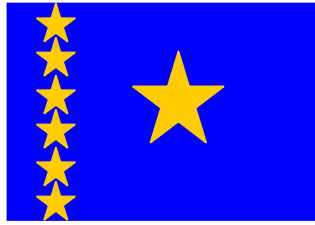


Democratic Republic of the Congo



INTERIM POVERTY REDUCTION STRATEGY PAPER

Kinshasa, March 2002

ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
WB	World Bank
BUNADER	National Office for the Demobilization and Reintegration of Combatants
CADECO	Savings Bank of Congo
CEF	Convention on the Elimination of all Forms of Discrimination Against Women
COMESA	Common Market for Eastern and Southern Africa
PNC	Pre-natal medical consultations
PONC	Post-natal medical consultations
PSC	Pre-school medical consultations
HC	Health Center
CTSRP	Poverty Reduction Strategy Technical Committee
CEPLANUT	Nutrition Planning Center
DBC	Distribution of Contraceptives at the Community Level
I-PRSP	Interim Poverty Reduction Strategy Paper
ENHAPSE	National Survey of Housing and Socioeconomic Profile of Households
CGF	Congolese franc
IMF	International Monetary Fund
PRGF	Poverty Reduction and Growth Facility
INS	National Statistics Institute
HPI-I	Human Poverty Index for Developing Countries
STD	Sexually Transmitted Diseases
RFM/FP	Risk-Free Maternity/Family Planning
WHO	World Health Organization
UN	United Nations
EIP	Expanded Immunization Program
GDP	Gross Domestic Product
EIP	Enhanced Interim Program
PPP	Purchasing Power Parity
PPTE	Highly Indebted Poor Countries
DRC	Democratic Republic of the Congo
REGIDESO	Water Distribution Authority
SADC	South African Development Community
SENAREC	National Capacity-Building Secretariat
AIDS/HIV	Acquired Immune Deficiency Syndrome/Human Immunodeficiency Virus
SMIG	Guaranteed Minimum Wage
SNEL	Société Nationale d'Electricité (national electric power company)
SNHR	Service National d'Hydraulique Rurale (rural waterworks department)
SNSA	Service National des Statistiques Agricoles (agricultural statistics department)
RH	Reproductive Health
PHC	Primary Health Care
UND	Unité des Naissances Désirables (Desirable Births Unit)

UNICEF	United Nations Children’s Fund
PDR	Demobilization and Reintegration Program for Former Combatants
VG	Vulnerable group
PIDR	Interim Demobilization and Reintegration Program
BCC	Central Bank of the Congo
MDRP	Multi-country Demobilization and Reinsertion Program
BCeCo	Central Coordination Bureau

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CHAPTER I: CONTEXT AND IMPORTANCE OF THE PRSP

1.1. Introduction

1. The Democratic Republic of the Congo (DRC) is located in Central Africa, in the sub-region of the Great Lakes. It covers an area of 2,350,000 square kilometers with a population of approximately 52 million, growing at a rate of between 3 percent and 3.2 percent a year. At least 60 percent of the population inhabit rural areas and survive on traditional farming, hunting, and fishing. Excluding large towns and regions where people displaced by the fighting have congregated, the average population density is only 22 inhabitants per square kilometer, making the DRC one of the most sparsely populated countries of the continent.

2. The country is divided into 11 provinces, including Kinshasa, the administrative and political capital. The Eastern provinces, Kasai Oriental and Katanga, have extensive mineral deposits (including copper, cobalt, diamonds, and gold). The other provinces, whose mineral potential has yet to be exploited, are best known for their farming, livestock, and fishing activities.

3. In spite of these vast human and natural resources, the DRC ranks as one of the poorest countries in the world. Some indicators place it amongst the most destitute countries in sub-Saharan Africa. About 80 percent of its 52 million inhabitants live at the brink of what human dignity can endure, on less than US\$0.20 a day.

4. For over 30 years the country was run by a corrupt, predatory dictatorship. The transition from dictatorship to democracy has been poorly handled since 1990. The resulting institutional instability, pillaging, and inter-ethnic fighting have plunged the DRC into an ongoing multi-faceted crisis, one of the effects of which is the increase of poverty.

