Go and enlist so that the prophecies of **Mfumu Simon Kimbangu**, those of seeing one day a dignified and powerful Congo, **become a reality**.

Go and enroll so that the dream of **Etienne Tshisekedi wa Mulumba**, that of seeing the rule of law established in this country, **becomes a reality**.

Go and enlist so that the dream of **Mzee Laurent Désiré Kabila**, never to betray the Congo, **becomes a reality !**

Go and enlist so that the dream of **Marshal Mobutu Sese Seko Kuku Ngbendu wa za Banga**, to keep the DRC as a united country, **remains a reality**.

Go and enroll so that the dream of seeing **our brothers in North Kivu and Ituri** in particular, and in the East of the country in general, to live in peace and security, **becomes a reality !**

Go and enlist to make **your own dream** of seeing yourself living in an emerging economy or seeing your daughters and sons or granddaughters and grandsons one day living in a developed country a **reality !**

Go and enlist because **this is the will of God, the will of your ancestors and grandparents** to see the innumerable riches of this country, not to be plundered by neighboring countries, not to be sold by Congolese leaders in search of personal enrichment, but rather to be extracted, processed and converted into finished products in this country in order to create millionaires and Congolese billionaires.

In order to do so, we ask the political power to give time and opportunity to all Congolese in the whole country to be registered, including in North Kivu and Ituri, to be able to vote in December 2023. For voting is a constitutional right. The people want to express themselves at all costs in December 2023 for change and will not accept any postponement beyond the constitutional deadline, whatever the delaying tactics.

Ladies and Gentlemen,

May God protect our brothers and sisters in North Kivu and Ituri,

May peace and grace be with our brothers and sisters throughout the country,

Long live the DRC,

God be praised.

Best wishes for the year 2023.

Thank you.

2. Persistent insecurity in North Kivu

Following the publication of the UN experts' report on the DRC, several Western countries, led by the United States, have finally raised their voices to denounce Rwanda's involvement in the crisis in the eastern DRC, which Kinshasa has always accused of supporting the M23 rebels. In this report, published in December, these UN-mandated experts claim to have collected "substantial evidence" that demonstrates "the direct intervention of Rwandan defense forces (RDF) on DRC territory" at least between November 2021 and October 2022.

Speaking on Tuesday, January 17, during a panel discussion on the second day of the World Economic Forum in Davos, Switzerland, Felix Antoine Tshisekedi once again blamed Rwanda for the security crisis in eastern DRC.

Responding to a question from a journalist on the difficulty of establishing peace in the east of the country, Félix Tshisekedi explained how insecurity hinders development in the Great Lakes region. To this end, he argued that the problem that the DRC has is a great challenge, because we cannot invest both in the development of the country and in resources to increase the capacity of the army and to be able to defend ourselves enough. If everyone had the same philosophy, the same vision, the one he shared when he became head of the country, that is to say: that of going to all the nine neighbors, proposing development projects that will benefit the respective economies and populations, everyone would invest in these economic and commercial exchanges and others that would bring peace and ensure stability in the region.

And to finish, the Congolese head of state designated Rwanda as the person responsible for the insecurity in the East of the DRC, stating in front of his interlocutor that: *"It is obviously because of certain neighbors with belligerent intentions that it is unfortunately impossible to*

achieve. And to add "the problem of insecurity in the Great Lakes region is called Rwanda".

Finally, it should be noted that the meeting that was scheduled for Monday, January 23 in Doha, Qatar between the presidents of the Democratic Republic of Congo Felix-Antoine Tshisekedi and Rwanda, Paul Kagame had been canceled. The president of the DRC had simply refused to go to Doha while a Rwandan delegation was already there.

On the side of the European Union, it was Joseph Borrell, its head of diplomacy, who strongly urged Rwanda to "stop supporting the M23" and to "use all means to put pressure on the M23 to comply with the decisions" taken by the heads of state of the community of East African states.

The United States of America says it has noted from the UN experts' report clear evidence of Rwanda's support for M23. In a statement released Wednesday, January 4, it also noted credible reports of serious human rights violations by the M23. To this end, the United States of America has again called on Rwanda to end its support for the M23, while denouncing the FARDC-FDLR collaboration.

