REPUBLIQUE DU CONGO
*Unité * Travail * Progrès*

NATIONAL POVERTY REDUCTION COMMITTEE

PERMANENT TECHNICAL SECRETARIAT

INTERIM POVERTY REDUCTION STRATEGY PAPER (I-PRSP) OF THE CONGO

September 27, 2004

ABBREVIATIONS AND ACRONYMS

ANER	Agence Nationale d'Electrification Rurale (Rural Power Utility)
ARV	Anti Retro-Viral drugs
BCC	Banque Commerciale Congolaise
BEAC	Bank of the Central African States
BIDC	Banque Internationale de Développement du Congo
BISOC	Bilan Social du Congo
BNDC	Banque Nationale de Développement du Congo
CAIC	Crédit Agricole et Industriel du Congo
CAR	Central African Republic
CCA	Caisse Congolaise d'Amortissement
CDLP	Comité départemental de Lutte Contre la Pauvreté (Department level poverty reduction committees)
CEEAC	Economic Community of Central African States
CEMAC	Central African Economic and Monetary Community
CFAF	Congolese CFA Francs
CFCO	Chemin de Fer Congo-Océan (railway company)
CLLP	Comité Local de Lutte Contre la Pauvreté (Local level poverty reduction committees)
CNLP	Comité National de Lutte Contre la Pauvreté (National Poverty Reduction Committee)
CNSEE	Centre National de la Statistique et des Etudes Economiques (National Statistics Office)
COMILOG	Railway company
COPEC	Mutual savings and credit association (cooperative savings and credit)
CSO	Civil society organization
CT	Technical Cell
CWIQ	Core Welfare Indicators
DDR	Demobilization, Disarmament and Reintegration Program
DEP	Direction des Etudes et de la Planification (Research and Planning Directorate)
DFID	UK Department for International Development
DGPD	Directorate of Planning and Development
DRC	Democratic Republic of Congo
ECOM	Enquête sur la Consommation des Ménages (Household consumption survey)
EDS	Enquête Démographique et de Santé (Demography and Health Survey)
EITI	Extractive Industries Transparency Initiative
EPI	Expanded Program of Immunization
FOB	Free On Board
GDP	Gross Domestic Product
GER	Gross enrollment rate
GTS	Thematic and Sector Group
HIPC	Heavily Indebted Poor Countries Initiative
HIV/AIDS	Human Immuno-Deficiency Virus/Acquired Immune Deficiency Syndrome
IDA	International Development Association
IMF	International Monetary Fund
KAP	Knowledge Attitude and Practice on Child Care / UNICEF
I-PRSP	Interim Poverty Reduction Strategy Paper
Km	Kilometer

KVA	Kilo Volt Ampere
MDG	Millennium Development Goals
MEFB	Ministère de l'Economie, des Finances et du Budget (Ministry of Finance, Economy and budget)
MPATIE	Ministère du Plan, de l'Aménagement du Territoire et de l'Intégration Economique (Minostry of Planning, Land Administration and Economic Integration)
MW	Megawatts
NEPAD	New Partnership for Africa's Development
NGO	Non governmental Organization
NHDP	National Health Development Program
NICT	New Information and Communication Technologies
OAU	African Union
ORSTOM	Office de Recherche Scientifique et Technique d'Outre-Mer (French Overseas Research Agency)
PIPC	Programme Intérimaire Post-Conflit (Interim Post-Conflict Program)
PNAE	National Environmental Action Plan
PNDS	Programme National de Développement Sanitaire (National Health Development Program)
PNT	National Transport Plan
PRGF	Poverty Reduction and Growth Facility
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PSSA	Food Security Program
SME/SMI	Small and Medium-sized Enterprises/Industries
SNDE	Société Nationale de Distribution d'Eau (Water utility)
SNE	Société Nationale d'Electricité (Power utility)
SNIS	Système National d'Information Sanitaire (National Health Information System)
SNPC	Société Nationale des Pétroles du Congo (National Oil Company)
STI	Sexually transmitted infections
STP	Permanent Technical Secretariat
UCB	Union Congolaise de Banque
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund

TABLE OF CONTENTS

Executive Summary iii

Congo's government statement on its poverty reduction strategy vi

Introduction 1

Chapter 1 The I-PRSP Preparation Process 4

The National Poverty Reduction Committee (Comité National de Lutte contre la Pauvreté - CNLP) 4

The Secrétariat Technique Permanent (STP) 4

Participatory Consultations 5

Chapter 2 Diagnostic Study of Poverty 6

2.1 Poverty Assessment: the People's Perception 6
2.2 Characteristics of Poverty 7
2.2.1 Monetary Poverty 7
2.2.2 Human Poverty 8
2.2.2.1 Poor Access to Social Services 8
2.2.2.1.1 Poor Access to Educational Services 8
2.2.2.1.2 Poor Access to Services and Quality Health Care 10
2.2.2.1.3 Poor Social Coverage 11
2.2.2.1.4 Poor Access to Employment 11
2.2.2.1.5 Little Consideration for Gender Dimension 12
2.2.3 Poor Access to Basic Infrastructure 13
2.2.3.1 Transportation 13
2.2.3.1.1 Transport Infrastructure 13
2.2.3.1.2 Poor Access to Transport Services 14
2.2.4 Poor Access to Water Resources 15
2.2.5 Poor Access to Telecommunications 15
2.2.6 Poor Access to Financial Services 16
2.2.7 Poor Access to Housing 17
2.3 Sectoral Diagnostic 17
2.3.1 Governance 17
2.3.2 Debt 17
2.3.3 Security and Peace 18
2.3.4 Oil Sector 19
2.3.5 Forestry Sector 19
2.3.6 Rural Development, Water, Sanitation and Environment Sectors 20
2.3.7 Private Sector 22
2.3.8 Civil Society 22
2.3.9 Institutional Framework and Procedures 23

Chapter 3 Strategic Areas and Priority Actions 25
3.1 Pillar 1: Consolidation of Peace and Promotion of Good Governance 25
3.1.1 Consolidation of Security and Peace 25
3.1.2 Promotion of Good Governance 26
3.1.2.1 Promoting Good Economic Governance 26
3.1.2.2 Promoting Decentralization and Participation by Grassroots Communities 27
3.1.2.3 Reform of the State 27
3.1.2.4 Making oil resources management more transparent 28
3.1.2.5 Regional Integration 30
3.2 Pillar 2: Consolidating the Macro Economic Framework and Revamping Key Sectors 30
3.2.1 Strengthening the Macro Economic Framework 30
3.2.2 Revamping Of Key Sectors 35
3.2.2.1 Oil Sector 36
3.2.2.2 Non-Oil Sector 37
3.2.2.2.1 Rural Development 37
3.2.2.2.1.1 Forestry Exploitation 37
3.2.2.2.1.2 Agriculture, Livestock and Fisheries 38
3.2.2.2.2 Environment 38
3.2.2.3 Private Sector Development 39
3.3 Pillar 3: Access to Basic Social Services and Social Welfare 39
3.3.1 Education 39
3.3.2 Health 40
3.3.3 Hygiene, Sanitation and Quality Water Supply 40
3.3.4 Social Welfare and Employment 42
3.3.5 Gender 43
3.4 Pillar 4: Development of Infrastructures 43
3.4.1 Transport 43
3.4.2 Energy 44
3.4.3 Telecommunications 44
3.4.4 Housing 44
3.4.5 Urban Management 45
3.5 Pillar 5: Strengthening of the Fight against HIV/AIDS 45

Chapter 4 Accompanying measures 47
4.1 Management and Implementation of the Strategy 47
4.2 Monitoring and Evaluation of the I-PRSP 47
4.2.1 Participatory Approach 47
4.2.2 Capacity Building 48
4.2.3 Monitoring and Evaluation of the I-PRSP 48
4.3 Constraints and Risks in the Implementation of the I-PRSP 48

ANNEX 50

Executive Summary

i. Congo has been plagued by social and economic difficulties of crisis proportions since mid-1980, compounded by ongoing socio-political unrest and armed conflict. As a result, improving the standard of living and public welfare is now a high priority.

ii. To that end, the objective of the government's economic policies is to restore growth and to reverse a trend of increasing poverty and marginalization of the disadvantaged. How to achieve this objective is the key theme of the I-PRSP that the Congo drafted with the support of the World Bank, the IMF and its other development partners.

1) Political background

iii. Cessation of hostilities and ceasefire agreements were signed in 1999, and then again in 2001. Following up on peace negotiations in 2003, the government launched its Demobilization, Disarmament and Reintegration Program (DDR) for resettling large numbers of militiamen. It has pursued a policy of national reconciliation, peace building and political inclusion. Simultaneously, it has initiated a decentralization process.

Political inclusion

iv. Major progress has been made since 1999, especially in restoring peace and security, and bringing political life back to normal, including the restoration of democratic institutions.

v. In January 2002, the new constitution was approved by 84% of the voters. On March 10, 2002, the new President of the Republic was elected, and national elections were organized on June 30th 2002 -- first to choose legislative representatives, and second, to elect local government and commune officials. In March 2003, a peace agreement was signed with the last remaining armed opposition group. The return of normal political life has helped create an enabling environment for reconciliation and a dialogue with the political opposition represented in the Parliament.

Decentralization

vi. The January 20, 2002 constitution gave legal authority to local governments, including "department" and "commune", with their own independent administrations under the authority of elected officials, voted by the department and commune councils since January 11, 2003.

vii. The implementation of these constitutional provisions has led to a greater interest in and better organization of politics at the local level, renewed hope in the development process, and deeper involvement of local population in development programs.

2) Social and economic background

Economy

viii. Political unrest and its accompanying destruction of social and economic infrastructure have badly hurt the economy, and led to an accumulation of domestic and external arrears.

ix. The external debt amounts to US$ 6.4 billion, equivalent to 235% of exports and 193% of GDP. That amounts to US$ 2,100 per capita, much higher than income per capita of just US$ 700, an income level roughly equal to what it was in 1960 -- the year of independence -- and a drastic decline from US$ 1,100 in 1990.

Social background

x. The incidence of poverty stands at 50%. Health, sanitation and basic education services are weak. Environmental degradation has led to an upsurge in endemic diseases. The health outlook is made even worse by a high prevalence of the HIV/AIDS.

xi. Given such challenges, Congo's government believes that reducing poverty requires a consensus approach, taking into account the concerns raised during the consultation process. The poverty reduction strategy will also require strong backing from its development partners. The government also wants its I-PRSP to be the key instrument for consolidating peace and security, and for rebuilding the economy on a solid, sustainable foundation.

3) Strategic pillars

xii. The I-PRSP explains the features and causes of poverty in Congo. It provides a short and medium term vision of development as well as a strategic orientation for a return to sustainable and equitable growth. The main objective is steady poverty reduction.

xiii. The choice and implementation of strategic orientations and priority actions in the I-PRSP are consistent with the government's commitment to rebuilding the economy and in line with the Millennium Development Goals (MDG), the New Partnership for Development (NEPAD) and government's "nouvelle espérance" program.

xiv. Peace consolidation and good governance are key components of the first pillar of government's strategy. Consolidation of the macroeconomic framework and recovery of key sectors constitute the second strategic pillar. Improving access to basic social services and social protection is the third pillar. The fourth deals with the development of basic infrastructure, while the fifth pillar deals with issues related to strengthening the fight against HIV/AIDS.

4) Participatory approach

xv. The economic recovery and poverty reduction strategy has been drafted based on the results of participatory consultations that included civil society, line ministries involved in the I-PRSP process, NGOs, religious organizations, trade unions and the private sector. Several

consultations took place between May 2003 and April 2004. Their conclusions have been compiled and were adopted on July 28, 2004 by the government and its development partners as well as by the representatives from civil society organizations and the private sector.

xvi. A Permanent Technical Secretariat will develop a participatory national network to facilitate the sharing of experiences and information across the country. The network will also facilitate ongoing interaction between all stakeholders and the gathering of their opinions on key development issues. The network will also facilitate an impact evaluation of poverty-related activities.

xvii. The I-PRSP represents a springboard for the preparation of the full PRSP. Therefore, the PRSP's participatory approach will be used with other developmental players in the Congo.

5) Implementation and monitoring-evaluation

xviii. The PRSP implementation, monitoring and evaluation will take into account three key principles of governance: (i) participation of all social and economic development actors in Congo; (ii) accountability of state institutions; and (iii) transparency in resource management.

xix. At the institutional level, the Permanent Technical Secretariat (STP) will be responsible for this process. It will help partner organizations create the appropriate development management tools needed in the short and medium term. Official development assistance arrangements and procedures will be streamlined, and an economic and social information system will be institutionalized.

xx. Coordination will also involve working closely with civil society organizations (CSOs), NGOs, the private sector, the trade unions and the Parliament.

xxi. A capacity building program will be put in place to help involved partners and government agencies. A timetable for preparing and drafting the full PRSP between November 2004 and December 2006 is in an annex to this document.

Congo's government statement on its poverty reduction strategy

- The budget imbalance that followed a decline in oil prices and an unfavorable dollar exchange rate hampered the public investment program initiated in the 1980s. This resulted in a severe economic and financial crisis compounded by social and political unrest that culminated with the tragic events of June 1997 and December 1998.

- Through the Interim Post-Conflict Program (PIPC) 2000-2002, the government has effectively started a transition from crisis management to a return of growth and sustainable development. The objective is to provide Congo's people, wherever they live, equal opportunity for access to jobs and improvement in their standards of living.

- Despite progress already achieved, the country still faces major social and economic problems: very high unemployment, increasing poverty, reduced live expectancy at birth, deteriorating healthcare, food insecurity and very high indebtedness.

- To address these problems, the Congo is building on the vision and major orientations of the "nouvelle espérance" program. It is committed to making poverty reduction its top priority. The Congo's objectives are in line with those of the New Partnership for Africa Development (NEPAD), the HIPC Initiative for poverty reduction and the Millennium Development Goals (MDG). It plans to launch in depth studies to identify what is needed to achieve these objectives in the context of the full PRSP.

- Specifically, government is committed to: (i) creating the conditions for growth that are essential to generate employment and income; and (ii) implementing progressively the 20/20 initiative to substantially increase resources allocated to social sectors and in support of poverty reduction programs.

- The government and its national and international partners have opted for a participatory approach in preparing and implementing its PRSP. The process will be designed to include as many stakeholders as possible (public and private sectors, civil society, development partners). A participatory approach is considered essential to ensure ownership of the program by Congo's people and ultimately its success.

- A Comité national de lutte contre la Pauvreté (CNLP), a National Poverty Reduction Committee, and its department and commune level counterparts, the Comité départemental de lutte contre la pauvreté (CDLP) and the Comité local de lutte contre la pauvreté (CLLP), have been established. They are providing technical assistance to local governments and communities to encourage them to actively participate in preparing the poverty reduction strategy, and in monitoring and evaluating its implementation.

- To supplement its own efforts, the government will seek financial support from all development actors -- the international community, the private sector, grassroots population and civil society -- to finance implementation of the strategy.

- The Poverty Reduction Strategy Paper (PRSP) is an essential implementation and coordination framework for all development activities. It will help strengthen actions already underway. Expected outcomes include: improvement in the standard of living; meeting the basic needs of the poorest; income stability; sound and sufficient nutrition; access to potable water; quality healthcare; access to education and decent housing; increased savings; and a rise in self-esteem.

- To achieve these goals, the government strategy rests on five priorities: (i) consolidating the peace and promoting good governance; (ii) restoring a sound macroeconomic framework and organizing recovery in key sectors; (iii) improving access to basic social services and social protection; (iv) improving infrastructure; and (v) strengthening the fight against HIV/AIDS.

- Moreover, an independent and decentralized Poverty and Human Development Observatory will be created to monitor and evaluate strategy implementation. Its analysis will be based on appropriate and reliable indicators. A key objective of the observatory will be to assess the relevance of policies and to measure their impact.

Introduction

1. The nature of poverty is complex. Poverty cuts across sectors and regions, and its forms and causes vary. An understanding of Congo's geography, recent trends in its economy and consequences of the civil strife is important to determining the nature and extent of its poverty.

1) Geography

2. Located in Central Africa and straddling the equator, the Congo covers an area of 142,000 square miles. Its population is estimated at 3 million people and population density is 8.7 people per square kilometer. It is bordered by Cameroon and the Central African Republic to the north, Angola (the Cabinda enclave) to the south, the Democratic Republic of Congo to the east and the Republic of Gabon and the Atlantic Ocean to the west. Congo has three climate zones: equatorial in the north, sub-equatorial in the center and humid tropical in the south.

3. Congo's river system includes two major river basins: the Congo River basin, with the Congo River and its main tributaries (Ubangui, Likouala, Sangha, and Alima) and the Kouilou river basin formed by the Kouilou and Niari rivers and their tributaries (Bouenza, Loutété, and Nyanga).

4. Three-fifths of the national territory is covered by a dense equatorial forest. The remaining two- fifths is savanna. Congo's forest includes three major ecosystems: the Mayumbe forest and the Chaillu massif in the south, and the Great Forest in the north. Soils vary by region. Hydromorphic soils are found in the flooded forest in the north, and lateritic soils in the other parts of the country.

5. The country is governed by the 20 January 2002 constitution. Administratively, the Congo is subdivided into "departments", "mairies" (townships or communes), "districts" and "villages". Congo has 11 departments: Likouala, Sangha, Cuvette Ouest, Cuvette, Plateaux, Pool, Bouenza, Lékoumou, Niari, Kouilou and Brazzaville, which is the national capital.

2) Recent trends in the economy[1]

6. The recent deterioration of the economy stems from earlier policies and ongoing unrest. Since the end of the war on 5 June 1997, Congo's government has designed and implemented its Interim Post Conflict Program 2000-2002 after an in-depth analysis of the country's situation. The program's central objective was to restore the overall conditions needed for economic and social recovery, and for the rehabilitation of all economic sectors.

7. The program helped rebuild infrastructures destroyed by the civil war and revitalized the hinterlands, which had been neglected for a long time. Under the program, growth in real terms was 7.6 % in 2000, 3.8 % in 2001 and 4.6 % in 2002. The program was designed to provide an

[1] The numbers have been provided by the national administrations and the BEAC (published on August 11 2003 on the Central African States Bank website http://www.beac.int).

effective transition from crisis management to restoration of economic growth and sustainable development. Its primary objectives included: (i) focusing efforts on maintaining essential social and economic infrastructure; (ii) creating an enabling environment for business to foster job creation; (iii) supporting human resource development; (iv) putting in place a safety-net for the most vulnerable social groups; (v) protecting the quality of the physical environment; (vi) improving the distribution of national income; (vii) revitalizing social policies, in particular the National Health Development Program (PNDS) and the National HIV/AIDS Program; (viii) preparing a National Program on Malaria and Tuberculosis; (ix) restoring social sectors and justice; and (x) improving income distribution.

8. The program has essentially been financed by the country's own resources, mainly from oil revenues. Given its share of the economy, the oil sector has been the major growth engine for several years. However, the oil industry has been in decline since 1997. Since 2000, growth has been negative. The growth rate dropped from 4.8 % in 1999 to -1% in 2000; -7.5 % in 2001; -1.1 % in 2002 and – 4.5 % in 2003. The negative trend was caused by plummeting oil prices that fell to US$ 17 a barrel in 1999. Although oil prices rose in subsequent years, the gains were negated by declines in exchange rates.

9. The non-oil sector, which represents a limited share of GDP, grew just 1.9 % in 1998 and fell to -9.4% in 1999 as fighting broke out in December 1998, bringing economic activity to a halt. Since 2000, the implementation of the Interim Post Conflict Program brought an upturn in non-oil GDP, which grew 16.6% in 2000. However, the pace was not sustained, with non-oil sector growth dropping to 11.5% in 2001, 4.6 % in 2002 and 5.5 % in 2003.

10. Poor revenue collection and allocation of expenditures have hurt public finances. With respect to revenues, the revenues/GDP ratio averaged 27% between 1995 and 2002. During this period, 66% of government resources came from oil revenues, with the remaining 34% coming from non-oil sector. The non-oil revenue/non-oil GDP ratio has averaged 18%, despite a significant decline since 1995, in absolute as well as relative terms. Although revenues levels are relatively high, they are volatile due to fluctuating oil prices and exchange rates.

11. With respect to expenditures, the expenditure to GDP ratio increased from 25% in 1995 to 43% in 1998. The share of defense and police spending is relatively high (13% of total expenditures in 1998) to meet the specific requirements of a post-conflict situation.

12. The share of investment expenditures allocated to infrastructures is more than three times the 1998 level, and reached about 58% of total capital expenditures in 2003, reflecting the sizable post-conflict efforts to rebuild and rehabilitate the infrastructures. By contrast, the share of education and health care sharply declined in recent years, reaching only 0.7% and about 5% of total capital expenditure, respectively, in 2003.

3) Social and political effects of the civil strife

13. The social and political consequences of war took a heavy toll on the standards of living. There was loss of human life, much destruction of economic and social infrastructures, looting

and population displacement. In addition, tight supplies caused higher prices for food and other essential products, such as building materials, in the capital and other major cities[2].