5. The DRC is the only country in Africa sharing borders with nine other countries (Angola, Burundi, Central African Republic, Congo, Rwanda, Sudan, Tanzania, Uganda, and Zambia). The longstanding economic and institutional crisis has kindled the greed of certain countries, which have pounced on the DRC's rich land and minerals. Under the cover of rebel movements, foreign armies occupy part of its territory. This situation has triggered one of the most complex crises in the Great Lakes sub-region.

6. The economic, social, political, and environmental cost of this conflict has been huge. More than three million human lives have been lost. Almost four million people are estimated to have been displaced in the sub-region and some 10,000 to 15,000 children are being used as soldiers.¹ The extent and complexity of the conflict have seriously undermined institutional stability and eroded grassroots socio-economic infrastructure. It jeopardizes the territorial integrity of the DRC and could spread violence and disruption throughout the Great Lakes sub-region.

¹ Christian-Aid, Oxfam and Save the Children (August 1, 2001). *No End in Sight. The Human Tragedy of the Conflict in the Democratic Republic of Congo*, London.

Box 1.1. The Democratic Republic of the Congo: facts and indicators

1. Area (millions of square kilometers)	2.3
2. Administrative structure	11 provinces
3. Capital	Kinshasa
4. Political institutions	
4.1. Constitution	under preparation
4.2. Political regime	under preparation
4.3. Principal Institutions	
- Presidency of the Republic	
- Parliament	
- government and courts/tribunals	
5. Population (millions)	52.0
5.1. Male	49 percent
5.2. Female	51 percent
5.3. Under 15 years of age	48.1 percent
5.4. Rate of growth of the population	3.1 percent
5.5. Fertility rate	7
6. Economy	
6.1. Gross Domestic Product/per capita (in 1985 US\$) in 2000	80.00
6.2. Average annual rate of growth of GDP per capita (1990-2000)	- 4.6
6.3. Average annual growth in the money supply in percent (1990-99)	54
6.4. Average annual rate of inflation (GDP deflator 1990-99)	787.0
6.5. Investment rate (percentage of GDP (1999)	
of which private investment	7.4
6.6. Gross savings rate (percentage of GDP 1990-99)	5.1
6.7. Overall government balance (2000)	- 1.2
6.8. Balance of payments deficit, percentage of GDP (1990-99)	-3.6
6.9. External debt (US\$ billion) in 2000	- 8.1
6.10. External debt as percentage of GDP	13.0
6.11. External debt as percentage of exports	280
6.12. Principal exports: minerals, forestry products, petroleum	900
7. Victims of conflicts	
7.1. Displaced persons (millions)	3.0-4.0
7.2. Number of people killed (millions)	1.5-3.0
7.3 Child soldiers (thousands)	10.0-15.0

Sources: BCC, UNDP (1999), and Christian-Aid (August 1, 2001).

1.2. Rebuilding the DRC: window of opportunities and actions under way

7. Since the first quarter of 2001, the government has been firmly committed to restoring peace and rebuilding a modern State, correcting macroeconomic imbalances, and relaunching growth, while addressing the urgent needs generated by conflicts and

natural disasters.² This determination was well received and induced the country's development partners to open a window of opportunity.³

8. The willingness to restore peace and rebuild the State was expressed first in support of the signing of the Lusaka agreements and then by implementation of a cease-fire agreement (Security Council Resolution No. 1341), and its reinforcement by the troops of the UN Organization Mission in Congo (MONUC). Numerous financial, diplomatic, and political initiatives are under way to try and ensure that the inter-Congolese dialogue reaches a successful conclusion, enabling the country to put in place legitimate and credible institutions and a democratic, modern State that respects human rights and freedom: the sole guarantee for sound political, administrative, and judicial governance.⁴ Following the example of other countries in the sub-region of the Great Lakes, the DRC has put in place a disarmament and reintegration program for former combatants, especially child soldiers (Security Council Resolution No. 1376). On a sub-regional scale, the Multi-country Program for the Demobilization and Reintegration of former combatants (MDRP) is an attempt to exploit the synergies generated by the disarmament and reintegration programs of all the countries in the conflict.