They also condemned attacks by armed groups on Monusco peacekeepers, as well as acts of torture, rape, and attacks on civilians reported by several armed actors that contributed to mass displacement during the reporting period.

In his New Year's greeting on Thursday, January 5, 2023, Congolese President Denis Sassou Nguesso also strongly condemned the abuses committed by Rwandan-backed M23 terrorists in Rutshuru territory in North Kivu province for nearly a year.

While strongly condemning these barbarities, President Sassou renewed his unconditional support for the peace initiatives undertaken to restore calm and tranquillity in the East of this brotherly country.

For Thomas Luhaka Losendjola, political actor and former minister, the war in the eastern DRC (and insecurity in general) is due to the fact that a collective mismanagement of the Republic since independence has completely destroyed the Congolese state, which is now unable to protect the population and defend itself against external and internal attacks. According to him, the urgency is to rebuild the State, starting with the Administration of the territory and the army, relying on competence and moral integrity, as the only criteria for appointment to positions of responsibility.

Still in this chapter of security, the Government of the DRC, in a communiqué made public by the Minister of Communication, Patrick Muyaya, reported and condemned the missile attack perpetrated by the Rwandan army against one of its Sukhoi-25 aircraft, on Tuesday, January 24, 2023, while it was beginning its landing in Congolese airspace in Goma, in the province of North Kivu.

In its reaction, Rwanda had claimed that the plane had violated its airspace, and that "defensive" measures had been taken.

The Congolese government said it considered this umpteenth attack by Rwanda to be a deliberate act of "aggression" that amounts to an "act of war" aimed at sabotaging ongoing efforts to implement the actions agreed upon in the Luanda and Nairobi processes for the restoration of peace in the eastern DRC and the Great Lakes region.

In the meantime, the M23, supported by Rwanda, has continued to conquer localities on the ground. This is the case of the city of Kitchanga, which fell under the control of the M23 after intense fighting that led to the massive displacement of the population to the Monusco camps to seek shelter. In view of this worrying situation, the DRC has drawn the attention of the international community to the urgent need to "maintain pressure on Rwanda and the terrorist movement M23 to stop the violence that risks jeopardizing" the voter registration operations in the center and east of the country during this election year. The Congolese authorities also emphasize that they reserve the legitimate right to defend their national territory and will not let this happen.

The facilitator of the East African Community (EAC) and former Kenyan president, Uhuru Kenyatta, without mentioning the incident, called on both countries to respect the Luanda and Nairobi processes in order to restore peace in eastern DRC. To this end, he said he was concerned about the "killings" that continue in the province of North Kivu and asked the Congolese government to take care of the displaced.

The United Nations, through its Special Envoy for the Great Lakes in Africa Huang Xia, has expressed deep concern over reports of an incident involving a military aircraft of the Forces Armées de la République Démocratique du Congo (FARDC) on January 24, 2023, in the border area between Rwanda and the DRC.

The UN special envoy, in a statement released on Thursday, January 26, urged Kinshasa and Kigali to exercise maximum restraint and work to defuse tensions through dialogue.



Box 2. Pope Francis' address to public authorities, civil society representatives and the diplomatic corps in Kinshasa

On January 31, 2023, Pope Francis delivered a speech in Kinshasa before public authorities, representatives of civil society and the diplomatic corps. The essence of the speech is reproduced below :

Mr. President of the Republic,
Illustrious members of the Government and the Diplomatic Corps,
Distinguished religious and civil authorities,
Eminent representatives of civil society and the world of culture,
Ladies and Gentlemen!

I greet you cordially and I thank Mr. President for the words he addressed to me. I am happy to be here, in this land so beautiful, so vast and so luxuriant, which embraces, in the north, the equatorial forest; in the center and towards the south, the high plateaus and the wooded savannahs; in the east, the hills, the mountains, the volcanoes and the lakes; and in the west, other great expanses of water, with the Congo River joining the ocean. In your country, which is like a continent within the great African continent, one has the impression that the whole earth breathes. But if the geography of this green lung is rich and varied, history has not been so generous. Tormented by war, the Democratic Republic of Congo continues to suffer within its borders from conflicts and forced migrations, and to suffer from terrible forms of exploitation, unworthy of man and creation. This immense country full of life, this diaphragm of Africa, struck by violence as if by a punch in the stomach, seems to have lost its breath long ago.