14. Between 1997 and 1999, one Congolese citizen out of three was displaced. Some 70% of displaced people lost most of their possessions and were suffering from acute malnutrition. Malnutrition also affected between 25% and 30% of children under the age of five. Tens of thousands of women were raped or were the victims of other forms of violence. Today, one Congolese citizen out of two either provides housing or financial support to displaced parents. School has been interrupted in four regions. South of Brazzaville, half of school age children are unable to go to school. More than 50% of medical facilities in the country were destroyed, vandalized or looted. Sixty percent of food production equipment and facilities have been destroyed.

15. This Poverty Reduction Strategy Document (I-PRSP) is the result of a participatory process that has involved all development stakeholders in the country, including government, associations, the private sector, and civil society. It comprises four chapters. Chapter one provides a presentation of the approach used in preparing the I-PRSP. Chapter two provides a diagnostic of poverty. Chapter three describes the strategic pillars. And finally, chapter four provides recommendations for policy measures.

[2] National report on human development

Chapter 1 The I-PRSP Preparation Process

16. The I-PRSP reflects the outcome of participatory consultations at the thematic, sector and community levels. This approach was essential to determining the key features of poverty in the Congo as well as the many disparities across its "departments". It was instrumental in selecting strategic orientations, referred hereafter as the strategic pillars, and priority actions. The overall objective is to put the country on a path towards economic recovery and progressive reduction of poverty.

17. The I-PRSP commitment is to reach a consensus among all development partners and the beneficiaries of economic and social development in the Congo. The latter are expected to have a very active role in the preparation of poverty reduction policies and programs.

18. The following agencies have played a key role in the preparation of the I-PRSP:

The National Poverty Reduction Committee (Comité National de Lutte contre la Pauvreté - CNLP)

19. Government's decree No. 2001-532 of October 31, 2001, modified by decree No. 2003-60 of May 6, 2001 relative to the creation of the CNLP confers to the Comité National de Lutte contre la Pauvreté (CNLP) a central role in the preparation of I-PRSP. The Minister of Planning, Land administration and Economic integration chairs the Committee and the Minister of the Economy, Finance and Budget is its Vice-President.

20. The Comité National de Lutte contre la Pauvreté provides political orientation for the formulation of the PRSP and supervises its preparation. To that end, it has a Permanent Technical Secretariat (Secrétariat Technique Permanent).

The Secrétariat Technique Permanent (STP)

21. The mandate of the Secrétariat Technique Permanent is to provide overall coordination for activities needed to prepare the I-PRSP, including the organization of the participatory process and its activities. The Secretariat coordinates technically and practically the I-PRSP process, and monitors and evaluates PRSP priority activities. To carry out its mandate, it is staffed by a five- member Technical Cell (Cellulle technique - CT). Its work at the central level is supported by Thematic and Sector Group (GTS) comprising representatives from line ministries involved in the PRSP process, including the Economic Analysis and Planning Directorate (Direction des Etudes et de la Planification, the DEP). Representatives of NGOs, trade unions, religious organizations and private sector ensure that civil society is appropriately represented in the process.

22. At the departmental and local level, the CNLP is represented by the Comité Départemental de Lutte contre la Pauvreté (CDLP) and Comité Local de Lutte contre la Pauvreté (CLLP) (Departmental and Local Committees).

Participatory Consultations

23. The participatory process involved the following steps:

1. The first step focused on preparing the methodology and the institutional framework required by nation-wide participatory consultations. In the process, major campaigns were launched to raise awareness of, mobilize and organize all partners involved in the PRSP process. Key issues pertaining to the process were explained, including the importance of the participation of civil society, community organizations and vulnerable groups. A specific output of this step has been a first draft of the I-PRSP.

2. The second step officially starts the preparation in full of the I-PRSP with the organization and implementation of participatory consultations at the central level (thematic consultations) and community consultations in eleven country departments. The consultations were aimed at giving participants a chance to voice their own perceptions of the key aspects and causes of poverty in the Congo. The conclusions and recommendations of the consultations have been summarized and sent to development partners, grassroots communities, civil society, NGOs, trade unions and private sector representatives to obtain their feedback and recommendations. A specific output of the second step has been a better quality draft of the I-PRSP, which has been disseminated to all partners involved in the PRSP process.

3. The third step included participatory consultations at the sector level to integrate sector perspectives in the draft I-PRSP. A revised draft was disseminated to all partners on 28 July 2004, to obtain feedback and to finalize the I-PRSP.

24. The current interim Poverty Reduction Strategy Paper reflects the wide consensus achieved and analyses at the central and departmental levels. A similar process will be used to prepare the full PRSP. To that end, the government intends to reinforce participation and to conduct several surveys.

Chapter 2 Diagnostic Study of Poverty

25. Poverty in Congo has monetary and human dimensions, particularly low incomes and limited access by the poor to basic services. However, the lack of current and reliable statistical data makes it difficult to fully appreciate the extent of poverty in Congo. The I-PRSP preparation already revealed how inadequate quantitative information is. In fact, Congo's statistics lack standard surveys of population, healthcare, mortality rates, the public budget, consumer spending, and the like.

26. Furthermore, the cancellation of the 1996 General Population and Housing Census has resulted in outdated socio-demographic data. Socio-political conflicts have disrupted administrative sources of data, too. The available information is fragmented and insufficient, thus severely limiting the ability to fully assess and evaluate poverty in Congo.

2.1 Poverty Assessment: the People's Perception

27. Despite the lack of quantitative data, participative consultations conducted at the thematic, sector and community levels made it possible initially to meet the requirements of the interim PRSP with respect to quantitative analysis of the sectors and people's perceptions of poverty and its determinants.

28. Major brainstorming groups held after the consultations made the following conclusions:

Governance : The impact of poverty in this sector is characterized by (i) lack of information and training of stakeholders; (ii) excessive and fractious taxation of economic activities; (iii) unfair competition; (iv) wide-spread mismanagement, corruption and fraud; misuse of public resources and human abuse.

Education: Poverty is perpetuated by (i) inadequate budgetary allocation for education; (ii) illiteracy; (iii) lack or inadequate infrastructural, human, financial and documentary resources; (iv) difficult access to education by children; (v) increased deterioration of moral and ethical values.

Health: Poverty, in this sector includes: (i) poor access to services and quality health care; (ii) lack of health, hygiene and sanitation infrastructure; (iii) upsurge in malnutrition and poor quality nutrition.

Social Protection: Poverty is characterized by (i) breaking up of families and other traditional solidarity systems; (ii) the lack of institutional mechanisms for collective sharing of and empowerment against "social security" type risks; and (iii) survival behaviors ranging from begging to shirking of family responsibilities and sometimes through aggressive attitudes.

Gender: Many women live in poverty because of (i) low social status and (ii) difficult access to productive resources (loans, land, inputs) and social services (education, health).

Infrastructure: Poverty in this sector is characterized by (i) inadequate development support infrastructure; (ii) a lack basic infrastructure (roads, energy, and water); and (iii) difficult access to housing.

Employment: Poverty in this sector is characterized by (i) the worsening of unemployment, (ii) low-skilled human capital, particularly in rural areas; (ii) exponential expansion of the unorganized informal sector; and (iv) job insecurity due to the lack of qualified manpower.

The Economy: In the overall economy, poverty is perpetuated by (i) low economic growth and difficult access to credit; and (ii) a decline in purchasing power.

29. To sum up, the overall perception of poverty is caused by (i) lack of income; (ii) inability to access collective services as basic as primary education, affordable health care, electricity or drinking water; (iii) bad governance, corruption and the feeling of being side-lined from society and decision making at the local or national levels, and (iv) the indifference on the part of the State vis-à-vis the problems facing various population groups.

2.2 Characteristics of Poverty

30. The poor quality of statistical data available makes it difficult to have a precise idea of the scope and characteristics of poverty in Congo. The diagnostic study of the current state of monetary and human poverty is in fact based on partial information from various sources[3]. The situation described earlier on has therefore no solid statistical or analytical base. The diagnostic study will, however, be improved through supplementary studies and surveys that would be conducted within the scope of the final PRSP. The on-going Congolese Households Expenditure Survey (ECOM), of which the CWIQ (Core Welfare Indicators) results are expected in April 2005, and the EDS being prepared currently would make it possible to establish a reliable outline of poverty.

2.2.1 Monetary Poverty

31. Monetary poverty is inadequacy of income, which seriously limits consumer possibilities. Since the World Bank survey conducted in 1996 estimating the percentage of persons living below the poverty belt at 70%[4], three studies carried out between 1998 and 2003 attempted, in part, to assess the level of poverty in the rural, semi-rural and urban areas.

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[3] Namely (i) a World Bank survey entitled «Congo, poverty assessment » which was conducted in 1996; (ii) study conducted in 2000 in Congo and presented by the research network on social policies in West and Central Africa (RSPA/WC) called Alternative Strategies of Poverty Reduction in Congo; (iii) survey on poverty conducted by UNDP in two semi rural communities: Nkayi and Ouesso in 2003.

[4] The 70% figure is from a partial survey on ''infant nutrition'' conducted in December 1993 and January 1995 in Brazzaville by ORSTOM in specific households. This percentage was obtained in a period of serious reduction in consumer expenditure on the basis of a poverty line of 8,945 CFAF per person. The World Bank survey on poverty assessment in 1996 in Congo which drew inspiration from it, identified poverty in relation with income calculated with the average expenditure of December and January and not with the adjusted average yearly per capita expenditure.

32. According to these studies, the incidence of poverty would be around 50%[5] in Congo, regardless of the year reviewed and the methods used. The per capita GDP, which dropped from US$ 1,100 in 1990 to US$ 630 in 2001[6], is another indicator that shows the deterioration of the situation over the last decade.

33. Worsening of poverty is mainly due to the wars that have destroyed the economic tissue, and inappropriate economic policies and mismanagement of public affairs. The situation deteriorated everywhere and was worse still in areas most affected by the war and its consequences.

34. The devaluation of the CFA Franc in 1994, which resulted in higher prices for food and public services, is among the factors that contributed to worsening the economic situation of the Congolese people. With the price control department powerless in the face of the price hikes in primary necessities, inflation rose from 4.9%[7] in 1993 to 42.4% in 1994. It dropped to 9% in 1995 and 10.2% in 1996. This corresponds to an overall price increase of 71% between 1994, the year of devaluation of CFA, and 1996. The inability of local products to substitute imports led to the decline in the purchasing power of households. With no compensatory measure in place, the salaries of Congolese workers fell 27.5%. Moreover, with the Congolese economy being little diversified, the expected positive impact on economic growth and public finance as a result of devaluation failed to materialize.

2.2.2 Human Poverty

35. Poverty is a multi-dimensional phenomenon that unevenly affects the socio-economic groups and the various districts of the country.

2.2.2.1 Poor Access to Social Services

36. Regarding access of population groups to social services, the 2002 Post Conflict Interim Program made the following observations: (i) the poor state of health, sanitation and basic education services had contributed to reducing the standard of living of population groups and worsened poverty; and (ii) the degradation of the environment had led to an upsurge in endemic diseases (malaria, respiratory and diarrhea diseases, typhoid fever, intestinal parasitic diseases and skin diseases, especially among the most disadvantaged population groups. Also, in spite of significant investments channeled into the anti-AIDS campaigns, in the post conflict program, the HIV/AIDS prevalence rate has remained high.

2.2.2.1.1 Poor Access to Educational Services

37. Though Congo was among African countries with the highest level of education in the 1980s, its enrollment rate has declined and the quality of its educational system has deteriorated. In fact, at the primary education level, the gross enrollment rate (GER) which was only 33% in 1960, increased to 100% in 1978, shot up to 121% in 1984 and 126% in 1990. However, due

[5] UNDP-CONGO, 2002 National Human Development Report.
[6] World Bank 2001, World Development Report
[7] CNSEE

mainly to the various armed conflicts that occurred in the 1990s, the GER has gradually dropped from 107% in 1996 to only 49% in 1999. Several reasons account for this: (i) increase in the cost of education which limits the access of poor families to educational services; (ii) inadequate and degradation of educational infrastructure and equipment ; (iii) teachers abandoning the classrooms for more lucrative sectors ; (iv) the fall in the level of qualification of teachers ; (v) low level of investment spending as compared to operating costs (mainly salaries) ; (vi) low level of early childhood education and (vii) imposition of levies on families by parents'- teachers' associations.

38. The figures indicated in the table below are a real reflection of the educational expenditure situation.

Table 1: Educational Budget Trend in Relation with the National Budget

(in CFAF millions)

Year / Budget	Current			Investment			Total		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
National Budget	222.400	323788	NA	91650	158250	190337	314050	482038	-
Educational Budget	45751	55344	NA	4161	4316	80034	49912	459660	-
Percentage of the sector	20.57%	17.09%	NA	4.54%	2.73%	42.5%	15.89%	12.38%	-

Source: 2001 Congo Balance Sheet (BISOC) published in February 2004

39. Apart from the afore-mentioned causes, there are other factors: (i) training-employment mismatch; (ii) gender imbalance at the secondary school level, which is due to the school drop out rate among girls; (iii) lack of a statistical framework, which makes it difficult for appropriate decisions to be taken; (iv) divestiture of the State from the educational sector thus contributing to reducing the success chances of children from deprived communities and (v) the lack of new information and communication technologies and social assistance in schools.

40. From 2000, with the gradual restoration of peace, children have started attending school. In 2002, the GER was estimated at 78%, although the rate for girls in rural areas was 4% to 6% lower. The enrollment rate in the pre-school educational centers is very low, stagnating at less than 5%. Only children from well-off social categories in the urban areas have access to pre-school education. The education of the child, therefore, depends to a large extent on the income of the parents.

41. In terms of literacy and non-formal education, efforts made have increased the literacy rate from 32.1% among men and 13.2% among women in 1990 to 71.6% and 48.2%, respectively, in 1998. However, these data are below the average rate for developing countries (80.3% for men and 64% for women). Thus, in spite of recent efforts, 40.5% of Congolese are illiterate and women are the most affected (51.8%). On the whole, we observe a quite low geographical distribution of education infrastructure, a drop in the number of schools, and their strong concentration in urban areas. In the rural areas, the distance between schools and dwelling

places (an average of one primary school in a radius of 14 kilometers) makes it difficult for most children to have access to education[8].

2.2.2.1.2 Poor Access to Services and Quality Health Care

42. In spite of the right to health (health protection of individuals and the right of access of everyone to medical care) guaranteed by the constitution of the Republic of Congo and the existence of a wide and dense network of health structures, the performance of this sector is unsatisfactory.

43. The quality and quantity of health service delivery has deteriorated due to: (i) the closure, deterioration and destruction of healthcare facilities, particularly in the rural areas, and the obsolete nature of bio-medical and medico-technical equipment; (ii) the quasi permanent lack of drugs and consumables; (iii) inadequate trained staff and refresher training policy ; (iv) little cooperation with NGOs and the private sector; (v) wrong human resource deployment; (vi) beliefs (witchcraft, superstition); and (viii) partial application of the national health policy and health development plan.

44. This situation is further compounded by a shortage of medical doctors and medico-technical specialists in the urban integrated health centers. Furthermore, the services of private practitioners are expensive and have the tendency of luring patients away from public laboratories and health structures.

45. These apparent inadequacies, coupled with the deterioration of sanitation, health and environmental conditions, account, in part, for the persistence of certain diseases such as malaria (a major cause of morbidity and mortality among children under five years), acute respiratory infections, HIV/AIDS and tuberculosis. They are also responsible for the upsurge in the endemic outbreak of leprosy, yaws, onchocerciasis and the emergence of certain diseases such as the EBOLA viral hemorrhagic fever, monkey pox, BURULI ulcer and trypanosomiasis.

46. A National Heath Development Program (NHDP) covering the period 1992-1996 was adopted. It aimed at: (i) improving the health situation of population groups through strengthening the district health system; (ii) increasing the national health delivery coverage to provide at least 80% of the population with quality primary health care, and (iii) building the national health system management capacities. However, the manner in which this program was implemented was unsatisfactory owing to the socio-political upheavals and its overly ambitious character given the resources that could be mobilized by the country.

47. Vaccination coverage for the six preventable diseases under the Expanded Program of Immunization (EPI) dropped from 90% in the 1990s to less than 50% in 2000. This drop places Congo below the sub-regional and regional average.

48. The fall in life expectancy at birth is evidence of wide-spread mortality and ever-increasing poverty. The infant and maternal rate is much higher than the average: general mortality is 14 per 100,000 compared with infant mortality of 81 per 100,000 and live births of 1,100 per 100,000. AIDS has become a serious public health problem. The national HIV/AIDS

[8] Statistics on education were taken from a national human development report, UNDP 2002

prevalence rate for 2004 is 4.2%. This rate, however, does not reflect the disparities among major cities where the rate ranges between 5% and 10% and may even reach 20% among prostitutes. These disparities are due to the uneven distribution of healthcare across the country, with the major cities having better services than the rural areas.

2.2.2.1.3 Poor Social Coverage

49. The Congo is emerging from a long decade of socio-political crisis and armed conflicts that have caused a variety of social ills, such as street children, child soldiers, teenage mothers, children killed or injured by war, and massive population displacement, particularly in the cities where security is more of a problem than in the rural areas. All this has led to a breakdown of the traditional family system and to dysfunctional social structures, which harm the most vulnerable strata of society. The situation has resulted in a clear increase in the number of persons requiring special protective measures.

50. In light of this, the Ministry of Social Welfare and a High Commission for the Integration of the Youth were established to help these people reintegrate into society both professionally and socially. No study has yet been conducted to allow for assessing the activities of these two ministerial departments.

51. In any case, the inadequacy of the safety net is manifest. The KAP[9] survey on child care attests that 87.1% of respondents acknowledge that the management of disabled children is handled by the family and 77.4% approved of this practice for orphans and abandoned children[10].

52. Concerning social security, the situation is characterized by an acute shortage of money and irregularity of pension payments. This phenomenon is the result of the low rate of debt recovery, the failure to reconstruct the index file of employers and pensioners as well as the lack of real accounting and financial statements. Senior citizens are abandoned by families and public authorities in spite of the existence of a constitutional provision that protects them (Article 30 of the 2002 Constitution). Hence, families are increasingly shirking their responsibilities, mainly because of their declining purchasing power and social prejudice. Medical and social facilities are quasi-nonexistent or inoperative.

2.2.2.1.4 Poor Access to Employment

53. The employment crisis and related problems, especially among youth, is the result of mismanagement of public enterprises, improper socio-economic policies, structural adjustment programs embarked upon since 1985, and the consequences of recurrent wars during the 1990s. The shrinking of the labor market in all sectors of the economy limits the possibilities of Congolese to earn a living, leading to a rise in unemployment particularly among the youth.

54. It is currently difficult to quantify the scope of unemployment for lack of reliable national data. However; in 1994, the unemployment rate, estimated at 30.9%[11]; provides a sufficiently

[9] Knowledge Attitude and Practice on Child Care / UNICEF
[10] Congo Cooperation Program UNICEF 2004-2008 UNICEF, November 2003
[11] National Human Development Report UNDP 2002

clear picture of the scope of the unemployment crisis in the Congo. Furthermore, an analysis of the employment trend reveals a wide gap between growth in the active population and job availability in both the public and private sectors. Between 1984 and 1992, the number of job losses was staggering reaching about 23,700.

55. Several factors account for the low job availability and the obstacles youth encounter when seeking employment: (i) a poorly diversified economy and the low dynamism of the stakeholders; (ii) corrupt administration of the labor market; (iii) failure of the structural adjustment policies; (iv) training-employment mismatch; and (v) failure of public investments.

56. The informal sector is an alternative solution to unemployment. This sector that is fast expanding, particularly in the major cities where the majority of the active population is concentrated, does not solve the jobless problem as such. It contends with indifference on the part of public authorities, lack of organization and qualification of its stakeholders.

57. Women, the disabled and, particularly, young people with no vocational training are the most affected by unemployment.

2.2.2.1.5 Little Consideration for Gender Dimension

58. Women are the most affected by, and the most vulnerable to poverty. The mismanagement of public enterprises, ineffective socio-economic policies, structural adjustment programs and recurrent wars have all seriously worsened the problem, particularly among widows, who have become bread-winners without being able to have access to viable resources.

59. Though women account for 52%[12] of the total population and are mostly engaged in agriculture production and thus play a determinant socio-economic role, their influence in social and political life is almost zero. They are under-represented in the decision making structures, the least literate, particularly vulnerable to HIV/AIDS, receive inadequate maternal health, and have limited access to credit.

60. Apart from the moral issue of social justice, an all-out integration of gender in all sectors is a developmental challenge. ‘’Gender inequalities are costly not only to women but also to children and several men. It leads to a decline in production (GDP), a low level of human resource development, leisure activities and a low welfare situation[13]’’. Also ‘’gender disparity hampers development’’[14]

61. It has also been established that the reduction and removal of gender disparities and inequalities, investment in activities carried out by women, and a better recognition of their rights make it possible to improve the quality of life, reduce infant and maternal mortality and the spread of HIV/AIDS and poverty.