9. At the same time, the international community focusses its assistance on macroeconomic stabilization and resumption of economic growth. The World Bank (WB), the International Monetary Fund (IMF), the African Development Bank (AfDB), the European Union (EU), and the specialized agencies of the United Nations System (WHO, UNICEF, and UNDP) support the reform programs adopted by the government of the DRC. To break the hyperinflation cycle, the WB and the IMF have provided substantial technical support for implementation of the Interim Program (IP) and Enhanced Interim Program (EIP). The US\$50 million IDA grant to finance urgent activities, including technical capacity building for the public administration and the rebuilding of the highway between Kinshasa and the sea port of Matadi, bears ample witness to the international community's commitment to support the DRC (Box 1.2.).

1.3. The importance of the PRSP and its pillars

10. The first phase of reforms has already produced promising results, especially with regard to controlling government expenditure and the curbing of inflation. These outcomes underpinned a few projects that the government had already put in place with the help of UN agencies (WHO, UNDP, UNICEF, etc.) and other bilateral partners in order to stem, at least in part, the deterioration of the socio-economic situation and the exacerbation of poverty (see Box 4.2. in Chapter IV below). Further pursuit of these

² See the note, *Getting Back on The Road to Development: the Challenges of Recovery*. Information Meeting of Donors and Creditors, World Bank, Paris, July 25, 2001; and the follow-up note, *On the Road to Recovery: Progress and Challenges for the Democratic Republic of The Congo*, World Bank, Brussels, December 20, 2001.

³ Democratic Republic of the Congo (2001), Enhanced Interim Program of the government.

⁴ The inter-Congolese dialogue started in South Africa in February 2002.

Box 1.2. Some of the economic reform measures adopted with the support of the international community

1. Rehabilitation of fiscal and accounting procedures by using commitment vouchers (*bons d'engagement*) for procurement and strict observance of payment authorization procedures under the supervision of the Treasury;
2. Introduction of cash basis budget execution based on cash flow forecasts;
3. Deposit of all Treasury receipts in the Central Bank of the Congo;
4. Conduct a study to verify domestic debt arrears between public enterprises, and between public enterprises and the government;
5. Liberalization of interest rates;
6. Adoption of a flexible exchange rate system;
7. Deregulation of oil product prices;
8. Elimination of the diamond trade monopoly;
9. Creation of the Inter-Ministerial Committee for Economic and Financial Coordination (ECOFIN);
10. Enactment of a law establishing the independence of the Central Bank of the Congo;
11. Promulgation of a new Investment Code;
12. Promulgation of a new Mining Code;
13. Preparation of a reform of public enterprises;
14. Audit of the Central Bank by an international auditing firm;
15. Audits of all commercial banks;
16. Drawing up of a multisector investment program;
17. Strengthening of the management of the Central Bank of the Congo;
18. Creation of a Consultative Group to coordinate the effort to raise the US\$1.5 billion needed to finance the government's emergency program (World Bank and IMF);
19. Creation of the Central Coordination Bureau (BCeCo) responsible for managing the Fund set up to finance small-scale projects initiated by grassroots organizations;
20. Creation of the National Capacity-building Secretariat (SENAREC);
21. Initiation of a foreign debt renegotiation process in order to facilitate the DRC's access to the HIPC Initiative;
22. Creation of a follow-up committee to monitor implementation of the economic reforms; and
23. Initiation of the process of drawing up a Poverty Reduction Strategy Paper (PRSP).

efforts and consolidation of the results will enable the country to move from the phase of stabilization (2001-02) to a transition phase geared to rehabilitating a minimum amount of basic infrastructure (2002-05). Only then can a new phase begin, aimed at reconstruction and a resumption of sustained pro-poor growth.

11. The PRSP expresses the Congolese government's determination to involve the entire population and domestic and foreign partners in the revival of the country in a participatory and sustainable manner. It provides a well-structured framework and connects the various steps to be taken in each phase of the process. Thus, the interim PRSP (I-PRSP) strategies are based on three pillars, namely:

- (i) The restoration and consolidation of peace;
- (ii) Macroeconomic stabilization and the stimulation of pro-poor growth; and
- (iii) Community dynamics.

12. Each of these pillars requires activities and programs for which it is currently difficult to estimate their scope and impact. This situation urgently requires the setting up of a global database on public, NGO, and private sector activities on all areas covered in this document.