And while you, Congolese, struggle to safeguard your dignity and territorial integrity against the despicable attempts to fragment the country, I come to you, in the name of Jesus, as a pilgrim of reconciliation and peace. I have longed to be here and I come at last to bring you the closeness, affection and consolation of the whole Catholic Church.

I would like to speak to you through an image that symbolizes the luminous beauty of this land: that of a diamond. Dear Congolese women and men, your country is truly a diamond of creation; but you, all of you, are infinitely more precious than all the good things that come from this fertile soil! I am here to embrace you and to remind you that you are invaluable, that the Church and the Pope have confidence in you, that they believe in your future, a future that is in your hands and in which you deserve to pour out your gifts of intelligence, wisdom and diligence. Courage, Congolese brother and sister! Rise up, take back in your hands, like a very pure diamond, what you are, your dignity, your vocation to keep in harmony and in peace the house you live in. Revisit the spirit of your national anthem, dreaming and putting into practice its words: "Through hard work, we will build a country more beautiful than before, in peace".

Dear friends, diamonds, usually rare, abound here. If this is true for the material riches hidden under the earth, it is even more true for the spiritual riches locked up in your hearts. And it is precisely from the hearts that peace and development are possible because, with God's help, human beings are capable of justice and forgiveness, of concord and reconciliation, of commitment and perseverance in order to make use of the talents they have received. From the very beginning of my journey, I would like to launch an appeal: that every Congolese feels called to play his or her part! Let violence and hatred no longer have a place in the hearts and on the lips of anyone, for these are inhuman and anti-Christian sentiments that paralyze development and lead back to a dark past.

Speaking of hindering development and returning to the past, it is tragic that these places, and more generally the African continent, still suffer from various forms of exploitation. After political colonialism, an equally enslaving economic colonialism has been unleashed. This country, largely plundered, does not manage to profit sufficiently from its immense resources: it has reached the paradox that the fruits of its land make it "foreign" to its inhabitants. The poison of greed has bloodied its diamonds. This is a tragedy before which the economically more advanced world often closes its eyes, ears and mouth. But this country and this continent deserve to be respected and



listened to, they deserve space and attention: Get your hands off the Democratic Republic of Congo, get your hands off Africa! Stop stifling Africa: it is not a mine to exploit nor a land to rob. Let Africa be the protagonist of its destiny! May the world remember the disasters committed over the centuries to the detriment of the local populations and not forget this country or this continent. Let Africa, the smile and hope of the world, count more: let it be talked about more, let it have more weight and representation among the nations!

A diplomacy of man for man, of the peoples for the peoples, must be deployed, according to which the opportunities of growth of the people are at the center, and not the control of areas and resources, the aims of expansion and the increase of profits.

Looking at this people, one has the impression that the international community has almost resigned itself to the violence that devours them. We cannot get used to the blood that has been flowing in this country for decades now, killing millions without the knowledge of many. We must know what is happening here, that the peace processes underway, which I encourage with all my strength, are supported in fact and that the commitments are kept. Thanks be to God, there are those who contribute to the good of the local population and to a real development through effective projects: not interventions of pure assistance, but plans for an integral growth. I am grateful to those countries and organizations that provide substantial aid in this sense, contributing to the fight against poverty and disease, supporting the rule of law and promoting respect for human rights. I hope that they will continue to play this noble role fully and courageously.