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[12] Women’s Promotion Department 2003
[13] Economic Community for Africa publication, 2001 : I
[14] World Bank publication 2002

62. Poverty eradication cannot be achieved without taking all the human resources into account. The significant contribution of women to poverty reduction should be affirmed and recognized at the national level. It is therefore important to lay emphasis on the socio-cultural dimension of gender by taking the inequalities as determinants of poverty in order to ensure a better consideration of women in all the sectors.

63. Thus, for a better integration of women into public life, the government intends to increase their involvement and presence at all levels, from the decision making structures to the management of public resources.

2.2.3 Poor Access to Basic Infrastructure

64. Access to basic infrastructure and services is analyzed in the transport, energy, water, telecommunications and communications as well as the financial services sectors because of their impact on economic development and the living conditions of population groups.

2.2.3.1 Transportation

65. According to a study conducted by the National Transportation Plan, transportation services collapsed because of inadequate spending and inconsistent allocation. As a result, productive sectors of the economy were adversely affected. Armed conflicts between 1993 and 1999 aggravated the problem.

2.2.3.1.1 Transport Infrastructure

66. The road network of roughly 17,300 Km, is least developed. It is made up of (i) 1,875 Km of major roads; (ii) 3,575 Km of secondary (prefecture level) roads; (iii) 2,530 Km of feeder roads; (iv) 9,300 Km of non classified roads and (v) 235 Km of paved roads equivalent to less than 5% of dirt roads. With regard to road use and administration, the major problems encountered are a lack of maintenance; obstacles to the free movement of persons and goods; lack of supporting infrastructures (road terminals and bus stations, fuel filling stations, garages, warehouses); multiple and unreasonable taxes; and lack of technical control equipment and machinery.

67. The river system is made of the Congo River and its major tributaries as well as several secondary waterways. With the network being non-navigable in Southern Brazzaville, the Congo River is one of the key elements of the country's transport network and together with the Ubangui constitutes the backbone of the trans-equatorial axis. The major problems encountered are: the poor state of the waterways, infrastructure, and vessels; flooding of the villages surrounding the Congo Basin; low technical capacities of services; and multiple and unreasonable taxes.

68. The rail network is made up of a major 510 Km line connecting Brazzaville to Pointe Noire, the major part of which is one way, including a 91 Km section commissioned in 1984 and a little used 285 Km line between Mont Belo and the Gabonese boarder. This network, already defective by 1997, was seriously damaged during armed conflicts. Many platforms and structures

(bridges, overhead rail carriers) have been damaged, the ballast is in a bad state -- non- existent in some places -- and long stretches need to be rehabilitated. In spite of efforts by the government after the war, the situation is still characterized by (i) general poor state of the rails and infrastructure; (ii) insufficient numbers of locomotives and coaches; (iii) lack of technical personnel and services; (iv) inadequate security; and (v) lack of a rail network in the north.

69. The infrastructure of the Pointe Noire Maritime Port is in relatively acceptable condition. Though functional, the port needs to be reorganized, and its access and networks rehabilitated. In maritime transport, the major problems are: (i) sluggish and slow process of administrative formalities; (ii) multiple and unreasonable taxes; and (iii) lack of maritime surveillance and anti-pollution equipment.

70. The tarmacs, terminals and freight areas of the Brazzaville and Pointe Noire International Airports require some upgrading, which would make it possible to improve the quality of services. A majority of the secondary airports are in a poor state and have safety problems. Generally, the situation is characterized by (i) an inadequate and obsolete fleet; (ii) degraded and inadequate infrastructure; (iii) lack of navigational aids; (iv) poor quality services; (v) high tariffs; (vi) non- compliance with regulations; and (vii) inadequate coverage and utilization of meteorological data.

2.2.3.1.2 Poor Access to Transport Services

71. The quality of transport services is commensurate with the state of the infrastructure. The structures put in place to manage the ‘’navigable waterways ports and river transport’’ are financially handicapped due to mismanagement and high staff costs. Destruction and lootings brought about by the wars contribute to the problem.

72. Overland transportation of goods and persons is done by small transport owners within a totally informal framework.

73. Rail service between Pointe Noire and Brazzaville, which had been stopped since the 1998 war, has resumed. It is characterized by the lack of comfort, punctuality and safety. Speed is limited by faulty tracks and a large number of station stops, capacity is inadequate, telecommunications are defective and wagons and locomotives hardly available. Significant efforts should be made to improve services.

74. Air transport between Brazzaville and Pointe Noire, the major in country link, is provided by two recently established private companies. Their services are quite satisfactory. Secondary airports are only serviced from time-to-time. Safety is limited and some airports don’t have terminals.

75. On the whole, the deterioration of transport infrastructure contributed to severing links between the cities and the rural areas, even isolating forestry and agriculture producers. This situation has contributed not only to demoralizing farmers who have been reduced to subsistence agriculture, but also to the disappearance of middlemen, leading to the loss of jobs and income.

76. The deplorable state of the Congolese transport system has also fostered the diversion of cargo traffic to other destinations, particularly to Cameroon. In fact, the timber operators in the northern part of the Congo who used to provide 30% of the traffic of CFCO (Chemin de Fer de Congo Océan), now ship their products through Cameroon, in spite of the additional cost. Today, traffic from or to countries of the sub-region account for not more than 5% of the traffic of the Port of Pointe Noire, against 70% in 1970. The latter is below 20% of its 1980 level.

2.2.4 Poor Access to Water Resources

77. The Congo has immense hydroelectric and gas potential estimated, respectively, at 2,500 MW and 120 billion m³. However, only the Moukoukounou (74 MW) and Djoué (50 MW) hydroelectric plants are operational. Electric power is also provided by mini diesel operated plants established in most of the major towns and some districts, producing power ranging from 100 to 1000 KVA. The Pointe Noire Gas Plant, with a 25 MW capacity, also provides electric power

78. The population also relies on power generators as power breakdowns and power cuts are frequent. Power shortage is due to: (i) lack of fuel and spare parts; (ii) obsolete and/or destroyed infrastructure during the socio-political upheavals; and (iii) bad financial and human resources management at the SNE (the power company).

79. With inadequate national production, Congo imports power from DRC. These imports cover 50% of the power requirements of the country. However, the present supply is far below the real requirement. Energy shortfall is a real obstacle to the implementation of projects and initiation of all sorts of activities.

80. An analysis of the situation of the potable water and sanitation sector highlights the unsafe supply conditions to both urban and rural populations. This is mainly due to advanced obsolescence of equipment and the absence of a water resource management policy. In communities supplied by SNDE (National Water Supply Company), the output of the network is low, the billing system inefficient and payments received insufficient.

2.2.5 Poor Access to Telecommunications

81. In the area of telecommunications, the Congo has a very low density of land lines (less than one line per 100 people) and one of the most expensive systems in the region. The postal network is also very defective. Since 1997, the establishment of three mobile phone operators has provided service to major urban centers. A restructuring program of the Post and Telecommunication sector is on-going.

82. The problem facing the information and communications sector is a shortage of equipment and poor human resource management. Furthermore, communication structures are unevenly distributed across the country because the few media that exist are concentrated in the major towns. Rural populations have virtually no access to the media or outside information.

83. This worsens poverty if one agrees that ‘’the feeling of being excluded from decision making at the local and national levels’’ is one criterium of poverty. Hence the communication structures, particularly the media, are unable to assist citizens in enhancing their sense of responsible citizenship.

84. The difficulties that journalists face in accessing sources of information and new information and communication technologies explains, inter alia, the mismatch of the content of the information in relation to the expectations of the people . The lack of communication structures is exacerbated by the lack of human, financial and material resources as well as the inadequacies of the laws governing the communication sector. Furthermore, it has been worsened by the armed conflicts that destroyed communications infrastructure. On top of that HIV/AIDS led to the loss of qualified personnel, a decline in output, and a slow down in the transfer of knowledge.

2.2.6 Poor Access to Financial Services

85. Regarding access to financial services, it should be acknowledged that the Congolese banking system experienced a major crisis characterized by the closure of the ‘’Banque Commerciale Congolaise (BCC), the Banque Nationale pour le Développement du Congo (BNDC) and a tight cash flow situation for a majority of surviving banks, such as the Union Congolaise de Banque (UCB), Banque Internationale pour le Développement du Congo (BIDC) and Crédit pour l’Agriculture, l’Industrie et le Commerce (CAIC).

86. These financial institutions have been privatized. However, in spite of the privatization, financial services are not accessible to everyone. In fact, the procedures and conditions for granting credit are unsuited to the socio-economic needs and characteristics of the poverty-stricken population, thereby excluding a significant number of people from the formal financial system. The problem is worsened by the successive bankruptcies of the postal savings services, the national savings bank and especially the collapse of the first mutual savings and credit association, particularly cooperative savings and credit (COPEC).

87. Before 1990, the Congo had limited experience in micro finance. Only mutual funds existed across almost the entire country. Through their services and particularly their proximity, these structures gradually restored the confidence of savers, as they had instituted a type of micro credit that was more adapted to their needs.

88. Thus, a huge network of micro credit institutions is developing across the country, notably the network of women’s savings and credit associations that is gradually being established with the assistance of the United Nations Development Program. These institutions offer three types of financial products: (i) saving services; (ii) short term micro credit (i.e. loans of small amounts) for household consumption; and (iii) investment credit services for micro enterprises. On this account, micro credit institutions are an adapted tool that makes it possible for the poor but hard working people to take advantage of economic opportunities and improve their standard of living. These institutions therefore contribute to reducing the incidence and scope of poverty.

2.2.7 Poor Access to Housing

89. Since independence, the State has built only 2,000[15] public housing units (excluding the housing stock of the State) and no public housing program has been implemented. This inefficient system of public housing delivery failed to meet the needs of the population. As a result, people embraced a self–help housing system that made it possible to build 218,000 houses (98% of the national housing supply). However, housing needs are far from being satisfied. In the two major cities of the country (Brazzaville and Pointe Noire), housing demand is estimated at 13,550 units per year versus an annual delivery of just 2,000 units.

90. In urban areas, the situation is characterized by a high disparity between city central suburbs, which are well resourced and less populated, and the suburbs which are under equipped and very densely populated. Furthermore, in squatter settlements, where the lack of basic equipment and infrastructure is obvious, living conditions are very unsafe. Finally, urban management remains vague with little concern for a healthy environment.

91. In rural areas, apart from the conflict zones where many houses have been destroyed, the problem is seen mainly in terms of quality of housing because the cost of good quality building materials is too high for most farmers. The major obstacles to overcoming this are: weak regulations; limited supply and high cost of building materials; inadequate financing mechanisms; and little interest in developing and using local materials.

2.3 Sectoral Diagnostic

92. This diagnostic aims at identifying the problems related to governance and those arising in the major sectors of the economy, namely: oil, forestry, rural and private.

2.3.1 Governance

93. Good governance may be defined as the ability to efficiently and rationally manage public resources. It may also be defined as the ability to ensure sustainable human development.

94. This diagnostic study focuses on good political, institutional and administrative governance. The problems identified are the following: (i) crisis of administration, State authority and control; (ii) wrong and inadequate allocation of available human, material and financial resources; (iii) worsening of corruption and fraud; (iv) lack of coordination among the various administrations involved in economic management; (v) inappropriate contract awarding procedures; and (vi) the duality of the contract awarding system.

2.3.2 Debt[16]

95. For almost two decades now, the Congo has been facing heavy debt. In fact, public debt is so great today that it's a major obstacle to the economic recovery of the country. Debt servicing alone absorbs almost half of the budgetary revenue.

[15] Ministry of Housing and Urban Construction
[16] The source of figures featured on this part is the Caisse Congolaise d'Amortissement (CCA).

96. As of 30th April 2004, the overall outstanding debt was estimated at 4,417 billion CFA Francs, of which 3,861 billion CFA Francs was for foreign debt (or 87% of total debt) and 556 billion CFA Francs for internal debt (13%). Debt due to members of the Paris Club tops the list with 58% of outstanding debt. Debt due to private banks account for 19% of debt outstanding and that due to multilateral donors accounts for 10%. The debt ratio over the GDP is equal to or above 200% and per capita indebtedness is very high.

97. The untenable level of arrears on external debt (estimated at 2,920 billion CFA Francs) remains an obstacle to the normalization of relations with Congo's creditors. The situation that has just been described clearly illustrates the urgency of Congo to employ all possible means to be eligible for the Heavily Indebted Poor Countries (HIPC) initiative. Access to this initiative would provide significant debt relief and thus kick-start the economy and reduce poverty more efficiently. It is in this connection that the

98. Government is working towards:

a. concluding a Poverty Reduction and Growth Facilities (PRGF) arrangement with the IMF;
b. ensuring regular servicing of its debt;
c. normalizing its relations with major multilateral and bilateral creditors.

99. It is important to note that failure to access HIPC initiative would seriously mortgage the economic future of the Congo.

100. Non-payment of the internal debt is also a major obstacle to the resumption of economic activities. It is therefore of outmost importance to quickly sort this all out within the framework of a program to be concluded with the international community in general and the IMF in particular.

2.3.3 Security and Peace

101. The notion of security is multidimensional. It may be defined as the assurance that citizens can live in an environment free of all threats and risks of violence. This assurance is guaranteed through a regular functioning of the specialized government structures responsible for protecting persons and institutions, and maintaining order and general peace. Security also involves promotion and defense of human rights.

102. With regards to security the major problems identified are the following : (i) absence of the rule of law; (ii) illegal ownership and widespread circulation of weapons; (iii) upsurge in sexual violence; (iv) drug trafficking and consumption; (v) indigence and deterioration of the socio-economic fiber; (vi) increasing unemployment and worsening social exclusion, insecurity and vulnerability; (vii) lack of food health control; (viii) poor prevention, management and settlement of conflict; and (ix) limited cooperation among the public, private and civil society organizations.

103. Peace may be defined as the situation of tranquility where the public authorities have taken all the necessary measures to peacefully prevent and resolve all types of conflicts both internally (peaceful co-existence of citizens and the national communities) and externally (peaceful co-existence with other States). At this level, the key problems identified are: (i) ownership of weapons by a cross-section of youth; (ii) difficulty in implementing peace agreements reached by conflicting parties; (iii) loose border controls; (iv) difficulty in establishing social dialogue; and (v) insufficient promotion of human rights.

2.3.4 Oil Sector

104. With a daily offshore production of about 250,000 to 260,000[17] barrels of crude oil (90 million to 100 million barrels annually), the Congo is fourth among oil producers in Sub Saharan Africa, after Nigeria, Angola and Equatorial Guinea. The State manages the oil sector through the Ministry for Hydrocarbons in collaboration with SNPC. Revenues derived from this sector are of paramount significance in as far as they account for 66% of public revenue, over 50% of the GDP and almost 90% of export earnings.

105. However, the population has benefited little from these resources. There are many reasons for this: (i) the non-centralization of the oil revenue at the National Treasury which makes it difficult to control related expenses; (ii) lack of transparency in the management of the financial flows. (The confidentiality clause contained in production sharing contract forbids the publication of information concerning the execution of these contracts. The tax stability clause enables oil companies to enjoy tax and customs exemption until 2029, the year the last permit expires.); (iv) non-involvement of the State in the management of oil terminals; (v) the decline in production and the holding in trust of areas whose crude oil potential is not economically viable for the major oil companies; (vi) pronounced absence of local private business men in the sector; (vii) the disadvantage on the part of the State in the marketing of its share of the crude oil; (viii) pollution related to oil activities with few Congolese being skilled in the oil profession; (x) difficulties related to petroleum products supply; and (xi) the high level of oil-collateralized debt.

2.3.5 Forestry Sector

106. Sixty percent of the total land area of the Congo (almost 20 million hectares) is covered by forest, 80% of which are considered commercially productive. Available timber is estimated at 170 million m³. Harvesting potential is 2 million m³ per year without compromising forest regeneration capacity. Furthermore, the country has roughly 53,000 hectares of eucalyptus, pines and limbas plantations, capable of supplying 4 million m³. The Congo also has abundant and diversified plant and animal resources made up of 6,500 plant species and 200 mammals, over 700 bird species, 45 species of reptiles and over 632 insect species. Exploitation of non-timber forestry products (fruits, legumes, meat, honey, and fish) is still carried out by the informal sector. In spite of this enormous potential, the Congo derives limited benefits from its forest resources.

[17] Petroleum Department, Ministry of Mines

107. The socio-economic upheaval that the country experienced in the 1990s destroyed much of the timber processing industry. Traditional low-cost methods of transporting forestry products, for example, had to be replaced by higher cost options. A lengthy 1,300 km road was built to link Pokola (Northern Congo) to the Port of Douala (Cameroon) because of the unreliability of the rail-river connection. This seriously raised the selling prices of harvested timber. In the South of the country, this forced many forestry operators to fold, causing job loss and worsening poverty.

108. This industry faces other problems. First, the rich forests are being damaged as poor rural inhabitants struggle to survive. They take trees for fuel or to sell on the black market. Many practice slash and burn agriculture to survive. And the perpetual hunt for protein puts pressure on plants and animals, endangering protected species. These practices contradict sustainable management of the forest ecosystem and the conservation of biodiversity. Finally, the low level of education and training coupled with the lack of a work ethic hampers sound organization of the forestry industry.

109. The second problem has to do with inadequate human resources in forestry administration and the wood industry. The low remuneration of forestry staff is hardly motivating and often exposes the latter to corruption and fraud. Most industry workers come from neighboring countries.

110. The third problem has to do with inadequate financial resources allocated to this sector, making it difficult for the State to support the investments made by the timber processing companies. Schools, dispensaries, bridges, roads, and the like are all in short supply. When work sites are closed down, the local population is left on its own.

2.3.6 Rural Development, Water, Sanitation and Environment Sectors

111. At independence, the Congo was predominantly an agriculture country. In the 1960s, 80% of the population earned a living from agriculture against 40% today. Though total land area available for cultivation is estimated at 10 million hectares, less than 2% was under cultivation from 1978 to 1990[18]. Currently, the economic crisis is seriously felt in the agriculture sector. Its share of GDP dropped from 27.13% in 1960 to 11.69% in 1980 and by 1997 to just 9.57%.

112. The causes of this decline are attributed to inconsistent policies, inadequate and unsuitable institutional support, serious deterioration of rural infrastructure and rural exodus. In spite of various agriculture programs, various mobilization campaigns (e.g., Food Self-sufficiency by the year 2000 and Agriculture--Priority of Priorities) and consultation-discussions (National Agriculture Council). Dependence on imports has increased and food shortage has only worsened. The sudden divestiture of the State from the productive sector in May 1986 had a very negative impact on rural population because the private sector was unprepared to take over the following three types of agriculture activities:

- traditional farming, which accounts for 81% of the total land area cultivated;

[18] Agriculture Statistiques Report

- sedentary farming in the suburbs;
- farms and ranches.

113. Agriculture in the Congo today is limited to farm house production, which focuses mainly on subsistence food crops. Mostly men (87%) against women (13%) are engaged in livestock farming, which is the preserve of old people. Heavy livestock farming is exclusively done by men while women are involved in backyard livestock farming.

114. Fishing is an important sector after agriculture and livestock farming. Though the Congo has immense fish resources (80,000 tons per year from maritime waters and 100,000 tons per year from river waters, its expansion is hampered by several problems, including instability, obsolete means of production and scarcity of infrastructure.

115. Aquaculture, which is mainly oriented towards pond fish-farming, is done by small farmers. State-owned operations are in advanced stages of deterioration.

116. The Congo is rich in water resources, whether rain, surface or underground. In spite of these endowments, the rate of coverage of the potable water supply system is insufficient. In 2000, it was only 40.7%[19] in the urban areas. Potable water production and distribution has since 1967 been ensured by the National Water Distribution Company (SNDE), established by Law 15/67 dated 15th June 1967. In spite of Government efforts to procure equipment during the five year plan (1982 – 1986) and the international decade for potable water and sanitation (1980-1990), the national potable water coverage has not improved. The plant and equipment of SNDE are in a very bad state and break down for long periods of time. Of an estimated demand of 100 million m³ only 40 million m³ are supplied to the urban population, which covers only 40% of the total demand.

117. In rural areas, the situation is much more alarming. Water supply structures, mainly made up of wells fitted with manual pumps, treated sources, cement tanks and rain water reservoirs, are insufficient and the majority of them have broken down as a result of excessive use and lack of maintenance. The potable water supply coverage is around 14.5%[20]. For lack of modern water supply structures, people draw water from streams and rivers, whose quality cannot be determined. As a result, health risks are high.

118. Concerning the environment, the situation is characterized by a very pronounced degradation of the ecosystem and national resources as result of shifting slash and burn agriculture, deforestation in areas close to towns, poaching, unsound fishing practices, pollution of marine and national waters, and all sorts of environmental nuisances in the urban and rural areas.

[19] Health Nutrition Survey, Congo – UNICEF 2000
[20] Health Nutrition Survey, Congo – UNICEF 2001

2.3.7 Private Sector

119. The political decision taken in 1964 to make the State the major investor and employer was a major obstacle to the development of local private initiative. Since the colonial era, the private sector remains dominated by foreign communities that are organized in a united manner, and by nationality.