13. The community dynamics pillar is an original and peculiar feature of the PRSP. It underscores the important part played by grassroots communities in the daily life of the population and above all in activities designed to withstand the effects of crisis. In the particular institutional context of the DRC, the importance of this pillar is based on the fact that, faced with the crisis and the ensuing extreme poverty, the population has developed survival methods of its own in all sectors (including agriculture, nutrition, human rights, health, education, and transportation) in which government intervention has either been nonexistent or barely perceptible. The I-PRSP proposes identifying and making an inventory of these experiences in order to reinforce and disseminate them for use in other initiatives. Through this process, the I-PRSP, and the strategies it proposes, will be reformulated and updated as new experiences and information are accumulated.

14. Moreover, the I-PRSP suggests ways to mobilize resources to finance the activities to be undertaken. They include more effective collection of fiscal and customs revenue, greater control over and improved quality of government expenditure, and reform and strengthening of government revenue-generating agencies. Assistance from the international community, in particular through the HIPC Initiative, will support these internal efforts.

15. In its final stage, the PRSP advocates a National Poverty Reduction Charter, which will provide the framework for participatory monitoring and evaluation mechanisms. The Charter's goal will be to promote sustainable human development and it will serve, among other things, to effect poverty reduction strategies and boost the capabilities of all national partners involved.

16. Finally, the I-PRSP foresees some political, economic, and social risks, as well as some constraints that could limit the effectiveness of the poverty-reduction strategy. These have to do, above all, with capital flows from abroad and possible resources under the HIPC Initiative. Much also depends on the DRC's ability, given its technical and institutional limitations, to ensure effective and efficient management of the whole set of actions contemplated in this paper.

17. The timetable of activities required to produce the final PRSP is annexed to this paper, along with the matrices of actions and basic statistical tables.

CHAPTER II: PROFILE AND DETERMINANTS OF POVERTY IN THE DRC

18. Poverty is a complex concept, the definition of which varies depending on the author and institutions. Some use income per person while others use human poverty (coping ability). The concept of “basic needs,” like nutrition and housing, is also being used. In addition, local populations have their own definition of poverty, which is more appropriate to their past, present and future existence, and is more dynamic. This document uses several concepts, which are complemented with perceptions taken from participatory consultations.

2.1. The low quality of available statistics

19. The DRC currently suffers from a lack of reliable, up-to-date, national poverty statistics. The same applies to data on living conditions in Congolese households. There are no reliable, recent indicators on the real extent of poverty in the country. One of the challenges facing the PRSP is precisely to remedy that. While it is true that some surveys in the mid-1980s, particularly those on household consumption budgets, covered the capitals of a few provinces (Kinshasa, Lubumbashi, Kisangani, and Bandundu), the data gathered are old and virtually irrelevant given the numerous changes that have taken place in the meantime. A few, more recent, surveys have been restricted to certain parts of Kinshasa. Clearly these are of very limited use.

20. In 1999, a survey of community dynamics was conducted⁵ to determine the role played by grassroots communities in the fight against poverty and to validate their operational framework. That survey was limited to three provinces (Kinshasa, Bas-Congo, and Bandundu).

21. In addition, the Poverty Profile and the first National Human Development Report provide an overall assessment of poverty levels and trends.⁶ The studies were carried out with all the limitations of existing data and point to their statistical weakness, incoherence, and, at times, inconsistencies.

22. In light of these shortcomings, it is clearly essential to update the surveys on household living conditions. Such surveys are justified by the need to proceed to selection and analysis of the socio-economic indicators required for a better grasp of the structure and manifestations of poverty. Surveys can already be carried out in the provinces under government control. For the other provinces, the end of the war is obviously one of the preconditions. Pending the completion of these surveys, one would have to manage with the scarce available information on the poverty index, for which data is insufficient and limited.

⁵ Ministry of Planning and Commerce, *Pauvreté et Dynamique communautaire: Kinshasa, Bas-Congo, Bandundu, Synthèse provisoire* [Poverty and Community Dynamics: Kinshasa, Bas-Congo, Bandundu, A Preliminary Summary], Kinshasa, February 2000.