Let's go back to the image of the diamond. Once worked, its beauty also comes from its shape, from its many facets harmoniously arranged. This country, rich in its typical pluralism, also has a polyhedral character. This is a richness that must be preserved, while avoiding sliding into tribalism and confrontation. Stubbornly siding with one's own ethnic group or particular interests, feeding spirals of hatred and violence, is detrimental to all, blocking the necessary "chemistry of the whole". Speaking of chemistry, it is interesting to note that diamonds are made up of carbon atoms alone, which, if connected differently, would form graphite. The difference between the brightness of a diamond and the darkness of graphite comes from the way the individual atoms are arranged in the crystal lattice. This metaphor expresses the fact that the problem is not the nature of human beings or ethnic and social groups, but how we decide to be together. The willingness or unwillingness to meet, reconcile and begin again makes the difference between the darkness of conflict and a bright future of peace and prosperity.

Dear friends, the heavenly Father wants us to know how to welcome each other as brothers and sisters of the same family, and to work for a future that is with others and not against others. "Bintu bantu": this is how one of your proverbs reminds us that the real wealth is people and the good relationships between them. In particular, religions, with their heritage of wisdom, are called to contribute to this, through a daily effort to renounce all aggressiveness, proselytizing and coercion, which are means unworthy of human freedom. When one comes to impose, by going after the faithful, in a blind way by trickery or force, one ravages the conscience of others and turns one's back on the true God, because - let us not forget - "where the Spirit of the Lord is present, there is freedom" (2 Cor 3:17). Members of civil society, some of whom are present here, also play an essential role in building a future of peace and brotherhood. They have often demonstrated that they knew how to oppose injustice and decay, at great sacrifice, in order to defend human rights, the need for a solid education for all and a more dignified life for everyone. I sincerely thank and pay tribute to the women and men, especially the young people of this country, who have suffered in various degrees for this.

The diamond, in its transparency, beautifully refracts the light it receives. Many of you shine by the role you play. Those who hold civil and governmental responsibilities are called upon to act with crystal clarity, living the function they have received as a means of serving society. Power has no meaning unless it becomes service. How important it is to act in this spirit, fleeing authoritarianism, the search for easy gain and the thirst for money that the apostle Paul refers to as "the root of all evil" (1 Tim 6:10). At the same time, we must promote free, transparent and credible elections; extend participation in the peace process to women, youth and marginalized groups; seek the common good and the security of people rather than personal or group interests; and strengthen the presence of the State throughout the territory. Do not allow yourself to be manipulated, let alone bought, by those who want to keep the country in violence in order to exploit it and do shameful business: this only brings discredit and shame, along with death and misery. On the contrary, it is good to get close to the people to see how they live. They trust when they feel that the rulers are really close, not out of calculation or exhibition, but out of service.



In society, it is often the darkness of injustice and corruption that obscures the light of good. Centuries ago, St. Augustine, born on this continent, asked: "If justice is not respected, what are states but bands of thieves" (De civ. Dei, IV,4). God is on the side of those who hunger and thirst for justice (cf. Mt 5:6). We must not tire of promoting law and equity in all areas, fighting against impunity and the manipulation of laws and information.

A diamond comes out of the earth authentic but raw, requiring work. Likewise, the most precious diamonds of the Congolese earth, the children of this nation, must be given real educational opportunities that allow them to make full use of their brilliant talents. Education is fundamental: it is the road to the future, the road to full freedom for this country and the African continent. It is urgent to invest in it in order to prepare societies that will be strong if they are well educated, autonomous if they are fully aware of their potential and capable of developing them with responsibility and perseverance. But many children do not go to school: how many, instead of receiving an education worthy of the name, are exploited! Too many of them die, subjected to enslaving work in the mines. No effort must be spared to denounce the scourge of child labor and put an end to it. How many girls are marginalized and their dignity violated! Children, girls, young people are hope: let us not allow it to be erased, let us cultivate it with passion!

The diamond, a gift of the earth, calls for the safeguarding of creation and the protection of the environment. Located in the heart of Africa, the Democratic Republic of Congo is home to one of the world's largest green lungs, which must be preserved. As with peace and development, in this area too, broad and fruitful collaboration is important, allowing for effective intervention without imposing external models that are more useful to those who help than to those who are helped. Many have asked Africa to engage and have offered aid to combat climate change and the coronavirus. These are certainly opportunities to be seized, but above all there is a need for health and social models that do not only respond to the emergencies of the moment but contribute to effective social growth: solid structures and honest and competent personnel to overcome the serious problems such as hunger and malaria that hinder development at its birth.