120. The gradual divestiture of the State from the productive sectors that started in 1986 without any supportive measures, failed to expand the private sector or to create new stakeholders.

121. The economy lost its bearings during the socio-political conflicts of the 1990s and the ensuing massive destruction of infrastructure. Social imbalances broadened, while unemployment rose, particularly among the youth and poverty incidence increased.

122. The embryonic state of the financial system, the very restrictive institutional, legal, judicial and tax environment, lack of basic infrastructure, are the major obstacles to development of the private sector. Other constraints hampering private initiatives including inadequate infrastructures and the poor state of manufacturing and engineering industries.

123. Also missing is an entrepreneurial culture and tradition while a mismatch persists between training policies and real market needs. Other obstacles include heavy taxation, lengthy administrative procedures and many often obsolete rules and regulations pertaining to economic activities. Finally, the Congo has no research and development policy, and the sub-regional, and regional environment is fraught with tensions and unrelenting crises.

124. Financial constraints that the private sector faces are of two types. The first is the absence of development banks and the weakness of the banking sector. However, the restructuring of the banking system now underway should improve the situation. The second constraint is the absence of (i) a mechanism for protecting depositors against the shortcomings of the national banks and (ii) instruments for mobilizing savings and financing SMEs and SMIs.

125. Finally, economic constraints also hamper the development of SMEs and SMIs. These constraints are: (i) the departure of several Congolese economic operators overseas (they abandoned their companies); (ii) suspension of relations with development partners; (iii) destruction of economic infrastructure; (iv) absence of specific measures to reactivate, promote and develop an SMEs/SMIs fabric; (v) lack of local private businessmen in the oil sector; and (vi) the reluctance of economic operators to invest in primary and secondary sector SMEs and SMIs.

2.3.8 Civil Society

126. In the Congo, social capital grew in scope with the 1991 National Sovereign Conference that opened up the country to pluralism of opinions. Since then, a civil society has emerged and is operating within the difficult context of the new democratic environment, strewn with recurrent conflicts that have adversely affected the social fiber.

127. Social capital consists of several networks of NGOs and associations. However their number is suspicious because of overlapping activities. Most of them, in fact, operate in different areas thereby artificially inflating their numbers.

128. In spite of difficulty in fully playing its role in the development process, civil society is increasingly called upon to conclude partnerships with the public authorities. Still, current partnership opportunities are often reduced to mere invitations to participate in activities, without the real consideration of the scope of their missions. Meanwhile, the implementation of these missions requires significant resources that these organizations do not have.

129. In several cases, the NGOs act as public authorities or are simply off-shoots of political groups. This type of structure stifles the development of real partnerships because they usually originate from a personal initiative.

130. It is observed that even though spheres of dialogue and partnership opportunities exist, they are still not well developed owing to: (i) the difficulties in determining the relations existing among the various platforms and public authorities; (ii) lack of sectoral dialogue structures; (iii) persistence and reproduction of the interventionist society model; and (iv) a general lack of the appropriate skills and resources to successfully implement the partnership policy.

131. Making the activities of these new non-State stakeholders (CSO and the private sector) more efficient and involving them in the poverty reduction process is therefore a priority. However, for social capital to become an agent of development capable of contributing fully to nation building, getting involved in the management of economic and social policies and in the areas of peace-building and democracy, civil society should learn to organize and structure itself within a coordinated structure that would federate the various networks.

2.3.9 Institutional Framework and Procedures

132. The crucial problem facing ministerial departments is the lack of qualified personnel and very demoralizing working conditions.

133. The institutional problems stem from the non-compliance with management procedures and the lack of reliable statistical data to formulate coherent economic policies.

134. The lack of coordination of actions and the lack of functional links among the various administrations involved in economic management is an obstacle to the implementation of micro-economic and coherent sectoral policies. The situation is the same for coordination, which does not foster the application of rational criteria in the choice of projects defined according to sectoral priorities. Public investment programming, particularly social projects financed with oil revenue, is held up by poor project identification, monitoring, control and evaluation. The planning units (DEP) within the technical departments generally play a minor role that needs to be reviewed.

135. The synergy between the Ministry of Economic Affairs, Finance and Budget, and the Ministry of Town and Council Planning and Economic Integration should be reinforced through New Information and Communication technologies (NICT) that enhance information flow.

136. The lack of a management plan makes it difficult to plan continuous training and efficiently deploy personnel within the civil service. The problems encountered are related to the obsolete nature of equipment, particularly computer hardware and software that are most often unsuited to the needs of a functional administration. The lack of coordination of the statistical system often results in an unhelpful mixture of economic and social information.

137. Limited financial resources, coupled with poor management, is responsible for the problems related to processing, disseminating and integrating data into micro-economic and sectoral policy analysis. In turn, this makes it impossible to have real decision–enhancing tools (operating reports, economic budgets, poverty monitoring-evaluation indicators, an investment timing and evaluation system, etc.). The lack of such instruments makes it difficult to control the economy and to make medium-term allocation of resources.

Chapter 3 Strategic Areas and Priority Actions

138. Strategic priorities in the PRSP are consistent with the Government's commitment to restore sound economic growth and to achieve the objectives set out in three key initiatives: the Millennium Development Goals (MDGs), the New Partnership for Africa's Development (NEPAD) and Government's own "Nouvelle Esperance" Programme.

139. To this end, Government's short- term objectives are: (i) consolidating peace and good governance; (ii) strengthening the macro-economic framework and rehabilitating key sectors; (iii) improving access to basic social services (education, health, hygiene, sanitation and safe water supply); social welfare and employment; (iv) improving basic infrastructures; and (v) intensifying the fight against HIV/AIDS. These five objectives constitute the five pillars underlying Government's Poverty Reduction Strategy:

3.1 Pillar 1: Consolidation of Peace and Promotion of Good Governance

140. Two sub-objectives are to be achieved under Pillar 1: (i) consolidation of security and peace and (ii) promotion of good governance.

3.1.1 Consolidation of Security and Peace

141. The Congo is emerging from a decade of political instability marked by three civil wars that claimed many human lives, triggered major population exodus and caused the destruction of entire villages, buildings, infrastructures and production units.

142. Within this context, it would be impossible to envisage the implementation of development or poverty reduction programs without the consolidation of peace and the strengthening of conflict prevention mechanisms.

143. The strategy includes the following components:

- Strengthen the national demobilization plan ;
- Implement conflict prevention, management and resolution mechanisms;
- Strengthen consultation in the design and implementation of policies and programs.

144. The following actions will be undertaken:

- Disarm and reintegrate militias;
- Retrieve arms;
- Fund economic projects presented by the ex-militias;
- Organize peace promotion campaigns;
- Intensify border control measures;
- Pay salaries, scholarships and pensions on a regular basis;

- Ratify and promote treaties and agreements relating to human rights;
- Create consultation frameworks.

3.1.2 Promotion of Good Governance

145. The perpetual lack of transparency of public resource management, coupled with even greater fraud and corruption in the wake of successive budgetary adjustments, demand good governance as a measure for combating poverty. Thus, four governance goals have been adopted as part of the national strategy to combat poverty.

They are:

- Promote good economic governance;
- Promote decentralization and participation of grassroots communities;
- Reform of the State;
- Enhance transparency in public affairs management.

3.1.2.1 Promoting Good Economic Governance

146. Good economic governance is seen as the pursuit of sound measures aimed at guaranteeing and promoting private investment, integrity, honesty and transparency in the management of the design and implementation of development policies and programs. This should include both the national and the decentralized industries. All stakeholders also should participate in the process with the goal of garnering regional and international cooperation in a bid to effectively integrate the country into the world economy.

147. Indeed, the design and implementation of social policies and poverty alleviation strategies concern all the stakeholders: the State, NGOs/associations, religious groups, employer unions and the private sector. This poverty alleviation drive can be pursued effectively only within the framework of a well thought out partnership where the roles of all players are clearly defined.

148. Thus, the Civil Society Organizations (CSOs) should evolve within a precise institutional intervention framework that: (i) defines the missions and objectives; (ii) specifies the sources and mechanisms of funding; (iii) defines the utilization and management of funds; (iv) guarantees the autonomy of NGOs/associations; (v) determines the State's contribution towards the development of CSOs; and (vi) formalizes collaboration between the State and civil society.

149. The poverty reduction strategy should provide a framework for mobilizing all the partners, including concerned populations. This approach will help develop synergy.

150. Furthermore, to ensure success, programs designed by consensus require an environment that mitigates fraud and corruption. This means transparency in public affairs management and

gradual elimination of corrupt practices that have stunted growth and thwarted anti-poverty efforts.

151. In this context, the government intends to rejoin the Kimberly process with a plan of action inspired by recommendations made by a Kimberly process mission that visited Congo from May 31 to June 4th 2004, including the following measures:

- Suspending indefinitely the certification of rough diamonds for export or sale on the domestic market as well as all agreements signed with the *Bureau d'Achat de Diamants*, the national diamond purchasing board.
- Making CFAF 100 million immediately available to the mining administration to (i) reorganize the administrative and legal framework governing diamond activities in Congo; (ii) monitor and train artisanal miners to control the domestic production and (iii) reorganize the diamond trade exchange to better trace rough diamonds exported from the Congo ;
- Convening in Brazzaville a meeting to be attended by experts from other diamond producing countries in the sub region (RDC, Angola, and CAR) to (i) jointly identify measures to better enforce the Kimberly process ; (ii) harmonize diamond export taxation ; and (iii) curb diamond smuggling in the sub-region;
- Fully cooperating with the Kimberly process in implementing the plan of action.

3.1.2.2 Promoting Decentralization and Participation by Grassroots Communities

152. Decentralization is one of the most appropriate means of ensuring that grassroots communities become the stakeholders and beneficiaries of development, making it an important instrument in combating poverty. It is for this reason that since the end of the socio-political unrest in 1997, the Government has relentlessly made strenuous efforts to decentralize under heading XVI of the 20 January 2002 Constitution and which uphold the existence of distinct State grassroots communities such as the Department and the Commune, inter alia. The main principles are set out under articles 176 to 180, namely their unhindered administration by elected authorities. Their resources and operational conditions were to be defined by law. Pursuant to the constitution, local elections took place on 30 June 2002 and the legal framework of decentralization was defined. Nine bills were tabled, eight were adopted and promulgated. Within the context of the fight against poverty, it is necessary to continue the decentralization drive by:

- Planning at the grassroots level, and managing development by and for the communities;
- Drafting a community development charter.

3.1.2.3 Reform of the State

153. Reforming the State is necessary to address multiple problems facing the administrative machinery. A broad range of dysfunctions highlighted by several studies besets the Congolese public service. The latest was conducted on the national day of reflection on the Congolese

public service (March 2000). Indeed, resources are available to make the reforms being demanded by the general public and the central Government.

154. The refocusing of the State's role should be done taking into account the economic policy shifts, which aim to strengthen the market economy by making it more competitive and ensuring investment profitability. In order to achieve this, the priority actions adopted during the participatory consultations were as follows:

- Capacity building of State departments;
- Reforming public service;
- Refocusing of the role of the State;
- Reducing income inequalities in the State sector.

3.1.2.4 Making oil resources management more transparent

155. Oil revenues account for a large part of The Congo's national budget. Hence implementing the national poverty reduction strategy requires a more transparent approach in managing the oil sector and in handling oil taxation revenues, and key measures have already been taken to that effect.

156. The Head of state has instructed that the following measure be implemented at the national level:

- Quarterly auditing of Government's revenues from the oil sector by an independent, internationally recognized auditor (effectiveness date: October 2003);
- Detailed presentation to the Counsel of ministers and to the parliament of actual and estimated revenues from the oil sector, which will be fully budgeted (effectiveness date: October 2002) ;
- Open house and workshops organized periodically by the oil ministry and the national oil company to keep the parliament and the public abreast of new developments in the oil sector, including government's role (effectiveness date : November 2003);
- Adoption by the Counsel of ministers and approval by the parliament of all new oil contracts (effectiveness date: January 1998) ;
- Annual auditing of Congo's national oil company by independent, internationally recognized auditor recruited according to the World Bank's directives (effectiveness date: May 2003) ;
- Adoption and implementation with World Bank assistance of a plan of action recommended by the 1999-2001 audit of the national oil company to improve transparency and management (effectiveness date: March 2004);

- Establishment of an oil unit at the Ministry of Finance to supervise the taxation and financial aspects in contract execution. The work accomplished by the unit has been commended by both the IMF and the World Bank (effectiveness date: March 2003) ;
- Starting September 2003, quarterly publication of detailed information on government's oil sector revenues, equity and taxation, including a list of all contracts signed with oil companies, on the websites: www.congo-site.com and www.mefb-cg.org.

157. Adding to the measures at the national level, an international initiative aiming at enhancing transparency in the oil sector was launched by the Prime Minister of the United Kingdom at the Johannesburg's Sustainable Development Summit in 2002.

158. The Congo has formally joined this initiative on June 10, 2004. Contacts have been made with the British Department for International Development (DFID), which is promoting this Initiative, to discuss its implementation in the Republic of Congo. Furthermore, given EITI's participatory nature, the government has strongly encouraged oil companies in the Congo to become fully involved in its implementation.

159. The Congo is fully committed to the five principles underlying the Extractive Industries Transparency Initiative (EITI):

- Recruitment of an independent auditor using international competitive bidding to audit government's oil revenues;
- Publication of oil data using the simplified standards;
- Enforcing EITI principles in large private companies and in the publicly owned national oil company (oil is to-date the only non renewable natural resources industrially exploited in the Republic of the Congo);
- Raising awareness and obtaining the cooperation of civil society in enforcing the EITI standards;
- Adopting a global implementation plan and timetable.

160. In acknowledging the government's efforts during the September 14th 2004 donors' meeting in Paris, the Congo's donors have stated that measures taken by the government had placed the Congo among the leading countries in Africa with respect to the implementation of each one of the five EITI principles. Further actions are planned by the government of the Congo to facilitate an effective implementation of the EITI, including:

- Creating a body with the specific mandate of implementing the EITI and overseeing the enforcement of its principles;
- Training senior staff;
- Seeking the support of the international community ;
- Organizing consultations with companies and civil society (NGO, trade unions, etc).

161. The government of the Congo strongly believes that achieving EITI's goal of enforcing the transparency of payments and revenues in extractive industries will result in a much improved management of resources, which in turn should result in significant progress in poverty reduction.

3.1.2.5 Regional Integration

162. The Congo is a member of the Central African Economic and Monetary Community (CEMAC) and the Economic Community of Central African States (CEEAC). Regional integration constitutes one of the most appropriate strategies for addressing development issues facing Africa in view of numerous resource constraints and other economic problems besetting each African country. Combined efforts and a dynamic political commitment in favor of integration can help resolve these problems.

163. The OAU Charter and the African Union's Constituent Act define regional integration as one of the stronger factors of African unity. The New Partnership for Africa's Development (NEPAD) provides the continent with a comprehensive development framework, making regional integration one of the main objectives of development.

164. In Africa, integration has been thwarted by financial and human resource constraints, failure to comply with obligations emanating from treaties, and the inability to prevent and resolve conflicts decisively. To foster regional integration member States should:

- (i) Strengthen their actions at the national level by ratifying the protocol as early as possible, and implement collective decisions;
- (ii) Give unconditional support to the regional economic communities ;
- (iii) Create adequate national structures or appoint a coordinator with the authority to ensure and monitor implementation of commitments made by regional economic communities and the African Union;
- (iv) Create, in each of the countries, a special group of private sector and civil society representatives to map out a strategy to enable them to discharge their responsibilities.

3.2 Pillar 2: Consolidating the Macro Economic Framework and Revamping Key Sectors

165. The Government is striving to strengthen the short- and medium- term macro economic and financial framework in order to meet the objectives of sound and sustainable growth. This would help in the fight against poverty. With regard to growth, the challenges to be addressed are daunting. Indeed, poverty reduction demands not only high levels of growth but also budgets tailored to meet the needs of the poor, and suitable structural and sector-based policies.

3.2.1 Strengthening the Macro Economic Framework

166. Strengthening the macro economic framework is a key condition for poverty reduction. This should include cautious management of public finances, to improve the financial situation

and reduce the external debt to sustainable levels. The following table highlights key trends for Congo's financial operations:

Table 2: Summary of the State's Financial Operations between 2003 and 2007

	2003	2004	2005	2006	2007
Total revenue (annual growth rate as %)	6.6	17.7	19.3	-8.7	-2.0
Oil revenue (annual growth as %)	6.1	22.2	22.8	-15.7	-6.9
Non-oil revenue (annual growth as %)	4.4	11.1	8.5	9.1	8.7
Total expenditure (annual growth as %	-18.7	-0.3	9.4	2.5	2.5
Current expenditure (annual growth as %)	-16.4	-2.2	5.1	0.6	0.5
Capital expenditure (annual growth as %	-25.8	6.2	23.3	7.6	7.9
Primary balance- to- GDP ratio (as %)	6.7	10.1	13.2	9.0	7.3
Investment- to- GDP ratio (as %)	22.9	22.9	22.7	23.0	24.0
Self-financed investment –to- GDP ratio (as %)	5.4	5.6	5.7	5.9	6.1
Official external debt- to- GDP ratio (as %)	182.3	-	-	-	-
Funding gap in billions of CFA		2472.6	63.6	47.9	64. 3

Source: DGE, IMF, 2004

167. This table shows that oil and non-oil revenue will fall, respectively, by 1.4% and 0.1% between 2005 and 2007. The first trend is explained by a fall in oil production. This notwithstanding, oil revenue will represent a significant share in the funding of the economy particularly the social sectors, which will require huge resources to combat poverty.

168. The development of the non-oil sector will be better than that of the oil sector. This will result from the impact of measures already taken to maximize tax revenue and revive economic activity particularly in the forestry, agriculture, and manufacturing sectors. The results expected in the non-oil sector will emanate from the economic diversification strategy envisaged. Increases in total expenditure will average 4.8% over the 2005-2007 period. This increase is attributable to public expenditure rationalization measures.

169. An analysis of the above table shows that the financial situation will be tight in 2004 and 2007 following the obligation to settle external arrears, which cannot be rescheduled because of high debt service. The funding gap will amount to CFAF 2472.6 billion in 2004; 63.6 billion in 2005; 47.9 billion in 2006 and 64.3 billion in 2007. These funding gaps cannot be filled without exceptional treatment of the arrears not subject to rescheduling and budgetary support from Congo's development partners.

170. The sector-based breakdown of the operating budget shows that the social sector will be the greatest beneficiary of resources. The share of resources to be allocated to it will increase from 12.54% in 2004 to 25.25% in 2005. This level will remain constant up to 2008. The trend is mainly explained by huge resource outlays for health and education. Infrastructures and rural development, which impact directly on poverty reduction, will experience increased resource allocations over the period.

Table 3: Sector-Based Operational Budgetary Projections[21]

(in millions of CFAF)

SECTORS	2003		2004		2005		2006		2007	
	Actuel	%	Forecast	%	Forecast	%	Forecast	%	Forecast	%
Infrastructure	3.24	1.05	7.05	2.30	6.73	2.07	7.08	2.11	7.30	2.13
Social sectors	102.58	33.10	111.32	36.34	124.42	38.31	128.00	38.19	130.81	38.15
Productive Sectors	8.47	2.73	10.22	3.34	12.11	3.73	12.39	3.70	12.63	3.68
Public Finance & Management	71.39	23.04	51.32	16.76	47.43	14.60	47.90	14.29	48.42	14.12
Sovereignty	53.74	17.34	61.07	19.94	134.09	41.29	139.82	41.71	143.74	41.92
Sub-total	**239.42**	**77.26**	**306.29**	**100.00**	**324.77**	**100.00**	**335.20**	**100.00**	**342.90**	**100.00**
Others	11.00	3.55	0.00	0.00						
TOTAL	**309.87**	**100.00**	**306.29**	**100.00**	**324.77**	**100.00**	**335.20**	**100.00**	**342.90**	**100.00**

Source: CNLP/STP 2004

171. Poverty reduction requires significant resource channeling into investment. In this regard, the State will allocate 70% of its resources to public investment. The money will be invested in productive sectors in order to improve the standard of living.