⁶ Ministry of Planning/UNDP, *The Poverty Profile in the DRC: levels and tendencies, 1999, DRC-UNDP, National Human Development Report, 2000: Governance for human development in the DRC.*

2.2. Poverty profile

23. The available statistics point to generalized impoverishment. In 2001, GDP per capita was estimated at approximately US\$74.⁷ In 1985 dollars, daily per capita income fell from US\$1.31 in 1973 to US\$0.91 in 1994, and to US\$0.30 in 1998. The country has thus plunged into absolute, increasingly generalized poverty. The figures indicate that average per capita income has fallen below the absolute poverty threshold, having dropped on average 3.08 percent a year through 1998.⁸

Box 2.1. Some poverty indicators in the DRC

1. Financial poverty	
1.1. GDP per capita (US\$, 2001)	74.0
1.2. Incidence (2001)	83.6
1.3. Severity (2001)	0.51
2. Nutrition	
2.1. Calorie intake (<i>Kcal</i>)/per capita per day (1999)	1 836
2.2. Underweight infants (<1 year) (1998)	10.7
2.2. Underweight children (size/age)(<5 years) (2001)	38.2
3. Health	
3.1. Life expectancy at birth (years) (1999)	50.0
3.2. Premature death (1999)	30.1
3.4. Maternal infant mortality rate (per 100.000 births) (1999)	1289
3.5. Infant mortality rate (per 1000) (2001)	129.0
4. Reproductive health	
4.1. Pre-natal care coverage rates (percent, 2001)	68.2
4.2. Assisted birth coverage rate (percent, 2001)	60.7
4.3. Use of contraceptive methods (percent, 2001)	31.4
5. HIV/AIDS	
5.1. Incidence HIV/AIDS (percent, 2000)	5.07
5.2. Use of condoms (percent, 2000)	2.3
6. Education (2001)	
6.1. Literacy rate (percent)	65.3
6.1. Male literacy rate	79.8
6.2. Female literacy rate	51.9
6.3. Primary school enrollment rate (net)	51.6
7. Environment and living conditions	
7.1. percent of population with access to safe water (2001)	26.1
7.2. percent of population using sanitary latrines (2001)	46.0
7.3. Household garbage disposal rate (2001)	42.2
8. Human poverty index	0.39

Sources: UNDP Profile (1998), Ministry of Health (2000), *Plan Directeur de Développement Sanitaire 2000-09*; UNICEF 2001, MISC2 Survey (provisional data). K. Ntalaja (2001); and Households Food Security and Poverty Assessment in the Democratic Republic of the Congo, and WFP/USAID, Kinshasa.

24. According to an urban survey conducted by the National Institute of Statistics (INS) in 1985, household consumption patterns indicate that poverty affects all social classes. Almost 74 percent of professionals' households and over 80 percent of

⁷ Central Bank of the Congo, *Evolution économique, financière et monétaire récente* [Recent economic, financial, and monetary developments], January 2002.

⁸ United Nations System, DRC: Joint Country Assessment (*Bilan Commun de Pays*), Kinshasa, May 2001.

employees' households are poor. Both social groups are nearly destitute. These very high percentages are an accurate depiction of poverty in the DRC, which is indeed a mass phenomenon. It affects the entire national territory; urban as well as rural areas.

25. Taking average monthly per capita expenditure of US\$30 (1985 purchasing power parity) as a benchmark, over 80 percent of the urban population is poor. For the country as a whole, that figure is undoubtedly worse. The statistical information currently available does not permit an accurate assessment of the disparity between urban and rural poverty. Given that rural incomes are generally lower than urban incomes, it is fair to assume that the incidence of poverty in rural areas is far higher. In 2001, the incidence of poverty in some districts of Bandundu and Katanga was placed at almost 84 percent and its severity at 0.51 percent.

26. All social groups have been impacted by poverty, albeit at markedly different degrees. Thus, GDP per capita is US\$322.9 in Kinshasa but US\$25.3 in the Equateur province. Women are harder hit than men. Although it is currently difficult to estimate what percentage of the female population is poor, the survey of violence against women and girls conducted in April 1999 suggests that, on average, 44 percent of women (as opposed to 22 percent of men) have no income and are therefore incapable of accessing the opportunities they need.⁹

27. While the human poverty indicator is still high (43 percent), its performance over time shows less deterioration than the trend in financial poverty indicators. Indeed, some components of HPI-1 have even improved over time. One example, at least for certain periods, is the school enrollment rate. Here, too, disparities between urban and rural areas have been noted. In 1998, the incidence of human poverty was far higher in rural areas (46 percent) than in urban areas (18 percent).