Finally, diamond is the mineral of natural origin that has the greatest hardness. Its resistance to chemicals is very high. The continual repetition of violent attacks and the many situations of distress could weaken the resistance of the Congolese, undermine their fortitude, and lead them to become discouraged and resigned. But in the name of Christ, who is the God of hope, the God of all possibilities who always gives the strength to begin again, in the name of the dignity and value of the most precious diamonds of this splendid land, its inhabitants, I would like to invite everyone to a courageous and inclusive new social beginning. The luminous but wounded history of the country demands it, the young people and the children in particular implore it. I am with you and I accompany with prayer and closeness every effort for a peaceful, harmonious and prosperous future of this great country. May God bless the entire Congolese nation !

3. Preparations for the elections

Voter identification and registration operations were launched on December 24, 2022 in ten provinces, constituting the first operational area. Despite criticisms related to logistical aspects in many registration centers, the Independent National Electoral Commission said it was confident and optimistic that the elections would be held in December 2023.

The Congolese government has confirmed that it is providing the electoral commission with all the resources it needs to successfully organize the elections within the constitutional deadline. To this end, during a press conference held in Washington on Wednesday, January 25, U.S. State Department spokesman Ned Price stressed that according to the U.S., it is essential to create the conditions for the organization of "free and fair" elections. The United States insists on holding free and fair elections within the constitutional



deadline in the Democratic Republic of Congo (DRC). For Washington, it is more than necessary that the Congolese can elect their leaders according to the deadlines set by the Constitution. *"President Tshisekedi and his government are committed to this, committed to free and fair elections. We will continue to be a partner where it is helpful to our partners in the DRC, and we look forward to these free and fair elections in the DRC later this year"* said Ned Price.

In the political parties' headquarters, reactions are recorded every day, mostly focused on the first month of the voter registration operations.

Speaking on Thursday, January 5, 2023 during an expanded meeting of national secretaries, communal executives and some executives at the national headquarters in the township of Gombe, Emmanuel Ramazani Shadary spoke in his capacity as permanent secretary of the People's Party for Reconstruction and Democracy (PPRD), in order to set the opinion on the ongoing electoral process. On this occasion, he recalled the unchanged position of his party in these terms: *"as long as the prerequisites of the PPRD are not taken into account for transparent and peaceful elections, the electoral process as initiated by the operations of voter registration do not concern us."*

According to him, the PPRD's prerequisites include a consensual and inclusive CENI; an electoral law that reassures all stakeholders; an impartial Constitutional Court and security throughout the national territory. To this end, his party, the PPRD, demands inclusive, transparent, credible and peaceful elections that must imperatively be held before December 31, 2023, in accordance with legal and constitutional deadlines. The PPRD is not willing to accept a fallacious discourse of postponement of the elections and the intentional exclusion of candidates from the ongoing electoral process, otherwise Article 64 will be applied. This provision authorizes any Congolese to block any person who wants to take power or exercise it in violation of the Constitution.

Intervening on behalf of the Common Front for the Congo (FCC), Felix Kabange Numbi recalled that they had said everything when we started this electoral process. And that they had warned the DRC people that they should not expect anything from the current electoral process. And to add that "What happens after the beginning of the enrolment in the first operational area gives them total reason. What is happening today already foreshadows what the elections of 2023 will be: hypothetical. Everyone realizes that this unrealistic schedule will not be respected," said Felix Kabange Numbi. For him, "we cannot start this electoral process with an INEC that is representative of only one political family, a monocolored INEC", supporting that it was necessary to reconfigure the office of the INEC for a fair process. The same is true of the Constitutional Court, which should be reconstituted, and the electoral law, which should be revisited.

In the same vein, the Alliance of Forces for the Welfare of the Congolese (AFBC) of Nene Ilunga Nkulu, also declared "not concerned" by the ongoing electoral process. This party warns the leaders of the electoral commission and invites them to take a responsible political approach to save the controversial electoral process.

During a press conference held in Kinshasa on Wednesday, January 11, Dieudonné Bolengege, secretary general of Ensemble pour la République, called on CENI to correct the flaws noted in the voter registration centers.