Table 4: Projected Public Investment (Total Resources)

(in millions of CFAF)

	2003*		2004*		2005		2006		2007		2004-2007	
SECTORS	Actuel	%	Forecast	%	Forecast	%	Forecast	%	Forecast	%	Forecast	%
Sovereignty	27468.2	14.52	23116	16.15	29867.1	16.92	29829	15.70	28540	13.92	111352.1	15.58
Infrastructure	77744.3	57.67	44829	31.33	72953	41.33	75849.3	39.92	79291	38.68	272922.3	38.19
Productive Sectors	3981.2	2.95	11008	7.69	18913.9	10.72	20879	10.99	25534	12.46	76334.9	10.68
Public Finance & Management	13515.9	10.03	11931	8.34	15271	8.65	16602.5	8.74	17924	8.74	61728.5	8.64
Social sectors	9360.6	6.94	20687	14.46	29587.5	16.76	36345.5	19.13	43315	21.13	129935	18.18
Decentralisation		0.00	20569	14.37		0.00		0.00		0.00	20569	2.88
Sub-total	**132070.2**	**97.97**	**132140**	**92.34**	**166592.5**	**94.39**	**179505.3**	**94.47**	**194604**	**94.93**	**672841.8**	**94.16**
Road Fund	2729.8	**2.03**	10960	**7.66**	9905	**5.61**	10500	**5.53**	10400	**5.07**	41765	**5.84**
TOTAL	**134800**	**100.00**	**143100**	**100.00**	**176497.5**	**100.00**	**190005.3**	**100.00**	**205004**	**100.00**	**714606.8**	**100.00**

Source: CNLP/STP 2004

172. Infrastructures will receive the bulk of appropriations. Resource allocations to rural development and the social sector will increase gradually from 2004 to 2006. This increase is attributable to the fact that these sectors have a direct link with poverty reduction[22].

Pro-poor expenditures

173. More than half of Congo's population is poor. Hence the government has decided to increase appropriations for expenditures that would improve the living standards of the poor. The key elements of Government's anti-poverty strategy are: (i) basic health and fight against AIDS; (ii) basic education; (iii) Basic infrastructure and opening up remote isolated areas; (iv)

[21] See detailed table in annex
[22] See Matrix of priority actions in annex

electricity, water and sanitation; (v) disarmament, demobilization, reintegration, and appropriate food and barracks for the troops; (vi) social protection and employment; and (vii) agriculture

174. Although pro poor expenditures will increase between 2005 and 2007, their share of total expenditures and revenue will remain below 30%. Nevertheless, Government's effort is significant: the share of pro poor expenditures in total expenditures will increase from 16.59% in 2005 to 21.28% in 2006 and 25.58% in 2007.

175. Overall, the share of pro poor expenditures in the budget will go from 26.64% in 2005 to 38.75% in 2007. Pro poor investment as a share of the budget should grow faster than any other budget category, increasing by 1.94 percentage point between 2004 and 2005. This share would reach 19.55% in 2006 and 22.027% in 2007. The share of goods and services is 2.94% in 2004 and would reach 5% in 2005 and 7.88% in 2007. The share of pro poor expenditures under transfers and common charges is not important as these expenditures remain below the 6% mark.

176. The projected increase in pro-poor expenditures under common charges, transfers and goods and services is due to the fact that the first year of the program will be devoted to rehabilitating education and healthcare infrastructure. These will result in higher spending on equipment in 2005. After 2005, spending on goods and services will continue to grow, but at a slower pace than in the program's first year, to support construction of new schools and healthcare facilities.

177. The share of pro poor expenditures under common charges in the budget will also increase from 1.3% of the budget in 2004 to 5.11% in 2007. Finally, the share of pro poor expenditures under transfers will increase from 1.36% in 2004 to 3.76% in 2007

178. Two strategies are envisaged for strengthening the macro-economic framework:

- Rationalizing public finances through increased revenue and expenditure control;
- Strengthening public expenditure management.

179. Both strategies have in common the following measures

- Maintain strict budget discipline with respect to public revenues and expenditures;
- Continue non-oil income mobilization by strengthening anti-fraud and tax evasion measures, controlling discretionary tax exemptions, broadening the tax base, and improving tax administration;
- Comply with prudent budgetary rule regarding projected oil price and revenue;
- Increase resource allocations to priority sectors under the PRSP;
- Reform the current procurement system :
- Provide adequate support to the Hydrocarbon Unit in the Ministry of Finance and to the Hydrocarbon Ministry

- Computerize the public expenditures system
- Strengthen execution, control, monitoring and evaluation of public investments.

Table 5: Pro-poor Expenditure Programming from 2004 To 2007

(Unit: billions of CFAF)

Category of Spending	2003		2 004		2 005		2 006		2 007	
	Actual	%	Forecast	%	Forecast	%	Forecast	%	Forecast	%
Wages	**120.20**	**25.92**	**124.50**	**25.81**	**130.00**	**24.91**	**134.00**	**24.65**	**138.10**	**24.46**
Pro-poor	38.34	8.27	39.84	8.31	44.85	8.59	49.27	9.06	53.37	9.45
Other	81.86	17.65	84.66	17.50	85.16	16.32	84.74	15.59	84.74	15.01
Goods and services	**49.98**	**10.78**	**55.80**	**11.50**	**61.57**	**11.80**	**70.20**	**12.91**	**74.40**	**13.18**
Pro-poor	11.15	2.40	14.93	3.10	19.44	3.73	26.55	4.88	33.73	5.97
Other	38.08	8.21	40.87	8.59	42.13	8.07	38.15	7.02	33.72	5.97
Miscellaneous	**42.80**	**9.23**	**52.90**	**10.90**	**55.52**	**10.64**	**58.40**	**10.74**	**61.70**	**10.93**
Pro-poor	6.97	1.50	10.20	2.10	14.87	2.85	17.77	3.27	21.87	3.87
Other	35.83	7.73	42.70	8.80	40.65	7.79	40.63	7.47	39.83	7.05
Transfers	**139.70**	**30.13**	**126.00**	**26.10**	**133.20**	**25.53**	**131.00**	**24.10**	**130.40**	**23.10**
Pro-poor	0.30	0.06	0.74	0.15	5.69	1.09	11.27	2.07	16.09	2.85
Other	139.40	30.07	125.27	25.95	127.51	24.44	119.73	22.03	114.31	20.25
Investissement	**111.00**	**23.93**	**123.10**	**25.50**	**141.50**	**27.12**	**150.00**	**27.59**	**160.00**	**28.34**
Pro-poor	26.66	5.75	44.28	9.20	63.70	12.21	79.90	14.70	94.29	16.70
Other	84.34	18.18	78.82	16.30	77.80	14.91	70.10	12.90	65.71	11.64
TOTAL	**463.67**	**100.00**	**482.30**	**100.00**	**521.79**	**100.00**	**543.60**	**100.00**	**564.60**	**100.00**
Total Pro-poor	**83.41**	**9.93**	**109.99**	**14.83**	**148.55**	**19.87**	**184.75**	**24.92**	**219.34**	**29.40**
Total Other	**370.49**	**63.59**	**363.03**	**58.85**	**373.24**	**55.21**	**353.35**	**49.41**	**338.31**	**44.91**
Total Primary Spending	**463.67**	**73.52**	**482.30**	**73.68**	**521.79**	**75.09**	**543.60**	**74.34**	**564.60**	**74.31**
Current Primary Spending	**352.67**		**359.20**		**380.29**		**393.60**		**404.60**	
GDP	2072.00		2316.00		2502.00		2540.00		2617.00	
Revenue	613.50		717.20		851.70		771.60		754.50	
Expenditure	581.50		613.00		625.00		636.10		647.30	
Pro-poor /GDP %	**4.03%**		**4.75%**		**5.94%**		**7.27%**		**8.38%**	
Pro-poor / Revenue %	**13.60%**		**15.34%**		**17.44%**		**23.94%**		**29.07%**	
Pro-poor /Expenditure %	**14.34%**		**17.94%**		**23.77%**		**29.04%**		**33.89%**	

Source: General Department of the Budget (2004)

3.2.2 Revamping of Key Sectors

180. In view of the need to boost growth and diversify the economy, it is necessary to focus on a number of sectors likely to resuscitate growth and development, Including the oil and forestry sectors.

181. The objective during 2005-2007 is to achieve real GDP growth of 6% a year. This rate is less than the estimated 7% to 8% rate necessary to reduce the level of poverty by 2007. However it is a realistic goal, in view of (i) growth constraints that cannot be removed in the short term, notably weak infrastructure, and (ii) a lack of sector strategies in most areas. A more in-depth growth sector analysis will be presented in the final PRSP.

Table 6: Macro-Economic Growth Targets

(Unit: percentage)

	2003	2004	2005	2006	2007
Real GDP	0.8	4.0	9.2	4.7	4.1
Real GDP of the oil sector	-7.2	2.0	17.4	3.6	1.5
Real GDP of the non-oil sector	5.3	5.0	5.1	5.3	5.5

Source: DGE, IMF, 2004

182. The projected 2005-2007 growth rates will be mainly due to by the oil sector. Attainment of a 6% average growth rate will result from 7.5% average growth in the oil sector and 5.3% in the non-oil sector. To attain these goals will require the following strategies:

- Improve transparency and governance in the oil and forestry sectors;
- Develop the rural economy by expanding agriculture, livestock and fish production;
- Foster private sector development;
- Develop micro-finance.

3.2.2.1 Oil Sector

183. Congo's is resolved to strengthen the level of transparency in all arrears of the oil industry: exploration, production and marketing activities as well as in the communication and management of financial flows.

184. Projected GDP growth in the years ahead will be driven by the commissioning of new oil fields, particularly the Boudi oil field. During the 2005-2007 period, the real growth of the oil sector will peak in 2005 at 17.4%. However, in 2006, this will fall to 3.6% and 1.5% in 2007.

185. It should be noted that the Congo is dependent on the oil sector for much of its income. As a result, the country is particularly vulnerable to external shocks. The volatility of oil revenue results not only from fluctuations in world prices, but also the profit-sharing mechanisms. It is therefore necessary to cautiously manage oil revenue through the programming of expenditure by order of priority and especially, by greater transparency in this sector.

186. Based on participatory consultations, the following priority actions should be taken:

- Centralization of all the oil revenue in the Treasury;
- Publication of oil sector audits;
- Making the State participate to the management of oil terminals;
- Improving the legal framework of the marketing channels of the state's crude oil.

3.2.2.2 Non-Oil Sector

187. The non-oil GDP is projected to expand 5% annually. This is consistent with the objective of reducing poverty, which is based on diversification of the economy. The growth of the non-oil sector will result largely from agriculture and forestry exploitation, building construction, and public works.

3.2.2.2.1 Rural Development

188. Agriculture and forestry are expected to be major engines of growth during the 2004-2006 period. The objective is to attain an average growth rate of 5.8%. Attainment of this target will depend on forestry exploitation, agriculture, livestock and fish production.

3.2.2.2.1.1 Forestry Exploitation

189. With regard to forestry management and exploitation, the production of logs could increase over the next three years on account of (i) improved export conditions by land and rail; (ii) the establishment of new forestry companies; and (iii) increased processing capacity. Also, the new forestry code provides for local processing of 85% of harvested logs.

190. For the next five years, forestry taxes will remain the lowest in the sub-region. This is despite the significant increase resulting from the implementation of law n°16/2000 of 27 November 2000 that established the forestry code and subsequent legislation that made it possible to increase the forestry tax from 4.5% of FOB price in 2002 to 8% in 2003. The Congo has experienced record forestry tax stability for over 20 years (1982-2003)[23].

191. Even though no increase is envisaged in 2004, the Congo intends, for the next five years, to align itself with the CEMAC forestry tax rate, which is 15% to 17% of Fob prices. This gradual increase will be done in tandem with the improvement in the CFCO railways, as well as the waterways and road networks.

192. It should be noted that for a long time forestry activity in the Congo was concentrated on exploitation of only one resource, timber. This approach did not allow for expanding the industry for the benefit of the public nor provide the means to manage the resources in a sustainable manner. The shortcomings should therefore be rectified and sector priorities redefined.

193. Even though forestry alone cannot eradicate the underlying causes of poverty, it is nonetheless connected to the problem because many poor people depend increasingly on forests. It should be noted that the forestry sector is undergoing full transformation thanks to the remedial measures taken already:

- Clarification of the respective roles of the public and private sector in forestry development;

[23] Ministry of the Economy Forestry and the Environment/DEP

- Preparation of a legal and an institutional framework for delegating a number of service missions to the private forestry sector;
- Resumption of forestry tax reform based on the results of the studies conducted under IDA-supported Post-Conflict Economic Rehabilitation Credit;
- Putting in place a reliable mechanism to transfer to the Forestry Ministry the money needed to perform its role of monitoring, regulation and protection of natural resources.

3.2.2.2.1.2 Agriculture, Livestock and Fisheries

194. Despite abundant natural resources and a significant large market, the rural sector has evolved in recent years in a climate of widespread economic crisis, which has served as a disincentive to investment. This potential should be exploited to revive growth and reduce poverty. Numerous initiatives are being developed by the special Food Security Program (PSSA) and cooperative partnerships.

195. The actions envisaged are as follows:

- Revamping of subsistence, cash and export crops;
- Launching of an agricultural development support fund;
- Monitoring and evaluating farming seasons;
- Building and maintaining rural tracks;
- Promoting small-scale animal husbandry, fish farming and the processing of farm produce;
- Promoting decentralized farmer-support structures;
- Developing micro-finance.

3.2.2.2.2 Environment

196. New awareness of the importance of environmental preservation and management -- that had for a long time been neglected -- has prompted the authorities to draw up a National Environmental Action Plan (PNAE). Only prudent and environmentally friendly management of natural resources can help guarantee sustainable exploitation of the environment for the benefit of human development.

197. The following priority actions were included in the PNAE:

- Managing waste based on the principles of collection, processing, development and storage;
- Combating other forms of pollution.

3.2.2.3 Private Sector Development

198. The development of the private sector, particularly SMEs/SMIs, requires strategies that highlight investment opportunities in productive and competitive businesses that are also of interest to multinational and national corporations. The consolidation of the macro-economic framework, improved economic infrastructures (transport, telecommunications, electricity, water and sewer) and institutional reforms should all enable the private sector to play a key role in economic growth.

199. In order to revive the private sector, there are two priorities:

- Improving the corporate institutional, legal, judicial and financial environments;
- Building the capacities of the various employers unions, professional associations and consular chambers.

3.3 Pillar 3: Access to Basic Social Services and Social Welfare

200. A combination of various factors has made a large segment of the Congolese population vulnerable. These factors include, unsuitable socio-economic policies, different structural adjustment programs whose social costs were not effectively mitigated, armed conflicts, HIV/AIDS, precarious living conditions, a waning family and solidarity tradition, and a weak and unsuitable institutional sharing mechanism for bearing social risks.

201. Continuous impoverishment compromises socio-economic development. Access to basic social services is therefore one of the pillars of combating poverty. To ensure the development of the social security net, five objectives were adapted; they are: (i) improving access to quality education; (ii) improving access to quality healthcare; (iii) improving access to hygiene, sanitation and quality water supply; (iv) promoting social welfare and employment; and (v) improving the social, cultural, economic and economic status of women.

3.3.1 Education

202. The long period of upheaval, accentuated by armed conflicts and ineffectively managed liberalization, compounded the structural crisis besetting the educational system. To improve access to quality education, the following actions need to be carried out:

- Increasing the education and research budget;
- Building institutional capacity of pedagogical and supervision units;
- Strengthening statistical data gathering and processing;
- Promoting literacy and non- formal education;
- Strengthening regional and sub-regional cooperation.

203. These actions, in turn, would require to:

- Regularize use of volunteer teachers;

- Reduce education costs ;
- Recruit and train more teachers;
- Provide scientific and technical equipment;
- Rehab and build more schools;
- Supervise private schools;
- Encourage involvement of parents in the management of schools;
- Expand the school canteen program, especially in the rural areas;
- Review teacher qualifications in light of current needs.

3.3.2 Health

204. The Congo now has a national health policy that should lead to significant improvement in the standard of living for the poor. Worsening health conditions is mainly attributable to infectious diseases, such as malaria and tuberculosis. Special emphasis should therefore be put on these two diseases. It is unlikely that an anti-malaria drug would be available in the near future. For this reason, proven preventive methods should be used.

205. The major goals to be pursued include:

- Continuing with the prevention of the most endemic diseases and the promotion of good health practices;
- Improving quality healthcare access;
- Building the operational capacities of the Health Information System (SNIS);
- Reforming the national drug policy to ensure a regular and sustainable procurement of essential generic drugs and vaccines.

206. The actions advocated include:

- Rehabilitating and building health centers to ensure nation-wide health coverage;
- Designing an aggressive procurement policy for basic drugs;
- Improving the distribution of healthcare personnel;
- Promoting private medicine;
- Promoting and strengthening community participation in the management of health centers;
- Promoting and supporting traditional medicine.

3.3.3 Hygiene, Sanitation and Quality Water Supply

207. The difficulty facing the population in accessing safe water and the lack of sanitation contribute to their low standard of living.

208. Sanitation has deteriorated over the years despite the programs implemented since 1982. The dumping of refuse in the streets, the silting of sewage networks, the lack of waste water treatment stations in the main human establishments and the precarious conditions of excreta evacuation cause environmental pollution and lead to the proliferation of disease.

209. With regard to sanitation, the coverage rate was approximately 14% in the urban areas and 7% in the rural areas in 2000. The precarious nature of safe water and basic sanitation services impacts negatively on the standard of living and deepens poverty. Prevention, which presupposes sanitation and hygiene measures, is one of the most effective methods of combating malaria.

210. Poverty provides a very fertile ground for the development of tuberculosis. The particularly humid equatorial climate is an aggravating factor. A link has also been established between the upsurge in tuberculosis and HIV/AIDS, which are the biggest killers in the Congo.

211. The strategy mainly consists of:

- The development and building of the institutional, human and material capacities;
- The empowerment of the communities in the rural and peri-urban areas in the construction and management of sanitation structures;
- The development of education campaigns by local NGOs;
- Efforts to combat malaria and tuberculosis.

212. The strategy will involve, inter alia:

- The rehabilitation, strengthening and construction of water supply and sanitation infrastructures in the rural and urban areas;
- The drainage of run-off water;
- The treatment of waste water from hospitals, hotels and restaurants, factories, commercial structures and households;
- The rehabilitation of hygiene and sanitation services;
- The education of the public on matters of hygiene and sanitation;
- The distribution on a large scale of the impregnable mosquito net;
- The destruction of mosquito breeding grounds;
- The collection of household wastes;
- Sensitization campaigns against tuberculosis;
- The intensification of the expanded immunization program.

3.3.4 Social Welfare and Employment

213. The various structural adjustment programs with their unmitigated social costs, the armed conflicts which the Congo has experienced, HIV/AIDS, the precarious living conditions, waning traditional solidarity, the deterioration of formal social security, have made a large segment of the Congolese population vulnerable.

214. The general objective is to improve significantly the conditions and standard of living of vulnerable populations by a quality social welfare scheme. Concerning public infrastructure works, a special effort will be made to use labor intensive technologies. It has also been envisaged to promote a dynamic employment and vocational training policy.

215. It is within this context that the national policy provides for:

- The legal and socio-economic protection of distressed women and girl-mothers;
- The socio-economic integration of disaster stricken people, displaced persons and ex-combatants;
- The social and economic integration of the disabled and other minorities;
- Strengthening of community-support action;
- Building the capacities of NGOs, communities and families for the management of vulnerable persons;
- Pension scheme reform;
- A dynamic employment policy;
- Promotion of self-employment and small businesses programs;

216. The following actions are envisaged:

- Organization of sensitization campaigns, popularization of the culture of peace, democracy, human, children and women's rights;
- Putting in place a violence-monitoring mechanism;
- Setting up the disabled integration assistance fund;
- Setting up of an integration assistance fund for the pygmies;
- Training of beneficiaries of small entrepreneurs in management;
- Creation of a solidarity fund in favor of vulnerable persons;
- Regularization of pensions and settlement of arrears;
- Improving collection of social welfare contributions;
- Conducting a survey on employment;
- Promotion of micro-project financing institutions;
- Support to the rehabilitation and creation of vocational training centers.

3.3.5 Gender

217. With regard to gender, the main objective is to improve the social, cultural, economic and political status of women. The strategy to do so will consist of:

- Strengthening equal access to education;
- Designing, adopting and implementing a national gender policy;
- Sensitization of decision makers and the public to gender-related matters;
- Building capacity of the women's promotion department, as well as the NGOs and associations involved in gender promotion.

218. The following actions are envisaged:

- The creation of an information system on gender-related matters;
- The promotion of male-female equality with regard to employment and services;
- Promotion of maternal and child healthcare.

3.4 Pillar 4: Development of Infrastructures

219. The infrastructures sector is in a state of great disrepair, and does not to meet the needs of the economy. Economic development and poverty reduction require more efficient infrastructures.

3.4.1 Transport

220. The Government envisages, under the National Transport Plan (PNT): (i) to rebuild and restore the transport system as quickly as possible to help revive economic activity; (ii) develop road networks; and (iii) involve the private sector through concession granting and privatization.

221. The transport strategy aims at:

- Developing basic infrastructure;
- Opening up the hinterland and unifying the national territory;
- Restoring the country's transit status in Central Africa.

222. The following actions are to be undertaken:

- Rehabilitating the main national road networks;
- Maintaining rural tracks;
- Rehabilitating railways (CFCO,COMILOG);
- Securing rail transport;
- Procuring railway equipment;

- Improving air navigation safety;
- Improving inland water navigation;
- Adapting barges to the transport of cut-up logs and developing the container depot at the Brazzaville harbor;
- Dredging the Brazzaville, Makotipoko and Mossaka harbors;
- Implementing the Pointe Noire Port and Harbor Authority Development Master Plan.