2.3. Basic services and living standards

2.3.1. Education

28. It is worth noting the deterioration of public sector education, in particular the inadequacy of facilities, the dilapidated infrastructure, the dearth of pedagogical materials, the lack of motivation of teachers, the poor returns reflected in high drop-out rates, the poor performance of students at every level, and the mismatch between the training imparted and the skills required by the labor market. The percentage of children entering school at the legally required age (6 years) has plummeted from 22.5 percent in 1995 to 13.9 percent in 2001.¹⁰

29. The literacy rate varies by province and gender. Generally speaking, although the admission rate is high, it is declining, which suggests that the enrollment rate in the DRC

⁹ See the table of poverty indicators by province, annexed to this paper.

¹⁰ MICS2 Survey of the situation of children and women in the DRC, January 2002 (provisional data).

is falling. Indeed, according to the MICS2 survey, the literacy rate fell from 67.3 percent in 1995 to 65.3 percent in 2001. For boys, over the same period, it fell from 82.5 percent to 79.8 percent, and for girls from 54.1 percent to 51.9 percent. In 1995, the net admission rate for the first year of primary school was 42.8 percent in urban areas and only 14 percent in rural areas. The enrollment rate was 76.8 percent in urban areas and 51.5 percent in rural areas. The retention rate in the fifth year of primary school was estimated at 60.3 percent in urban areas, compared to 15.1 percent in rural areas.

2.3.2. Health

30. Most of the health districts are in a state of complete abandonment. Conservative estimates of health facilities coverage show that at least 37 percent of the population or approximately 18.5 million people, have no access to any kind of health care.

31. The high mortality rate affects especially the poor and the vulnerable: people in rural and suburban areas, women of child-bearing age, and children under five, and is associated with the deterioration of the main health indicators (life expectancy at birth, all forms of malnutrition, and the prevalence of HIV/AIDS).

32. Between 65 percent and 85 percent of births are **not attended** by skilled health personnel and result in a high **maternal** mortality rate. The infant mortality rate in 2001 was 129 deaths per 1,000 births (138 per 1,000 births in rural areas), while the mortality rate for children under 5 years of age was 213 per 1,000 in 1998. The maternal mortality rate (870 per 100,000 births in 1995), which was already too high, rose steeply to 1,289 per 100,000 births in 2001.¹¹

33. Immunization coverage is very low. Since its inception in 1978, the Expanded Vaccination Program (PEV) never fulfilled its original mission nor the targets it set itself over the years.

34. Financial constraints are the main reason hampering the development of routine vaccination activities, and vaccination coverage of children from 0 to 5 years is only 29 percent. In June 2001, a joint WHO and UNICEF mission estimated that the minimum investment required to stem the deterioration in the mortality rate and reverse trends in health indicators on a lasting basis would be US\$350 million a year. In reality, contributions by donors and creditors between 1998 and 2001 amounted to only US\$82.19 million. The percentage of the population infected with the HIV virus also continues to rise for lack of the resources needed for awareness and prevention campaigns. In 2001, the contraceptive usage rate was 31.4 percent.

2.3.3. Nutrition

35. Malnutrition is a major public health problem. In November 2000, the World Food Program (WFP) calculated that 16 million people (33 percent of the population)

¹¹ The averages for Africa are: 80 deaths per 1,000 live births and 500 maternal deaths per 100,000 during childbirth.

suffered from serious malnutrition following prolonged displacement, isolation, lack of access to markets, disruption of supply routes, and inflation.

36. In the occupied territories, the overall malnutrition rates for children under 5 recorded for the last 12 months were as high as 41 percent, with a severe malnutrition rate of up to 25.79 percent. A survey conducted in Kinshasa in April 1999 showed a severe acute malnutrition rate of 2.1 percent. This means that out of a total of 1,200,000 children under 5 years of age in Kinshasa, 25,000 suffer from malnutrition and therefore need nutritional rehabilitation. The severe chronic malnutrition rate is 13 percent.