He stressed that in light of what is being decried by the people who were in the enrolment centers, his party hopes that INEC will correct itself and accelerate the pace and make up for lost time, and draw lessons for other operational areas where it has not yet begun.



Finally, calling on party executives to invest fully in the enrollment campaign that has begun in the country, he said that his party has opted to continue with the electoral process, leading to the general elections of December 20, 2023. "Faced with the desire to organize fraud displayed by some, decried and denounced by others, they have chosen to refuse resignation but rather to face and fight.

Speaking on behalf of Lamuka, Martin Fayulu argued that the Independent National Electoral Commission (CENI) is called upon to note the "incompetence" of its president, Denis Kadima, and to draw all the consequences. Indeed, after drawing up a "chaotic and disastrous" assessment of the identification and voter registration operations in the first operational area, Lamuka considers it "incomprehensible" that after three electoral cycles, the CENI is not able to carry out voter registration operations effectively. Among the criticisms made are: the slowness of the registration operations; the number of people registered per kit is far lower than INEC's estimates. In addition, corruption has taken up residence in the enrolment centers, and the payment of money for places and certificates of loss of documents has been observed, which discourages citizens and drains the process of its integrity.

On the other hand, on the side of the presidential party, it was its Secretary General of the Union for Democracy and Social Progress (UDPS), Augustin Kabuya, who commented on the political news, particularly the

electoral process, before the militants. To this end, addressing the executives and members of the PPRD who have chosen to boycott the electoral process, Kabuya wanted to give them some "advice", affirming that he respected their decision, an expression of true democracy; a suicidal decision, however, whose consequences are well known to the UDPS, which in its time, boycotted the 2006 elections that led to the first election of Joseph Kabila as head of the country after a face-off in the second round with Jean-Pierre Bemba. Since then, his party has not boycotted the elections.

Speaking at a press conference in Bukavu, Denis Mukwege called for a "democratic revolution" to prevent electoral fraud in the upcoming elections in December 2023 and avoid the mistakes of past elections.

Finally, during a press briefing organized on January 28, 2023, focused on sensitizing the population to voter registration, Senator Matata Ponyo Mapon, National President of the political party Leadership and Governance for Development (LGD), called on the population to enroll massively and prepare for the December 2023 elections. He took the opportunity to denounce all the pitfalls encountered during this electoral process and the bad governance of the regime in place.

3. Political and economic perspectives

On the political level

The refusal of the M23 to withdraw from the positions occupied for several months, in spite of the appeals of the USA and the European Union, suggests a continuation of the war with all that this implies: constant and massive displacement of populations, humanitarian catastrophe, and in the long run, slowly but surely, the dreaded balkanization!

Also, the failure of diplomacy and the stubbornness of the M23 supported by Rwanda, which seems to have raised the option of strengthening its presence on the territory by turning a deaf ear to all calls for the cessation of its support, there is reason to fear direct confrontation between the two armies (FARDC and RDF). This is evidenced by the recent missile attack by the Rwandan army on one of the FARDC's fighter planes that was landing in Goma. Is the DRC ready to impose peace by securing its borders?

On the political level, the departures of FCC leaders to the Sacred Union, which will certainly continue throughout this electoral year, are a demonstration of inconstancy and, above all, of a political transhumance that cannot cease as the country moves towards the elections, due to the positioning of certain actors. As a result, we can expect decompositions and recompositions of political parties and groupings. But the question that remains is to know to what end would we continue to create parties that are already close to a thousand!

Furthermore, there is reason to fear that the old demons of tribal hatred and division will be reawakened, due to irresponsible political rhetoric that focuses on personal attacks and insults on individuals that lead to tensions between communities.

There is, in this fear formulated here, a major axis that takes upon itself the greatest contradictions, that is the Kasai-Katanga axis. As things stand on the horizon and

in view of the history of these two communities, there is reason to fear the resurgence of old demons that will weaken national cohesion and lead the country into a cycle of endless violence. To be convinced of such a possibility, it is sufficient to look at events in Mbuji-Mayi and Lubumbashi, where antagonistic groups have developed absolutist views and will no doubt be ready for pitched battles. How do we get the message across to those who feed the hot spots and fabricate reasons for intolerance between the different communities? Throughout history, antagonism between Kasaiian and Katangan leaders has had a negative impact on the country, with wounds that have remained open, with a high risk of reinfection of social poles. Normal political adversity is becoming deadly animosity.