3.4.2 Energy

223. With regard to electricity, despite considerable potential, access to adequate and cheap energy is very limited. It is therefore envisaged to improve the access rate in the urban (50%) and rural areas (5%) and to increase it to 95% in the towns and 70% in the countryside.

224. To this end, the sector's strategy is to:
- Rehabilitate energy infrastructures and build new ones;
- Promote electricity supply throughout the country.

225. The resultant actions are as follows:
- Rehabilitation of the national electricity grid;
- Restoration of the operational capacity of the power utility, (the Société Nationale d'Electricité, SNE);
- Establish the Rural Power Utility (the Agence Nationale d'Electricité Rurale, ANER).

3.4.3 Telecommunications

226. The diagnosis of this sector shows that both urban and rural dwellers alike face difficulty in accessing telecommunications. The general objective is to improve the people's access to telecommunications in the rural and urban areas. The strategy is to implement the national telecommunications coverage program.

227. The actions to be taken are as follows:
- Development of the telephone network;
- Restructure the telecommunications sector and create an independent regulation authority) to facilitate the presence of private operators;
- Restructure the postal services.

3.4.4 Housing

228. The housing policy instituted by the State since independence did not achieve the expected results. No program has been pursued for several years. Since state-sponsored housing

failed to meet the needs of the people, a self-building approach was taken. However, access is limited.

229. To facilitate access to housing, the current strategy consists of promoting low-cost housing units by:

- Putting in place a reliable and sustainable housing funding system;
- Supporting production of local building materials;
- Putting in place a social housing construction program.

3.4.5 Urban Management

230. Urban living conditions are characterized by an imbalance between inner city neighborhoods, which are sparsely populated and benefit from efficient infrastructures, and the peripheral neighborhoods, which are over- populated and characterized by a lack of basic socio-economic amenities. In order to make the urban environment pleasant to all segments of the population, the Congo wants to improve the living conditions. The strategy for a sound urban management includes the following priority actions:

- Updating of urban development policies;
- Rehabilitation of the urban road network and the opening of link roads in the dense and inaccessible neighborhoods and the newly-created zones;
- Putting in place of an efficient urban environmental management strategy;
- Supporting small-scale urban enterprise;
- Improving urban governance and the of collection of local taxes.

3.5 Pillar 5: Strengthening of the Fight against HIV/AIDS

231. AIDS has become not only a serious public health problem, but also a development problem. According to a survey conducted in November-December 2003 and published in 2004, the average prevalence rate is 4.2% among the active population aged 15 to 49 but varies, depending on the level of healthcare, from 1.3% to 10.3%. This high prevalence rate is due to (i) the low-income levels and limited access to basic social services; (ii) weak capacity of health structures that hampers patient management; (iii) inadequate budgets for the HIV/AIDS; and (iv) limited access of the patients to anti-retrovirals (ARVs).

232. The problem is compounded by: (i) the influence of tradition and culture; (ii) inadequate resource allocations to HIV/AIDS prevention and the management of persons infected with, and affected by, HIV/AIDS; (iii) low public involvement, except for the health and grassroots communities, in the fight against HIV/AIDS; (iv) the deteriorating healthcare system; (v) bad governance which weakens the capacity to mobilize available resources to combat HIV/AIDS.

233. Considering the scope of the pandemic, concerted efforts are necessary to bring it under control since it is seriously compromising the development of the country.

234. The main objective is to intensify the fight against HIV/AIDS based on the following strategy:

- Prevention of the transmission of the virus;
- Improvement in management of patients;
- Epidemiological supervision;
- Prevention of sexually transmissible infections (STIs).

235. To this end, the following actions should be undertaken:

- Education and sensitization campaigns;
- Increase screening;
- Promote condom use;
- Integrate the AIDS component into the national health information system;
- Strengthen the capacity to make epidemiological studies of HIV and sexually transmissible infections;
- Improve diagnosis and treatment;
- Improve counseling;
- Widen availability of drugs.

Chapter 4 Accompanying measures

4.1 Management and Implementation of the Strategy

236. The relevant technical ministries will be responsible for management and implementation of the I-PRSP priority actions, in partnership with civil society organizations, NGOs, rural and urban-based community organizations and the private sector. The National Committee for Poverty Reduction (CNLP) and the Departmental Poverty Reduction Committees (CDLP) will monitor and manage implementation of the Strategy (by means of the Permanent Technical Secretariat). The Ministry of Planning and the Ministry of the Economy, Finance and Budget will provide technical and financial support.

237. The basic principles of good governance will be taken into account when implementing the I-PRSP. This will involve the participation of all stakeholders in the socio-economic development of the Congo. This will be achieved by thrusting responsibility for the program on all the actors (State, civil society, private sector), while ensuring transparency in the management of resources. Directorates for Studies and Planning in various ministries (DEP), the General Directorate of Planning and Development (DGPD) and the National Statistics Office, the Centre National des Statistiques et des Etudes Economiques (CNSEE), will be strengthened.

238. The Permanent Technical Secretariat (STP) will coordinate management and implementation of the I-PRSP. The Secretariat's main task will be to lend support to partner structures and organizations to establish short- and medium-term development management instruments.

239. Furthermore, the Secretariat will participate in official aid coordination, in close co-operation with civil society organizations, NGOs, the private sector, trade unions and Parliament.

4.2 Monitoring and Evaluation of the I-PRSP

4.2.1 Participatory Approach

240. In keeping with the spirit and letter of the I-PRSP, which is designed mainly to revive the Congolese economy and alleviate poverty, the government will introduce a system for monitoring and evaluating the Poverty Reduction Strategy in close collaboration with social and economic development stakeholders involved in the process. The Permanent Technical Secretariat will establish a national network, which will also serve as a framework for exchanging experiences and information. That network will enable the government to observe the interaction and views of (stakeholders, individuals, civil society, NGOs, community-based organizations, religious denominations, etc.). The network will facilitate assessment of progress made on poverty reduction.

4.2.2 Capacity Building

241. Participatory follow-up and evaluation of the I-PRSP cannot be achieved without a capacity-building program for the different participants and the government. development partners will be asked to support such program.

242. With regard to statistics, the government is soliciting support from foreign partners to assure regular production of key indicators. There is also a need to foster coordination between the CNSEE, DGPD and the DEPs to facilitate collection of social statistical data.

243. A short-and medium-term plan of action will be drawn up and a three-year operational program prepared, giving priority to producing indicators to monitor the Poverty Reduction Strategy, and track progress towards the Millennium Development Goals (MDG).

4.2.3 Monitoring and Evaluation of the I-PRSP

244. The I-PRSP monitoring and evaluation system has three components:

- Monitoring Poverty;
- Monitoring implementation of the I-PRSP;
- Evaluating outcomes of the Poverty Reduction Strategy.

245. 1.) Monitoring Poverty

This component will provide regular information on poverty trends and dynamics. Generally, it will rely on well being and standard of living indicators typical of the disadvantaged population. The indicators will relate to the Gross National Product (GNP), the rate of growth of the economy, and agricultural output since agriculture remains a major source of employment and income for the poor.

246. 2.) Monitoring implementation of the I-PRSP

Monitoring implementation aims at measuring to what extent the priority objectives have been attained and budget allocation and execution are on track.

247. 3.) Assessing the outcomes of the I-PRSP

The outcome of the poverty reduction policies, programs and projects will be assessed.

4.3 Constraints and Risks in the Implementation of the I-PRSP

248. A successful implementation of the I-PRSP requires a propitious environment. Currently, two sets of constraints hamper proper implementation.

249. Endogenous constraints and risks:

- Political instability;

- Lack of political, economic and institutional good governance;
- Constraints and risks in the participatory process;
- Weakness of the statistics base and data collection system;
- Lack of data on population, health status, household expenditure, etc.;
- Lack of coordination and institutional weakness liable to affect formulation of the final I-PRSP.

250. Exogenous constraints:

- Congo's dependence on external aid;
- Declining oil prices;
- High level of indebtedness;
- Non-compliance with conditions imposed by and difficulties in gaining access to the HIPC arrangements.

ANNEX

Tables 7-11:	**Strategic pillars (1-5)**
Table 12:	**Trends in the investment budget (Domestic Resources)**
Table 13:	**Underlying Assumptions for Table 12**
Table 14:	**Trends in the investment budget (Loans and Grants)**
Table 15:	**Trends in the investment budget (Total resources)**
Table 16:	**Current budget 2003-2007**
Table 17:	**Share of the public investment budget 2003-2007**
Table 18:	**Projected current expenditures 2004-2007**
Table 19:	**Pro-poor expenditure programming 2003-2007**
Table 20	**Indicators of basic education**
Table 21	**Health indicators**
Table 22	**HIV/AIDS, malaria & tuberculosis**
Table 23:	**Other socio-economic indicators**
Table 24:	**Proposed timetable for the preparation and development of the full PRSP December 1004- December 2006**

TABLE 7 – Strategic Pillar 1

Objectives	Strategies	Priority Measures	Follow-up indicators	Periodicity
a) Consolidate peace and security	Strengthening of the national programme for démobilisation, disarmament and rehabilitation of former combatants.	- Disarmament of the militia - Rehabilitation of the militia - Collection of weapons - Funding of economic projects presented by former militiamen	- Number of rehabilitated militiamen - Number of funded projects - Number of weapons collected - Number of disarmed militiamen	Underway 2005 – 2007 2005 – 2007 2005 - 2007
	Implementation of the prevention, management and conflict resolution mechanisms	- Campaigns to popularize the culture of peace - Stepping up border controls - Regularity in the payment of salaries, scholarships and pensions - Ratification and popularization of human rights treaties and conventions	- No. of public enlightenment activities - Level of border security - Amount paid out as salaries, scholarships and pensions per annum - Number of treaties and conventions ratified	2005 – 2007 2005 - 2007 2005 – 2007 2005 - 2007
	Enhancement of co-operation in policy and program implementation	- Creation of framework for consultation	- Texts drawn up and implemented	2005-2007
b) Promote good governance	Promotion of good governance in the economic sector	- Promotion of a coherent partnership with the private sector, civil society and development partners in defining policy - Setting up a national anti-corruption & a anti-fraud program - Development of regional and international cooperation for the fight against corruption and fraud	- Level of involvement of the civil society and the private sector - Plan drawn up, implemented and disseminated - Level of participation in regional and international initiatives	2005 – 2007 2005 – 2007 2005 - 2007
	Promotion of decentralization and grassroots community participation	- Promotion of local planning and community-based development management - Drawing up of a community development charter	- The decentralization policy is formulated and implemented - Communities participate in decision-making and in monitoring/evaluation of development projects for poverty reduction. - The community-based groups are recognized - Financial resources made available to departments and communes.	Underway 2005 – 2007 2005 - 2007 2005 - 2007
	State Reform	- Capacity building of public services - Civil Service Reform - Refocusing the role of the State - Curbing income disparities in civil service.	- Level of satisfaction of users - Household Survey (ECOM) conducted - EDS carried out - Legislation drafted & implemented - GINI Index	2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007

TABLE 8 – Strategic Pillar 2

Objectives	Strategies	Priority Actions	Monitoring indicators	Period
Consolidating the macro-economic framework	Revitalization of public finances by increasing revenue and controlling expenditure.	- Conformity with orthodox budget management principles in the area of oil revenue - Pursuit of efforts to mobilize non-oil revenue by stepping up the fight against fraud and tax evasion, monitoring discretionary tax exemptions, boosting tax revenue and streamlining the Tax Administration. - Compliance with budgetary orthodoxy with respect to oil revenue - Increasing resources allocated to priority sectors of the PRSP.	- Functional classification done - Certification of forestry revenue is effective. - The ASYCUDA Customs Check System is operational. - The single taxpayer identification number (NIU) is being applied. - Corporate taxes of major companies are centralized by the UGEs. - Discretionary tax exemption is under control. - Texts adopted and implemented. - The quality, number and efficiency of Poverty reduction projects assured.	2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007
	Institutional capacity building in public expenditure management	- Procurement reform - Support to the Hydrocarbon Unit in the Ministry of Finance and the General Hydrocarbons Directorate - Computerization of public expenditure channels. - Strengthening mechanisms for public investment implementation, control, follow-up and evaluation. - Control and improvement of the quality of spending.	- Legislation adopted and implemented - Financing secured. - Plan of action for reforms drawn up. - Quality of expenditure improved and under control.	2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007
	Reviving the private sector	- Enhance institutional, legal, judicial and financial corporate environment. - Building the capacity of different employers' associations, and professional associations.	- Drafted plan of action to promote private initiative - Drafted plan of action for streamlining the judiciary - Implementation of the investment charter. - Material, technical and financial assistance ensured. - Set up framework for consultation. - Process to clear commercial arrears initiated.	2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007

	Promotion of rural economic development to revive agriculture, animal husbandry and fisheries	- Revitalization of food-, cash- and export- crop farming and market gardening. - Creation of an Agricultural Development Fund. - Evaluation of agricultural crop performance. - Development of farm-to-market roads. - Promotion of small-scale livestock breeding, fisheries and agricultural produce processing. - Promotion of decentralized farmer support structures.	- The share of the agricultural sector in the GDP. - The fund is instituted. - No. of kilometers of from-to-market roads developed. - Livestock, tonnage, number of processing units created.	2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007
	Enhancing transparency and good governance in the petroleum sector.	- Centralization of all State oil revenue in the Public Treasury - Publication of audit reports on the oil sector - Refraining from the practice of contracting new debts secured by future oil. - Ensuring government involvement in oil terminal management. - Improvement of the legal framework for marketing State-owned crude oil.	- Level of oil revenue - Published audit reports - Level of debt secured by future oil production - Presence of the Congolese counterpart in oil terminal management - Regulations drawn up and implemented.	2005 – 2007 2005 – 0207 2005 – 2007 2005 – 2007 2005 – 2007
	Enhancement of transparency and governance in the forestry sector	- Clarification of the respective roles of the public and private sectors in forestry development. - Preparation of a legal and institutional framework for delegating certain tasks to the private forestry sector. - Resumption of reforms in forestry taxation on the basis of the findings of studies conducted under the Post-Conflict Economic Rehabilitation Credit - Establishing a reliable mechanism for transferring funds needed by the Ministry of Forestry to play its role of controlling, regulating and protecting national resources.	- Role of the public and private sector. - Legislation drafted and implemented. - Reform of forestry taxation - Legislation drafted and implemented	2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007
	Development of micro-financing	- Development and oversight of micro-financing	- A number of micro finance institutions created.	2005 – 2007

TABLE 9 – Strategic Pillar 3

Objectives	Strategies	Priority Action	Monitoring indicators	Period
a) Improve access to and quality of education	• Increasing the budget allocated for education and research. • Strengthen teacher training and supervision. • Improve collection and processing of educational statistics. • Promotion of adult and informal education • Strengthening regional and sub-regional co-operation in education.	- Regularize status of voluntary teachers. - Teacher recruitment and training - Reduction in school fees. - Provision of scientific and technical material. - Rehabilitation and/or construction of schools. - Extension of the school cafeteria program to rural areas. - Review and updating of the status of teachers. - Securing the active involvement of parents in school management. - Support to private schools.	- Enrolment rates in primary and secondary schools. - Enrolment rates for boys in primary and secondary schools. - Enrolment rates for girls. - Number of schools rehabilitated. - Share of the National Budget. Allocated to education - Number of schools built. - Number of teachers who underwent refresher courses. - Number of technical institutions rehabilitated and built. - Cost of access to education. Success rate in primary and secondary schools.	2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007
b) Improve access to and quality of health care services	• Increasing the health budget. • Stepping up prevention of the most common diseases and promoting of sound health practices. • Improving access to and use of good quality health care • Operational capacity building of the Health-Information System (SNIS), • Reform of the National -Drug Policy to ensure sustainable supplies of essential generic drugs and vaccines	- Reduction in the cost of health care - Rehabilitation and construction of health centers to provide nationwide health coverage - Formulation of an aggressive policy for essential drug supply - Improvement of geographical distribution of health personnel - Regulation of private medical practice - Promotion and stepping-up community participation in the management of health care centers - Promotion of and support of traditional medicine	- Number of health centers rehabilitated and built - Share of the National Budget allocated to health - Health policy formulated and implemented - Number of health personnel - Performance of private clinics - Effective community participation in management of health centers - Reduction of Infant and maternal mortality	2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007

c) Improve access to health and sanitation services and potable water supply	• Development and strengthening of institutional, human and material capabilities. • Getting rural and peri-urban communities to take responsibility for construction and management of public works • Development of sensitization/education programs by local NGOs. • Malaria and tuberculosis control	- Rehabilitation, strengthening and building of rural and urban water supply infrastructure and drainage systems - Drainage of running waters - Treatment of waste waters from hospitals, hotels and restaurants, factories, commercial structures and households - Rehabilitation of hygiene and sanitation services - Public awareness campaigns on hygiene and sanitation - Popularization and widespread use of treated mosquito nets - Destruction of larva nests - Disposal of household refuse - Popularization of tuberculosis control - Expanded vaccination scheme - Promotion of low-cost housing - Development of rural and urban electrification	- Sensitization and education programs formulated - Gutters and ditches sanitized - Rate of water-borne diseases - Reduction of malaria in the country - Reduction of tuberculosis in the country - Number of houses built - rural and urban electrification	2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 - 2007
d) Promote social protection and employment	- Legal and socio-economic protection of women and unwed mothers. - Socio-economic rehabilitation of victims, displaced persons and former combatants - Socio- economic rehabilitation of handicapped persons and minorities. - Strengthening communications and trade mechanisms. - Strengthening support for community-based action. - Capacity building of NGOs, communities and families to care for vulnerable groups. - Pension reforms	- Organization of awareness and outreach campaigns to foster a culture of peace, democracy, human rights, and children's and women's rights. - Creation of a Violence Observatory - Creating a Fund for rehabilitating the handicapped and pygmies. - Training and guidance on project preparation and management procedures. - Creation of a Solidarity Fund for vulnerable persons. - Settling pensions and outstanding arrears. - Strengthening the capacity for collecting social security contributions	- Number of campaigns organized. - Policy implemented. - Number of labor-intensive projects. - Number of victims and displaced persons rehabilitated and integrated into the social and economic mainstream - Rehabilitation and Solidarity Fund Instituted. - Number of pensions paid per annum - Level of arrears paid out	2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007

	• Formulation of a dynamic employment policy. • Promotion of employment programs focusing on self-employment and small trades. • Formulation of a national policy based on partnership and co-operation	- A survey on employment - Promotion of micro finance institutions. - Support for rehabilitation, and creation of occupational training centers.	- Employment survey undertaken. - Number of jobs created - Number of jobs created in the informal sector. - Micro finance institutions set up. - Occupational training Canters rehabilitated and created. .	2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007
e) Improve the social, cultural, economic and political status of women (gender)	• Enhancement of gender access to education. • Formulation, adoption/ implementation of a national gender policy. • Advocacy to decision-makers and public enlightenment on gender issues. • Capacity building of the Department for women's advancement, NGOs and associations engaged in gender promotion	- Create an information system on gender issues. - Establishment of gender equality in employment and services. - Promote infant and maternal health	- Information System on gender issues created. - Ratio between men and women activities - Promotion of infant and maternal health	2005 – 2007 2005 – 2007 2005 – 2007

TABLE 10 – Strategic Pillar 4

Objective	Strategies	Priority action	Follow-up indicators	Period
a) Improve transport systems and harmonize the various modes (complementarily)	• Development of basic infrastructure • Opening up of the hinterland and unification of the national territory. • Resumption of role as a transit route for Central African countries.	- Rehabilitation of national highways. - Maintenance of farm-to-market roads. - Rehabilitation of railways (CFCO, COMILOG).	- Distance of rehabilitated roads. - Access to inter-divisional roads facilitated. - Rehabilitation of railways (CFCO, COMILOG). - Access to markets facilitated.	Underway Underway Underway Underway
		- Railway transport safety. - Procurement of material and rolling stock. - Improvement of air navigation safety. - Improvement of navigation conditions (signalling and river navigation policy). -Adapting barges for transportation of timber logs; development of the Brazzaville container terminal and dredging of the ports of Brazzaville, Makotipoko and Mossaka. - Execution of the Master Plan for development of the Point Noire Port Authority.	- Enhanced air and river navigation safety. - Dredging and marking with beacons and buoys. - Increased the capacity of transport systems. - Increased traffic. - Equipment purchased	Underway Underway 2005 – 2007 2005 – 2007 2005 – 2007
b) Facilitate public access to electricity	• Rehabilitation and construction of energy infrastructure.	- Rehabilitation of the national electricity grid. - Restoration of the operational capacity of the National Electricity Corporation (SNE). - Support setting up of the National Agency for Rural Electrification (ANER).	- Network rehabilitated. - Number of localities served.	Underway Underway
c) Develop the national telephone network and organize the sector	• Implementation of the National telecommunications program.	- Development of the telephone network.. - Reorganization of the telecommunications sector (creation of a regulatory telecommunications Authority) to facilitate access by private operators.	- Network improved. - Number of operators and subscribers.	Underway Underway