2.3.4. Employment

37. Unemployment has increased steeply as a result of the State's inability to manage public enterprises, and absence of a policy of joint-ventures and incentives to invest. **In 2000, 2 percent of the total population, 4 percent of the labor force, and 8 percent of the male work force were employed, compared with 8, 18, and 35 percent, respectively, in 1958.** The social and political crisis of the 1990s and the conflicts have only exacerbated this downward spiral to a point at which unemployment and the lack of vocational training have become one of the root causes of grave social unrest. **The result is a worsening of poverty, increased vulnerability of the population, and the proliferation of urban unemployment.**¹²

38. As a result of the generalized crisis in the country, the economy is dominated by the informal sector. The formal sector is characterized by pathetically low wages and benefits and by a universal lack of motivation. Working conditions have in fact become inhuman, especially in the public sector, where the average monthly salary is US\$15. In the private sector, in the absence of a Guaranteed Minimum Wage (SMIG) and of a coherent wage policy, firms have only paid subsistence wages.

2.3.5. Housing

39. Housing and accommodation problems are common to both urban and rural areas. The ENHAPSE/DRC (1999) survey, covering large towns in the DRC, pointed to bad living conditions (overcrowding, lack of facilities, etc.) and sanitary conditions (few latrines are hooked up to public sewer systems, nonexistence of public lavatories, informal garbage disposal, etc.). In rural areas, dwellings built using traditional technology are fragile, tiny, and unhygienic. The preliminary findings of the MICS2 survey indicate that 9.1 percent of households used hygienic methods of waste water disposal at the time of the survey, while the sanitary garbage disposal rate was

¹² The unemployed comprise all those between the ages of 16 and 65 who have no salaried job and are not independent workers; who are available for salaried or independent work, and who have tried without success to find a remunerated employment or self-employment.

42.2 percent. The percentage of households using sanitary methods of human waste disposal rose from 18.4 percent in 1995 to 46 percent in 2001.¹³

2.3.6. Water and Electricity

40. Urban households have difficulty getting hooked up to water and electricity. In 1999, UNICEF estimated that in the DRC as a whole only 45 percent of the population had access to potable water. In rural areas, that figure was estimated to be somewhat under 26 percent. In 2001, the access-to-potable-water rate was 26.1 percent. In the city of Kinshasa, the shortfall in safe water services is almost 40 percent. Not only is the number of households supplied with water low. The water supply itself is erratic, mainly because of the state of decay of the pipes. This, in turn, is a result of poverty since users cannot afford to pay the monthly rates to cover the cost of the service. At the same time, the significant financial losses of the water and electricity companies prevent them from functioning properly, and reaching and satisfying the needs of the whole target population.

41. In one rural area, the Banalia health district north of Kisangani, only 3 percent of the inhabitants have access to safe water. In the Kindu (Maniema) health district, 91 percent of the water sources are unprotected. In Ituri (Orientale province), a survey of 36 health districts showed that 65 percent of the 583 water sources and wells used by the population were unprotected.

2.3.7. Environment

42. With their basic needs for food, energy, and other resources increasingly unmet, the Congolese are putting their natural ecosystems under ever more intense and devastating pressure. The situation is particularly dire in the eastern part of the country where the influx of 2 million refugees from Rwanda and Burundi in 1994, in the wake of the crisis in those two countries, led to deforestation and the destruction of fauna in the wildlife parks.

2.4. Gender

43. In addition to the difficulties that both sexes have in accessing education, girls face additional hurdles of dropping out due to pregnancy, early marriage, and a tradition of parental disregard for the education of girls. The enrollment rate is lower for girls than for boys (61 percent compared with 67 percent in 1995 and 32.3 percent compared with 49.7 percent in 1998). In 1995, the female illiteracy rate (45.9 percent) was higher than that of men (17.5 percent). The main cause of female poverty¹⁴ is the very limited range of opportunities open to women, who have only their physical capacity with which to

¹³ This statistic should be interpreted with caution.

¹⁴ Bary Abdoul Kader, *Problématique de la pauvreté au Zaïre*, in *Plan d'action pour la réinsertion socio-économique des groupes vulnérables au Zaïre* [The problem of poverty in Zaïre in "Action plan for the social and economic reintegration of vulnerable groups in Zaïre"], pp. 10-21, Kinshasa, May 1996.

withstand harsh labor market conditions, the demanding role of being a wife, and the overwhelming duties of being a mother. They are therefore at a disadvantage when it comes to getting a job. The poverty of the vast majority of Congolese women is the result of the low productivity of their work due to difficulties in accessing factors of production, such as land, vocational training, and credit.