Finally, if the failures noted during the enrollment operations launched by CENI in the first operational area are not corrected, those continuing in the second operational area may have an impact on the timetable, with inevitable effects on the challenge of meeting the constitutional deadline!

On the economic level

The economic outlook for 2023 is not encouraging. Indeed, the continuing destabilization of the eastern part of the country following incursions by rebel militias (notably the M23) as well as the conflict between the DRC and Rwanda, following the logistical and military support that the latter is providing to the M23 to destabilize the eastern part of the DRC, constitute a major obstacle to securing and attracting investment to the country. Also, the depreciation of the national currency, the rise in fuel and food prices, the risk of a resurgence of the Covid-19 pandemic with the possibility of disruptions in supply chains as was the case during previous waves of the pandemic, and the various twists and tensions that may arise from the electoral process could have a negative

impact on the country's economy. Added to this is the continuing Russian invasion of Ukraine, which is fuelling uncertainties regarding the supply of energy and agricultural products, with its consequences on the dynamics of the prices of these products. All these elements contribute to the deterioration of the country's economic prospects.

In addition, corruption and misappropriation of public funds as well as growing inequalities within the population are precursors of a deterioration in the living conditions of the population, thus delaying the achievement of the SDGs by 2030.

As a corollary to the above, in its last report, Moody's projected average GDP growth for the DRC at 7% between 2022 and 2025. The institution indicated that this growth would be driven by the extractive sector, which is expected to continue to play a major role in the economy and should continue to grow by about 10% each year. Beyond the mining sector, the Congolese economy is expected to see a rebound in activity in other sectors such as services and benefit from increased government capital spending and rising levels of investment in the economy to address key infrastructure bottlenecks. Moody's had indicated that the DRC's creditworthiness remains constrained by a series of chronic credit problems including (i) very low GDP per capita; (ii) low competitiveness and significant infrastructure deficiencies that limit growth potential; (iii) still weak institutional strength; and (iv) very limited domestic financing capacity and dependence on external concessional financing.

All these elements show that the apparent economic stability does not stand on solid ground. Given this situation, it is difficult to predict better economic health in the medium and long term. Thus, in order to improve the country's economic prospects, it is necessary for the Government to take appropriate options and implement suitable reforms in order to :

- Establish the power of the State in a sustainable manner and resolve the issue by equipping itself with an army capable of ensuring the country's

sovereignty and securing the entire country. This will require (i) the recruitment and training of additional soldiers to strengthen the army's strength; (ii) the modernization of the army's equipment and technology to improve its combat capabilities; (iii) the improvement of soldiers' living conditions and salaries to encourage them to remain in the army; (iv) developing appropriate cooperation strategies with reliable neighboring countries to strengthen border security; (v) strengthening cooperation with local communities to obtain their support in the fight against rebellions; and (vi) establishing monitoring and evaluation mechanisms to measure the effectiveness of efforts to strengthen the army.

- Put the Congolese economy on the path to diversification. To achieve this, the government will need to take appropriate measures to (i) develop the agricultural and fisheries sectors by investing in infrastructure, research and development, and promoting exports; (ii) promote tourism by improving tourism infrastructure, enhancing security, and putting in place policies to encourage investment in this sector; (iii) encourage the creation of small and medium-sized enterprises (SMEs) by offering tax incentives and facilitating access to financing; (iv) promote vocational training and technology to strengthen the competitiveness of local businesses; (v) promote trade with other countries by negotiating preferential tariffs and tariffs; and (vi) promote the development of the local economy by promoting the development of the local economy; (iv) promote vocational training and technology to enhance the competitiveness of local businesses; (v) promote trade with other countries by negotiating free trade agreements and strengthening diplomatic relations; (vi) promote foreign investment by improving political stability and enhancing transparency and economic governance; and (vii) encourage diversification of mining products by developing local processing of raw materials.