TABLE 11 – Strategic Pillar 5

Objective	Strategy	Priority action	Follow-up indicators	Period
Step up fight against HIV/AIDS	• Prevention of virus transmission • Improving overall arrangements to meet patients costs and other needs • Epidemiological surveillance. • Prevention of STIs	- Education and sensitization campaigns. - Multiple screening tests - Promotion of preservatives - Free medical care - Free legal costs - Free psycho-social care - Free socio-economic care - Free nutritional care - Integration of the HIV/AIDS component in the national health information system. - Capacity building for an epidemiological study on HIV and sexually transmitted infections (STI) - Improved diagnosis and appropriate treatment. - Counseling and screening - Drug availability	- AIDS prevalence rate - Number of persons living with AIDS - Rate of contraceptive use. - Quality of AIDS prevention material - Economic cost of AIDS to affected families. - Number of persons with access to drugs. - Number of AIDS orphans. - Number of AIDS orphans under care - Budget for AIDS prevention. - Budget for AIDS care. - Rights of persons living with AIDS. - Law to protect persons living with AIDS. - Creating a mechanism for protection of AIDS orphans.	2005 –2007 2005 –2007 2005 –2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 - 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 – 2007 2005 - 2007

Table 12: TRENDS IN THE INVESTMENT BUDGET

(Domestic Resources) (CFAF millions)

Sectors	2000	2001	2002	2003	2004	2005	2006	2007
Infrastructure	**38905.7**	**66072.3**	**76177.9**	**67364.7**	**37303**	**55369**	**56318.3**	**59388**
Transportation and Privatization	7145.8	13233.7	9430.2	10311.7	6208	5150.6	4050	2960
Public Works	17619.8	48275.1	57491.5	28427.3	24807	32191.3	32528.3	34580
Mining, Energy and Water	4779.7	4141	9256.2	27777.7	3661	8369.7	8460	10080
Postal Service and Telecommunications	479	375		462	823	4506.8	4230	3800
Urban Devt. and Housing	8881.4	47.5		386	1804	5150.6	7050	7968
Social Sectors	**8374.9**	**15348.3**	**5912.4**	**3642.6**	**14910**	**21761.5**	**26649**	**30248**
Primary and Secondary Education	1523.3	346.4	25	97.5	1288	3863	4230	4560
Higher Education and Scientific Research				42.1	1810	2317.8	2538	2736
Vocational Education	1050.2	3090.1	81.4	76.2	1152	1802.7	1974	2128
Labor, Employment and Social security	39.3	323.2	232.3	150	1316	1158.9	1269	1368
Health and Population	5704.9	5656	5091.6	2635.8	5883	7725.9	9870	12160
Social Affairs and Solidarity				138.1	894	1287.7	1410	1520
Art Culture and Tourism	57.2	5932.6	482.1	452.7	1004	1158.9	1269	1368
Advancement of Women						1158.9	3384	3648
Sport and youth				50.2	1563	1287.7	705	760
Productive Sectors	**1737**	**3817.6**	**3423.7**	**1897.2**	**8557**	**15925.9**	**17262**	**21288**
Oil Sector	194.1	67	51.2	7	411	566	504	1520
Forestry and Environment	109.8	104.4	1621.7	42.2	658	3219.1	3528	4896
Agriculture, Livestock, and Fisheries	1408.1	3481	1573.6	1656.3	6297	9013.6	9954	11376
Industrial Devt., SME's and Handcrafts	20	90.1	80.1	191.7	780	1839.5	2016	1976
Trade and Supply	5	75.1	97.1		411	1287.7	1260	1520
Public Finances and Managements	**21299.4**	**45346.7**	**9773.3**	**9822.9**	**9925**	**11845**	**12831**	**13832**
Planning, Land Administration and Economic Integration	280.5	1027.7	240	171.3	4421	5279.4	5781	6232
Economy, Finance and Budget	21013.9	43650.7	9433.3	9631.6	4362	5150.6	5640	6080
Civil Service and State Reform	5	668.3	100	20	1142	1415	1410	1520
Sovereignty	**46152.3**	**48579**	**52941.6**	**25543.2**	**20876**	**26691.1**	**26445**	**24848**

Presidency of the Republic	25764.3	15162.2	26907.5	11172.3	5513	6367.5	4500	4800
Land Administration and Decentralization	4036.9	10302.2	8095.9	258.9	987	2405.5	3000	4480
Foreign Affairs and Cooperation	415	1727.7	1653.9	1225.2	2715	2830	3045	1600
Democratic institutions		190	75.5	900	4117	4051.1	4200	1920
Justice and Human Rights	152.2	274.7	170.9	136.8	790	1698	1800	3360
National Defense	13288.1	17398.3	14653.2	7900.3	2316	2547	2700	2080
Police and Security				752.9	1242	1698	1800	3200
State control	20	190	21	51.7	448	849	900	1008
Communication, Relations w/ Parliament	2475.8	3333.9	1363.7	3145.1	2748	4245	4500	2400
Decentralization					**20569**			
TOTAL	**116469.3**	**179163.9**	**148228.9**	**99623.6**	**109140**	**131592.5**	**139505.3**	**149604**
Road Fund	2532.1	4359.2	2938.7	2729.8	10960	9905	10500	10400
GRAND TOTAL	**119001.4**	**183523.1**	**151167.6**	**111000**	**123100**	**141497.5**	**150000.3**	**160000**

Table 13: Underlying Assumptions for Table 12

Sectors	2000	2001	2002	2003	2004	2005	2006	2007
Sovereignty (%)	38.79	26.46	35.01	23.01	16.96	18.86	17.63	15.53
+Infrastructures (%)	32.69	36	50.39	60.69	47.01	39.13	37.55	37.12
Productive Sector (%)	1.45	2.09	2.25	1.71	6.95	11.26	11.51	13.31
Public Finance and management (%)	17.9	24.7	6.47	8.85	8.06	8.37	8.55	8.65
Social Sectors (%)	7.03	8.36	3.91	3.28	12.11	15.38	17.77	18.91
Route Fund (%)	2.13	2.38	1.94	2.46	8.90	7.00	7.00	6.50
Total (%)	99.99	99.99	99.97	100.00	100.00	100.00	100.00	100.00
Investment Expenditures (CFAF millions)	133796.4	188508	174473	134800	143100	199500	209500	221000
Domestic Resources (CFAF millions)	119001.4	183523	151168	111000	123100	141500	150000	160000
External Resources (CFAF millions)	14 795	4984.9	23305.3	23800	20000	58000	59500	61000
GDP (CFAF billion)	2 292	2043	2103	2047	2146	2147	2287	2458.3
Domestic Resources/GDP (%)	5.2	9.0	7.2	5.4	5.7	6.6	6.6	6.5
External Resources/GDP (%)	0.6	0.2	1.1	1.2	0.9	2.7	2.6	2.5
Growth of domestic resources (%)		54.22	-17.63	-32.29	17.24	17.92	6.01	6.67

Table 14: TRENDS IN THE INVESTMENT BUDGET

(Loans & Grants) **(CFAF Millions)**

Sectors	2000	2001	2002	2003	2004*	2005	2006	2007
Infrastructures	**8583.8**	**1843.2**	**18101.1**	**10379.6**	**7526**	**17584**	**19531**	**19903**
Transportation and Privatization				396	250	406	416.5	427
Equipment and Public Works	7950.4	579.4	280.9	414	3 769	6512	7758	8004
Mines, Energy and Water	139.5	1030.3	17282.4	9517.6	1 100	9274	9928.5	10008
Postal Service and Telecommunications		170.8	537.8	52	1 407	812	833	854
Urban Devt. and Housing	493.9	62.7			1000	580	595	610
Social Sectors	**3094.5**	**2225.5**	**2874.2**	**5718**	**5777**	**7826**	**9696.5**	**13067**
Primary and Secondary Education	741.7		254.9	736	1 650	1798	1844.5	1891
Higher Education and Scientific Research								
Vocational Education								
Labor, Employment and Social security								
Health and Population	2352.8	2173.1	2493.6	3729	3 907	4578	6364.5	9651
Social Affairs and Solidarity				748	120	754	773.5	793
Art Culture and Tourism		52.4	125.7	505	100	696	714	732
Advancement of Women								
Productive Sector	**2183.1**	**394.1**	**223**	**2084**	**2451**	**2988**	**3617**	**4246**
Oil Sector	1199.1					1218	1249.5	1281
Forestry and Environment	22.6	16.4	50	218	252	290	297.5	305
Agriculture, Livestock and Fisheries	951.4	377.7	163	1859	1 000	1480	2070	2660
Other	10		10	7	1 199			
Public Finance and Management	**523.6**	**482.1**	**779.4**	**3693**	**2006**	**3426**	**3771.5**	**4092**
Planning, Land Administration and Economic Integration	33.8	68.6	108	859	691	1102	1130.5	1159
Economy, Finance and Budget	276.1	212.3	503.9	2834	1 265	1744	2046	2323
Civil Service and State Reform	213.7	201.2	167.5		50	580	595	610
Sovereignty	**763.8**	**62.7**	**1327.6**	**1925**	**2240**	**3176**	**3384**	**3692**

Presidency of the Republic	269.9		1061.6	1191		1610	1777.5	2045
Land Administration and Decentralization	493.9	62.7	176.7	283	2 040	1044	1071	1098
Foreign Affairs and Cooperation								
Democratic institutions			89.3	40		116	119	122
Justice and Human Rights				249		232	238	244
National Security								
Police and Security					200			
Communication, Relations w/ Parliament				162		174	178.5	183
TOTAL	**15148.8**	**5007.6**	**23305.3**	**23799.6**	**20000**	**35000**	**40000**	**45000**
Road Fund								
GRAND TOTAL	**15148.8**	**5007.6**	**23305.3**	**23799.6**	**20000**	**35000**	**40000**	**45000**

Table 15: TRENDS IN THE INVESTMENT BUDGET

(Total Resources)

Sectors	2000	2001	2002	2003	2004*	2005	2006	2007
Infrastructures	**47489.5**	**67915.5**	**94279**	**77744.3**	**44829**	**72953**	**75849.3**	**79291**
Transportation and Privatization	7145.8	13233.7	9430.2	10707.7	6458	5556.6	4466.5	3387
Equipment and Public Works	25570.2	48854.5	57772.4	28841.3	28576	38703.3	40286.3	42584
Mining, Energy and Water	4919.2	5171.3	26538.6	37295.3	4761	17643.7	18388.5	20088
Postal Service and Telecommunications	479	545.8	537.8	514	2230	5318.8	5063	4654
Urban Devt. and Housing	9375.3	110.2	0	386	2804	5730.6	7645	8578
Social Sectors	**11469.4**	**17573.8**	**8786.6**	**9360.6**	**20687**	**29587.5**	**36345.5**	**43315**
Primary and Secondary Education	2265	346.4	279.9	833.5	2938	5661	6074.5	6451
Higher Education and Scientific Research	0	0	0	42.1	1810	2317.8	2538	2736
Vocational Education	1050.2	3090.1	81.4	76.2	1152	1802.7	1974	2128
Labor, Employment and Social Security	39.3	323.2	232.3	150	1316	1158.9	1269	1368
Health and Population	8057.7	7829.1	7585.2	6364.8	9790	12303.9	16234.5	21811

Social Affairs and Solidarity	0	0	0	886.1	1014	2041.7	2183.5	2313
Art Culture and Tourism	57.2	5985	607.8	957.7	1104	1854.9	1983	2100
Advancement of Women	0	0	0	0	0	1158.9	3384	3648
Sports and youth	0	0	0	50.2	1563	1287.7	705	760
Productive Sector	**3920.1**	**4211.7**	**3646.7**	**3981.2**	**11008**	**18913.9**	**20879**	**25534**
Oil Sector	1393.2	67	51.2	7	411	1784	1753.5	2801
Forestry and Environment	132.4	120.8	1671.7	260.2	910	3509.1	3825.5	5201
Agriculture, Livestock, and Fisheries	2359.5	3858.7	1736.6	3515.3	7297	10493.6	12024	14036
Industrial Devt., SME's and Handcrafts	30	90.1	90.1	198.7	1979	1839.5	2016	1976
Trade, Consumption and Supply	5	75.1	97.1	0	411	1287.7	1260	1520
Public Finance and Management	**21823**	**45828.8**	**10552.7**	**13515.9**	**11931**	**15271**	**16602.5**	**17924**
Planning, Land Administration and Economic Integration	314.3	1096.3	348	1030.3	5112	6381.4	6911.5	7391
Economy, Finance and Budget	21290	43863	9937.2	12465.6	5627	6894.6	7686	8403
Civil Service and State Reform	218.7	869.5	267.5	20	1192	1995	2005	2130
Sovereignty	**46916.1**	**48641.7**	**54269.2**	**27468.2**	**23116**	**29867.1**	**29829**	**28540**
Presidency of the Republic	26034.2	15162.2	27969.1	12363.3	5513	7977.5	6277.5	6845
Land Administration	4530.8	10364.9	8272.6	541.9	3027	3449.5	4071	5578
Foreign Affairs and Cooperation	415	1727.7	1653.9	1225.2	2715	2830	3045	1600
Democratic institutions	0	190	164.8	940	4117	4167.1	4319	2042
Justice and Human Rights	152.2	274.7	170.9	385.8	790	1930	2038	3604
National Security	13288.1	17398.3	14653.2	7900.3	2316	2547	2700	2080
Police and Security	0	0	0	752.9	1442	1698	1800	3200
State control	20	190	21	51.7	448	849	900	1008
Communication, Relations w/ Parliament	2475.8	3333.9	1363.7	3307.1	2748	4419	4678.5	2583
Decentralization					**20569**			
TOTAL	**131618.1**	**184171.5**	**171534.2**	**132070.2**	**132140**	**166592.5**	**179505.3**	**194604**
Road Funds	2532.1	4359.2	2938.7	2729.8	10960	9905	10500	10400
GRAND TOTAL	**134150.2**	**188530.7**	**174472.9**	**134800**	**143100**	**176497.5**	**190005.3**	**205004**

Table 16: CURRENT BUDGET 2003-2007 (CFAF billion)										
	2003*		2004*		2005		2006		2007	
SECTORS	Actual	%	Forecast	%	Forecast	%	Forecast	%	Forecast	%
Basic infrastructure	**3.24**	**1.05**	**7.05**	**2.30**	**6.73**	**2.07**	**7.08**	**2.11**	**7.30**	**2.13**
Transport and Privatization	0.64	0.21	1.73	0.57	1.63	0.50	1.76	0.52	1.83	0.53
Equipment and public work	1.01	0.33	1.55	0.51	1.45	0.45	1.53	0.46	1.58	0.46
Telecommunications	0.18	0.06	1.33	0.43	1.34	0.41	1.35	0.40	1.36	0.40
- Mining, Power and Water	0.64	0.21	1.22	0.40	1.11	0.34	1.17	0.35	1.21	0.35
- Urbanization and housing	0.77	0.25	1.22	0.40	1.20	0.37	1.28	0.38	1.32	0.39
Social sectors	**102.58**	**33.10**	**111.32**	**36.34**	**124.42**	**38.31**	**128.00**	**38.19**	**130.81**	**38.15**
Health and Population	15.29	4.93	24.48	7.99	29.80	9.18	31.49	9.39	32.25	9.41
Vocational Education	3.81	1.23	7.01	2.29	7.23	2.22	7.59	2.27	7.83	2.28
Higher Education and Scientific Research	21.00	6.78	18.24	5.95	19.03	5.86	18.92	5.64	18.93	5.52
Primary and secondary education	52.78	17.03	41.36	13.50	46.54	14.33	48.68	14.52	50.33	14.68
- Social Affairs and Solidarity	2.35	0.76	3.45	1.13	4.28	1.32	4.47	1.33	4.61	1.34
- Labor, Employment and Social security	1.79	0.58	10.33	3.37	10.31	3.18	10.24	3.05	10.40	3.03
- Advancement of Women	0.13	0.04	0.27	0.09	0.52	0.16	0.56	0.17	0.58	0.17
- Art Culture and Tourism	3.91	1.26	1.71	0.56	1.81	0.56	1.86	0.56	1.90	0.56
Sports and youth	1.53	0.49	4.46	1.46	4.89	1.50	4.19	1.25	3.97	1.16
Productive Sector	**8.47**	**2.73**	**10.22**	**3.34**	**12.11**	**3.73**	**12.39**	**3.70**	**12.63**	**3.68**
Agriculture, Livestock, and Fisheries	3.71	1.20	4.50	1.47	6.49	2.00	6.60	1.97	6.70	1.95
- Oil Sectors	0.66	0.21	0.50	0.16	0.58	0.18	0.61	0.18	0.62	0.18
- Industrial Devt., SME's and Handicrafts	0.92	0.30	1.17	0.38	1.10	0.34	1.14	0.34	1.17	0.34
- Trade and Supply	1.16	0.37	1.41	0.46	1.35	0.41	1.40	0.42	1.44	0.42
- Forestry and Environment	2.03	0.66	2.65	0.86	2.59	0.80	2.64	0.79	2.69	0.79
Public Finance and Management	**71.39**	**23.04**	**51.32**	**16.76**	**47.43**	**14.60**	**47.90**	**14.29**	**48.42**	**14.12**
- Land Administration and Economic Integration	1.27	0.41	2.39	0.78	2.37	0.73	2.49	0.74	2.57	0.75
- Civil Service and State Reform	1.15	0.37	2.66	0.87	2.90	0.89	3.02	0.90	3.12	0.91
- Economy, Finance and Budget	68.97	22.26	46.28	15.11	42.16	12.98	42.39	12.65	42.74	12.46
Sovereignty	**53.74**	**17.34**	**61.07**	**19.94**	**134.09**	**41.29**	**139.82**	**41.71**	**143.74**	**41.92**

- Presidency of the Republic	15.50	5.00	14.83	4.84	17.11	5.27	18.82	5.61	19.68	5.74
- Land Administration and Decentralization	10.45	3.37	18.48	6.03	21.74	6.69	21.50	6.42	21.48	6.26
- Police and Security	15.41	4.97	15.42	5.03	16.15	4.97	17.09	5.10	17.73	5.17
- Foreign Affairs and Cooperation	11.23	3.62	12.20	3.98	12.68	3.90	13.25	3.95	13.70	4.00
- National Defense	39.92	12.88	40.05	13.08	41.40	12.75	44.07	13.15	45.84	13.37
- Justice and Human Rights	4.68	1.51	5.15	1.68	5.31	1.64	5.51	1.64	5.67	1.65
- Democratic institutions	13.10	4.23	16.12	5.26	16.27	5.01	16.01	4.78	15.95	4.65
- State control	0.34	0.11	0.72	0.23	0.64	0.20	0.69	0.21	0.72	0.21
- Communication, Relations w/ Parliament	2.55	0.82	2.91	0.95	2.78	0.86	2.89	0.86	2.97	0.87
Sub-total	**239.42**	**77.26**	**306.29**	**100.00**	**324.77**	**100.00**	**335.20**	**100.00**	**342.90**	**100.00**
Others	11.00	3.55	0.00	0.00						
TOTAL	**309.87**	**100.00**	**306.29**	**100.00**	**324.77**	**100.00**	**335.20**	**100.00**	**342.90**	**100.00**

Source DGE/BEAC/DGPD

Table 17: SHARE OF THE PUBLIC INVESTMENT BUDGET 2003-2007
(Total Resources) (CFAF million)

	2003*		2004*		2005		2006		2007		2004-2007	
SECTORS	**Actual**	**%**	**Forecast**	**%**	**Forecast**	**%**	**Forecast**	**%**	**Forecast**	**%**	**Forecast**	**%**
Sovereignty	27468.2	14.52	23116	16.15	29867.1	16.92	29829	15.70	28540	13.92	111352.1	15.58
Infrastructures	77744.3	57.67	44829	31.33	72953	41.33	75849.3	39.92	79291	38.68	272922.3	38.19
Productive sectors	3981.2	2.95	11008	7.69	18913.9	10.72	20879	10.99	25534	12.46	76334.9	10.68
Public Finance and management	13515.9	10.03	11931	8.34	15271	8.65	16602.5	8.74	17924	8.74	61728.5	8.64
Social Sectors	9360.6	6.94	20687	14.46	29587.5	16.76	36345.5	19.13	43315	21.13	129935	18.18
Decentralization		0.00	20569	14.37		0.00		0.00		0.00	20569	2.88
Sub-total	**132070.2**	**97.97**	**132140**	**92.34**	**166592.5**	**94.39**	**179505.3**	**94.47**	**194604**	**94.93**	**672841.8**	**94.16**
Road Fund	2729.8	**2.03**	10960	**7.66**	9905	**5.61**	10500	**5.53**	10400	**5.07**	41765	**5.84**
TOTAL	**134800**	**100.00**	**143100**	**100.00**	**176497.5**	**100.00**	**190005.3**	**100.00**	**205004**	**100.00**	**714606.8**	**100.00**

Table 18. PROJECTED CURRENT EXPENDITURES 2004-2007																									
	2003					2004					2005					2006					2007				
ITEM	ACTUAL					FORECAST					FORECAST					FORECAST					FORECAST				
	Wages	Goods/S	Transfers	Total	%	Wages	Goods/S	Transfers	Total	%	Wages	Goods/S	Transfers	Total	%	Wages	Goods/S	Transfers	Total	%	Wages	Goods/S	Transfer	Total	%
Sovereignty	**58354**	**30498**	**24340**	**113192**	**36.53**	**58424**	**31316**	**36145**	**125885**	**42.82**	**59260**	**32850**	**41980**	**134090**	**41.27**	**61090**	**37440**	**24856.44**	**123386.44**	**43.67**	**60802.07**	**38820.88**	**41040**	**140662.95**	**41.38**
Presidency of the Republic	1272	13960	267	15499	5.00	1276	12248	1308	14832	5.05	1260	12300	3550	17110	5.27	1300	14020	3490	18810	6.66	1340	14900	3480	19720	5.80
Land Administration	1314	140	9001	10455	3.37	1308	471	16698	18477	6.29	1300	390	20050	21740	6.69	1340	440	19720	21500	7.61	1380	470	19600	21450	6.31
Security & Police	11281	3315	817	15413	4.97	11273	3692	455	15420	5.25	11520	4180	460	16160	4.97	11870	4770	450	17090	6.05	12200	5050	450	17700	5.21
Foreign Affairs	9549	1216	464	11229	3.62	9515	2181	508	12204	4.15	10290	1890	500	12680	3.90	10610	2150	490	13250	4.69	10900	2280	490	13670	4.02
Defense	28596	11320	0	39916	12.88	28743	11307	0	40050	13.62	28640	12760	0	41400	12.74	29520	14550	0	44070	15.60	30400	15400	0	45800	13.47
Justice & Human Rights	4081	213	388	4682	1.51	4042	560	550	5152	1.75	4010	600	700	5310	1.63	4140	680	690	5510	1.95	4260	720	690	5670	1.67
Democratic Institutions	302	0	12802	13104	4.23	303	0	15817	16120	5.48	300	0	15970	16270	5.01	310	0	15.7	325.7	0.12	320	0	15600	15920	4.68
State Control	15	191	136	342	0.11	13	433	270	716	0.24	10	380	250	640	0.20	10	430	0.25	440.25	0.16	0.01	0.46	240	240.47	0.07
Communications	1944	143	465	2552	0.82	1951	424	539	2914	0.99	1930	350	500	2780	0.86	1990	400	0.49	2390.49	0.85	2.06	0.42	490	492.48	0.14
Basic Infrastructures	**1889**	**760**	**593**	**3242**	**1.05**	**1857**	**2648**	**2542**	**7047**	**2.40**	**1840**	**2420**	**2480**	**6740**	**2.07**	**1890**	**2760**	**2430**	**7080**	**2.51**	**1960**	**2910**	**2420**	**7290**	**2.14**
Transportation et Privatization	285	287	66	638	0.21	286	1000	447	1733	0.59	280	900	450	1630	0.50	290	1030	440	1760	0.62	300	1090	440	1830	0.54
Equipment and Public works	614	137	257	1008	0.33	585	538	426	1549	0.53	580	470	400	1450	0.45	600	540	390	1530	0.54	620	570	390	1580	0.46
Postal Service and telecom	13	93	78	184	0.06	13	224	1092	1329	0.45	10	230	1100	1340	0.41	10	260	1080	1350	0.48	10	270	1080	1360	0.40
Mining, Energy & Water	487	112	45	644	0.21	486	405	330	1221	0.42	480	350	280	1110	0.34	490	400	280	1170	0.41	510	420	270	1200	0.35
Urban Devt. And Housing	490	131	147	768	0.25	487	481	247	1215	0.41	490	470	250	1210	0.37	500	530	240	1270	0.45	520	560	240	1320	0.39
Productive Sectors	**4996**	**660**	**2815**	**8471**	**2.73**	**5013**	**1629**	**3228**	**9870**	**3.36**	**4830**	**1620**	**5660**	**12110**	**3.73**	**4990**	**1850**	**5570**	**12410**	**4.39**	**5130**	**1940**	**5540**	**12610**	**3.71**
Agriculture. Livestock and Fisheries	2345	186	1177	3708	1.20	2359	620	1322	4301	1.46	2100	730	3660	6490	2.00	2170	830	3600	6600	2.34	2230	880	3590	6700	1.97
Oil Sector	136	98	422	656	0.21	135	209	153	497	0.17	130	200	250	580	0.18	140	230	240	610	0.22	140	240	240	620	0.18
Industrial Development and SME's	508	151	257	916	0.30	509	283	375	1167	0.40	500	200	400	1100	0.34	520	230	390	1140	0.40	530	240	390	1160	0.34
Trade. Consumption and Supply	798	123	237	1158	0.37	800	282	324	1406	0.48	800	250	300	1350	0.42	820	290	300	1410	0.50	850	300	290	1440	0.42
Forestry & Environment	1209	102	722	2033	0.66	1210	235	1054	2499	0.85	1300	240	1050	2590	0.80	1340	270	1040	2650	0.94	1380	280	1030	2690	0.79
Public Finance and Manag.	**9188**	**3450**	**9754**	**22392**	**7.23**	**10716**	**4654**	**27664**	**43034**	**14.64**	**10880**	**4740**	**31820**	**47440**	**14.60**	**11220**	**5400**	**3940**	**20560**	**7.28**	**11550**	**5720**	**31200**	**48470**	**14.26**

Land Adm. & Economic integration	941	248	82	1271	0.41	920	898	570	2388	0.81	920	740	710	2370	0.73	950	850	700	2500	0.88	970	900	700	2570	0.76
Civil Service	902	159	89	1150	0.37	1949	490	217	2656	0.90	2330	380	200	2910	0.90	2400	430	200	3030	1.07	2470	450	200	3120	0.92
Economy, Finance & Budget	7345	3043	9583	19971	6.44	7847	3266	26877	37990	12.92	7630	3620	30910	42160	12.98	7870	4120	3040	15030	5.32	8110	4370	30300	42780	12.59
Social Sectors	**45810**	**3573**	**102198**	**151581**	**48.92**	**48490**	**11528**	**48129**	**108147**	**36.79**	**53200**	**19960**	**51330**	**124490**	**38.32**	**54830**	**22750**	**41538.88**	**119118.88**	**42.16**	**56540**	**24130**	**50200**	**130870**	**38.50**
Health and Population	5364	766	9157	15287	4.93	6580	3870	12534	22984	7.82	8340	6890	14600	29830	9.18	8590	7860	15040	31490	11.14	8850	8330	15100	32280	9.50
Vocational Education	2776	570	459	3805	1.23	3045	1786	1680	6511	2.21	3340	2100	1790	7230	2.23	3440	2390	1760	7590	2.69	3540	2540	1750	7830	2.30
Higher Education & Research	503	239	20254	20996	6.78	509	850	16878	18237	6.20	500	1150	17400	19050	5.86	510	1310	17090	18910	6.69	530	1390	17000	18920	5.57
Primary & Secondary Education	33545	1230	67005	101780	32.85	34582	3071	2685	40338	13.72	36000	7690	2860	46550	14.33	37110	8760	2810	48680	17.23	38200	9290	2800	50290	14.80
Social Affairs	1845	186	321	2352	0.76	2072	620	609	3301	1.12	2600	850	840	4290	1.32	2680	970	820	4470	1.58	2760	1030	820	4610	1.36
Labor & Social Security	1000	146	644	1790	0.58	938	357	9034	10329	3.51	930	350	9030	10310	3.17	960	400	8.88	1368.88	0.48	990	420	8990	10400	3.06
Advancement of Woman	15	49	65	129	0.04	7	202	65	274	0.09	240	220	70	530	0.16	250	250	60	560	0.20	250	270	60	580	0.17
Culture, Art & Tourism	633	185	3096	3914	1.26	632	339	738	1709	0.58	630	350	830	1810	0.56	650	400	810	1860	0.66	760	430	810	2000	0.59
Sports and Youth	129	202	1197	1528	0.49	125	433	3906	4464	1.52	620	360	3910	4890	1.51	640	410	3140	4190	1.48	660	430	2870	3960	1.17
Sub-total	**120237**	**38941**	**139700**	**298878**	**96**	**124500**	**51775**	**117708**	**293983**	**100**	**130010**	**61590**	**133270**	**324870**	**100**	**134020**	**70200**	**78335.32**	**282555.32**	**100**	**135982.07**	**73520.88**	**130400**	**339902.95**	**100**
Misc.		11000		11000	3.55				0	0.00	0			0	0.00	0			0	0.00	0			0	0.00
TOTAL	**120237**	**49941**	**139700**	**309878**	**100**	**124500**	**51775**	**117708**	**293983**	**100**	**130010**	**61590**	**133270**	**324870**	**100**	**134020**	**70200**	**78335.32**	**282555.32**	**100**	**135982.07**	**73520.88**	**130400**	**339902.95**	**100**

Source: DGB/DGPD

TABLE 19. PRO-POOR EXPENDITURE PROGRAMMING 2003 -2007
(CFAF billion)

ITEM	PRIORITY ACTIONS	2003		2004		2005		2006		2007	
		Exéc	%	Estimates	%	Estimates	%	Estimates	%	Estimates	%
Basic health and anti-AIDS care	Construction and rehabilitation of health centers in Brazzaville. Pointe-Noire and rural health centers ;	1.417	3.14	4.772	6.81	6.272	6.05	8.662	6.39	11.368	6.85
	Basic drugs and other medical supplies	0.243	0.54	4.037	5.76	5.795	5.59	8.157	6.02	10.357	6.24
	Construction of departmental level AIDS health centers	0.000	0.00	0.000	0.00	1.500	1.45	2.838	2.09	4.018	2.42
	AIDS drugs supply	0.000	0.00	2.585	3.69	3.714	3.58	4.394	3.24	5.494	3.31
	Anti AIDS education and awareness campaigns	0.021	0.05	0.555	0.79	1.055	1.02	1.264	0.93	1.448	0.87
	University hospital rehabilitation and equipement. Hopital Lonadjili/ Hopital Dolisie	0.193	0.43	2.130	3.04	2.430	2.34	2.930	2.16	3.430	2.07
	Subtotal ……	***1.873***	***4.15***	***14.079***	***20.10***	***20.766***	***20.02***	***28.245***	***20.85***	***36.115***	***21.76***
Basic Education	(School bench supplies) in primary and secondary schools	0.129	0.29	0.350	0.50	2.350	2.27	3.539	2.61	4.587	2.76
	School cosntruction and rehabilitation;	0.181	0.40	4.537	6.48	7.667	7.39	11.146	8.23	13.330	8.03
	Construction of trade learning centers for street children	0.000	0.00	0.000	0.00	0.200	0.19	0.700	0.52	1.200	0.72
	Teaching and learning school supplies;	0.063	0.14	1.550	2.21	4.765	4.59	6.527	4.82	8.079	4.87
	Pursuing and extending the school meals program	0.000	0.00	0.155	0.22	1.155	1.11	1.155	0.85	1.155	0.70
	Equipment for textbooks design and printing centers (primary and secondary education)	0.000	0.00	0.000	0.00	1.400	1.35	2.027	1.50	2.579	1.55
	Subtotal ……	***0.373***	***0.83***	***6.592***	***9.41***	***17.537***	***16.91***	***25.094***	***18.52***	***30.930***	***18.64***
Infrastructures and relieving isolation	Feeder roads construction and rehabilitation;	0.133	0.30	2.246	3.21	4.304	*4.15*	5.866	4.33	7.266	4.38
	Waterways marking with buoys and dredging	0.00	0.00	0.00	0.00	2.500	*2.41*	3.30	2.44	**4.000**	2.41
	Community projects. local development and village-level	0.00	0.00	0.00	0.00	1.500	*1.45*	2.00	1.48	**2.500**	1.51

	revitalization										
	National roads construction and rehabilitation towards relieving isolation;	5.792	12.85	28.171	40.22	18.291	17.64	24.065	17.76	31.877	19.21
	Subtotal ……	***5.925***	***13.14***	***30.417***	***43.42***	***26.595***	***25.65***	***35.231***	***26.00***	***45.643***	***27.50***
	City and departmental level water supply ;	0.327	0.73	2.125	3.03	3.525	3.40	4.774	3.52	5.874	3.54
Power. water and sanitation	Construction of power infrastructure to provide electricity to population.	18.436	40.90	3.550	5.07	6.180	5.96	8.300	6.13	10.300	6.21
	Urban sanitation and anti-malaria	0.027	0.06	0.000	0.00	2.345	2.26	3.181	2.35	3.918	2.36
	Subtotal ……	***18.790***	***41.69***	***5.675***	***8.10***	***12.050***	***11.62***	***16.255***	***12.00***	***20.092***	***12.11***
Disarmament. Demobilization. reintegration (DDR). and food and barracks for soldiers.	Financing reintegration projects.	0.210	0.47	0.620	0.89	3.678	3.55	5.120	3.78	6.025	3.63
	Food and miscellaneous	17.811	39.52	12.497	17.84	12.076	11.64	10.871	8.02	8.802	5.30
	Subtotal ……		***18.021***	***39.98***	***13.117***	***18.73***	***15.754***	***15.19***	***15.991***	***11.80***	***14.827***	***8.93***
Social protection and employment	Social and economic reintegration of handicapped and minorities	0,00	0,00	*0,00*	*0,00*	0,33	*0,31*	0,45	*0,33*	0,50	*0,30*
	Assistance to vulnerable populations and street children	0,00	0,00	*0,00*	*0,00*	0,36	*0,34*	0,50	*0,37*	0,60	*0,36*
	Self-employment, unskilled trade and cooperative partnerships	0,00	0,00	*0,00*	*0,00*	0,25	*0,24*	0,35	*0,26*	0,40	*0,24*
	Subtotal ……	***0,000***	***0,00***	***0,000***	***0,00***	***0,930***	***0,90***	***1,300***	***0,96***	***1,500***	***0,90***
Agriculture	Training of market gardeners in Brazzaville, Pointe-Noire and Dolisie	0,060	0,00	0,030	0,04	5,580	5,38	6,530	4,82	7,970	4,80
	Seed distribution and farmers training in departments	0,093	0,21	0,140	0,20	4,920	4,74	7,140	5,27	9,050	5,45
	Feeder roads, small-scale breeding and aquaculture	0,000	0,00	0,000	0,00	0,500	0,48	1,000	0,74	1,350	0,81
	Subtotal ……	***0,093***	***0,21***	***0,170***	***0,20***	***11,000***	***10,61***	***14,670***	***10,83***	***18,370***	***11,07***
TOTAL		**45,074**	***100,00***	**70,050**	***100,00***	**103,702**	***100,00***	**135,486**	***100,00***	**165,977**	***100,00***

Table 20: Indicators of basic education

	The Congo.	Sub-Saharan Africa	Developing countries
Literacy Rate (% of population 15 and older) 2001	81,8	62,4	74,5
Gross school enrolment combined (primary and secondary) in %, 2000-01	57	44	60
Index of level of teaching	0,73	0,56	0,70
Female/Male literacy ratio (15 to 24 age group) 200	0,99	0,89	0,91

***Source** : PNUD, 2003, Rapport Mondial sur le Développement Humain*

Table 21: Health indicators

	The Congo.	Sub-Saharan Africa	Developing countries
Juvenile mortality rater 5 years of age (for 1000 alive births)	108	172	90
Infant mortality rate (for 1000 alive births) 2001	81	107	62
Maternal death rate (for 100.000 alive births) 1995	1100	1098	463
Life expectancy at birth (in number of years)2001	48,5	46,5	64,4
Population improved sanitation (%) 2000	N/A	53	51
Population with sustainable access to an improved water source(%) 2000	51	57	78

***Source** : PNUD, 2003, Rapport Mondial sur le Développement Humain*

Table 22: HIV/AIDS, Malaria and tuberculosis

	The Congo.	Sub-Saharan Africa	Developing countries
Adult infection rate for HIV/AIDS (15 to 49 age group) 2001	4,2	9,00	1,30
Malaria (for 100.000 Pop.) 2000	5.880	N/A	N/A
Tuberculosis (for 100.000 Pop.) 2001	122	198	144

***Source** : PNUD, 2004, Rapport Mondial sur le Développement Humain*

Table 23: Other socio-economic indicators

	The Congo.	Sub-Saharan Africa	Developing countries
GDP per capita (PPP) 2001 (in dollar)	970	1831	3850
Debt service ratio in percentage of exports of goods and services, 2001	3,3	11,3	11,0
ODA per Capita	21,1	20,6	9,7

Table 24: Proposed timetable for the preparation and development of the full PRSP
December 2004 - December 2006

Activities	Responsible Entity	Date
1. Preparation, organization and execution of the participatory consultations for the development of Final-PRSP. Restitution, conclusions and recommendations		
• Awareness and Organization of the CNLP.	MPATIE/MEFB/STP	November 2004
• Awareness and Creation of CDLP and CLLP.	MPATIE/MEFB/STP/MATD	Nov.–Dec. 2004
• Developing an Action plan for the full PRSP preparation and seeking finance	MPATIE/MEFB/STP/BM/ PNUD	Nov. – Dec. 2004
2 – <u>Revitalizing the Permanent Technical Secretariat (PRSP)</u>		
• Membership	MPATIE/MEFB/STP	Nov.- Dec. 2004
• Developing the terms of reference.	MPATIE/MEFB/STP/BM	Nov.- Dec. 2004
• Training and sharing experience with other countries with full PRSP.	STP	January-mars 2005
• Identifying for local and international expertise to support PRSP process.	MPATIE/MEFB/BM/PNUD	January-May 2005
3 – <u>Institutionalizing PRSP process</u> 3-1 - <u>Identification, implementation and accountability</u> • Contact person in line ministries • Thematic and Sectoral groups • Civil society • NGOs • parliament • Trade Union • Private Sector • Religious Organization.	MPATIE/MEFB/STP	January –April 2005
3-2 – <u>Developing a consultation framework with partners involved with PRSP process</u> (TORs). (CNLP – civil society, NGOs, parliament, trade unions, rural communities, vulnerable groups).	STP/Partners in participatory process	January – June 2005
4 - <u>Preparation, Organization and Implementation of participatory consultations. Restitution and Drafting of PRSP final Conclusions</u> 4-1- <u>Participation and Organization</u> • Participatory Development Methodology	STP/Consultant	Mars – July 2005
• Budget Preparation for the Organization of the Consultations.	STP/BM/Donors	
• Finalizing Departmental and Local Committees for the Participatory Consultations.	STP	
Training of all partners (NGO, Civil society, focal points in the participatory consultations methodology (highlighting the importance of the process)	STP	
• Orientation of Development Partners	STP	
4-2 - <u>Implementing Sectoral and Thematic Participatory Consultations</u> • Organizing community participatory consultations at the departmental and local levels. • Organizing participatory consultations with civil society organizations, NGOs, trade union, religious organizations, parliament, and private sector (formal and informal). o Restituting and disseminating key findings of Consultations (drafting summary report).	STP/Consultant/ Sector Ministries	August 2005 – July 2006
5–<u>Participatory Evaluation and Collection of Poverty data</u>. • Review of existing poverty reducing program. (thematic group). • Monitoring quantitative and qualitative poverty indicators.	STP STP/CNSEE	August 04 – Sept. 06

• Governance. • Access to basic social services. • Peace and Security. • Public expenditure review. • Communal participation. • Access to micro-credit and rural development • Gender and Development. • Education. • Health. • HIV/AIDS. • Vulnerable groups.	Partners in PRSP process Sectoral Ministries NGOs MEFB/MPATIE NGOs NGOs Associations MEPSA MSP CNLS Social Affairs	
6 – <u>Survey, Statistics and Analyses on Poverty</u> • Poverty profile, incidence and causes. • Policy analysis and sector reforms towards economic recovery. • Private sector analysis and development. • Agriculture Sector Analysis and development. • Development and reinforcement of community development structures. • Compliance with decentralization policy.	MPATIE/MEFB/STP/BM/ PNUD/UE	August 04 – June 06
• Analysis of the socio-economic impact of HIV/AIDS and development of mitigation strategies. • Consultations on urban poverty • Consultations on women's poverty	STP/CNSEE/GRELUPAFA	
7- <u>Strategy Monitoring and evaluation</u>. • Reviewing and evaluating indicators. • Establishing a Poverty and Social Services Monitoring System. • Developing and reinforcing the participatory monitoring and evaluation mechanisms • Developing and disseminating participatory monitoring and evaluation mechanisms	STP/CNSEE	June 05 – June 06
8- <u>Preparation of the Full PRSP</u> • Establishing the framework and the timetable for the preparation of the full PRSP. • Setting a PRSP Preparation Committee and defining its role and specific activities. • Drafting a preliminary version of the PRSP and providing it to the permanent secretariat for review and subsequent dissemination • Revising the preliminary version and disseminating the revised version. • Obtaining Government's approval of the final Version of the PRSP • Sending the final version to the World Bank and International Monetary Fund. • Evaluation by the World Bank and International Monetary Fund.	STP/Preparation Committee STP MPATIE/MEFB	July – Dec. 2006