- Increase domestic financing capacity through optimal mobilization of public revenues and expansion of the tax base. The improvement in the level of tax pressure will be achieved by (i) improving the fight against tax evasion by strengthening controls and penalties for taxpayers who do not declare their income or who use schemes to evade taxes; (ii) broadening the tax base by identifying economic sectors that escape taxation and putting in place measures to remedy this; (iii) simplifying tax procedures for taxpayers in order to encourage them to comply with their tax obligations; (iv) setting up automated declaration systems for taxpayers in order to reduce errors and omissions; (v) strengthening the capacity of the tax authorities to collect and analyze data in order to improve revenue forecasting and the detection of tax offenses; and (vi) strengthening cooperation between the DRC and the tax authorities of other border countries in order to combat cross-border tax evasion.
- Resolve definitively the important gaps in the construction/rehabilitation of various infrastructures to boost growth potential. To achieve this, the government needs to: (i) put in place strategic planning for infrastructure construction; (ii) improve transparency and financial accountability by implementing rigorous monitoring and control systems; (iii) promote public and private investment to accelerate infrastructure construction and rehabilitation; (iv) encourage the participation of civil society in the planning and implementation of infrastructure projects; (v) put in place quality control systems to ensure the sustainability of the infrastructure built; and (vi) sensitize local populations on the benefits of adequate infrastructure for their economic development.
- Strengthen the monitoring and control mechanisms of financial institutions in order to allow the Central Bank of Congo to fully play its role, in particular with securing public deposits and maintaining the stability of the financial sector.
- Stimulate private investment, including through: (i) creating a business-friendly environment (regulation, taxation, political stability, reducing corruption, etc.); (ii) developing infrastructure (roads, energy, communication, etc.); (iii) improving governance and transparency; (iv) promoting key sectors (agriculture, tourism, technology, etc.); (v) supporting small and medium-sized enterprises (SMEs); (vi) encouraging international cooperation and public-private partnerships; and (vii) raising awareness of investment opportunities and promoting the country's image; etc.

DIFFERENT PUBLICATIONS OF CONGO CHALLENGE

1. CONGO CHALLENGE JOURNAL (THE SEMI-ANNUAL)

The Semestriel (Revue Congo Challenge) is a completely disinterested scientific periodical, published every semester, with the main objective of promoting scientific studies aiming at contributing to the advancement of knowledge in economic sciences and to offer to economic operators as well as political decision makers, a set of recipes likely to enlighten their decision making or to justify on a proven scientific basis their decision making.



2. FOUR-MONTHLY BULLETIN

This bulletin is published every four months and offers a general and precise overview of economic and political developments at the national, regional and global levels. It allows the reader to adjust his or her forecasts according to the observed developments or to make anticipations taking into account the available information package.



3. THE MONTHLY BULLETIN

This publication is published monthly and provides a factual overview of the economic indicators and presents the highlights of the monthly political situation in the country.



4. ANNUAL REPORTS



INTERVENTION MODULES OF CONGO CHALLENGE

1. Training
2. Assistance
3. Advice
4. Lobbying
5. Conduct of studies
6. Organization of conferences
7. Support for quality management
8. Support for the design of government economic programs
9. Support for public revenue mobilization policies
10. Strategic support to governments in the monitoring and evaluation of economic programs
11. Quality control of infrastructures activities

THE VALUES OF CONGO CHALLENGE

Congo Challenge believes in the cardinal values of which it is the vehicle.
These values are based on :

- Abnegation ;
- Sacrifice ;
- Hard work.

Also, the ambitions of the Think Tank are translated through three virtues
which are :

- Ethics ;
- Morality ;
- Good governance.

How do you keep a bunch of «niggers» on a leash?

You isolate the most valiant by demonising them and you promote the most mediocre by granting them undue privileges. Aware of this swindle, the latter will be even more aggressive towards the former to preserve their privileges.

Dixit Machiavel

**EVOLUTION OF THE ECONOMIC
AND POLITICAL SITUATION IN THE
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