44. The difficulties women face in accessing factors of production are reinforced by the legal and institutional framework, which incapacitates married women by requiring that they first obtain authorization from their husbands. It has been ascertained that a minority of Congolese women (10 percent only) have the right to manage their property on their own.¹⁵ In rural areas, women account for 75 percent of food output, keep stocks, process food products to ensure family subsistence, and market 60 percent of output without, however, being able to dispose of the resulting income, a right that pertains to the husband.

45. Women's economic dependence on their husbands is at the root of the violence to which they are subjected. Rape, mistreatment, verbal abuse, and conjugal sexual violence are widespread. The five most prevalent forms of violence experienced and observed by women and girls are: verbal abuse, prostitution, blows and wounds, dowries that are not paid, and discriminatory traditional customs.¹⁶ Also worth underscoring is the sexual violence inflicted upon women by armed combatants, especially the foreign armies coming from countries with a very high incidence of HIV/AIDS.

2.5. HIV/AIDS and other endemic diseases

46. The prevalence rate at end-1999 was 5.07 percent, causing 300,000 deaths a year, of which 80 percent are persons of 15–45 years of age. In 1999, 8 percent of pregnant women were estimated to have HIV/AIDS. This ratio has increased rapidly in the combat zones in the eastern part of the country. Thus, Ministry of Health statistics showing a decline in life expectancy from 52.4 years in 1994 to 50.8 percent in 1997 are quite credible. Surveillance centers report that the rates for Matadi and Lubumbashi doubled between 1997 and 1999, from 5.1 percent to 10 percent and 4.8 percent to 8.6 percent, respectively. UNSIDA estimates that at least 90 percent of people who are HIV positive are unaware of the fact. Some refuse to take a test because of its cost (US\$10) and the unaffordability of treatment, others because they prefer not to know.

47. As regards malaria, the Ministry of Health's report for 2000 on potentially endemic diseases indicates that, of 12 diseases kept under surveillance, malaria accounts for most cases (92.3 percent of registered medical consultations) and most deaths

¹⁵ Ministry of Social Affairs, UNICEF, *Situation des lois coutumières et des droits des femmes en RDC* [Status of customary laws and women's rights in the DRC], April 1999.

¹⁶ Ministry of Social Affairs, UNICEF, *Violences faites à la femme et à la jeune fille en RDC* [Violence against women and girls in the DRC], April 1999.

(52.4 percent of registered deaths) especially among children under five.¹⁷ The DRC currently has over 120 million acute cases a year, accounting for over 500,000 reported deaths. In hospitals, three out of every ten beds are permanently occupied by malaria patients. Many of these cases are serious and highly costly (averaging US\$35 per year), putting a strain on family budgets and adding considerably to the already existing poverty. In 2001, it was estimated that only 6.3 percent of the child population uses insecticide-treated anti-malarial mosquito nets.

48. Tuberculosis is the principal killer disease for adults, implying that it also impoverishes both families and the country. The HIV/AIDS pandemic and the conflicts increase the incidence of the disease. Indeed, 30 to 50 percent of those suffering from tuberculosis are also infected with HIV and therefore constantly having relapses. Medical statistics show that 40 percent of deaths of individuals with HIV/AIDS are attributed to tuberculosis.

2.6. Recent developments in urban poverty

49. The crisis that has engulfed the DRC since the 1970s, the failure of the stabilization and structural adjustment programs of the 1980s, the plundering of the country twice during the 1990s, and the wars of 1996 and 1998 induced massive displacements of people to the big towns and thereby altered the patterns of urban poverty. In twelve recently surveyed provinces, urban poverty is estimated at 75 percent. Contrary to the situation in the 1980s, the once richest towns in the country, especially Kinshasa (US\$0.85 per capita daily income) and Lubumbashi (US\$1.06 per capita daily income), are currently poorer than Mbuji-Mayi (US\$2.52 per capita daily income), Boma (US\$1.18 per capita daily income) and Matadi (US\$1.15 per capita daily income).

50. In these towns, access to basic socio-economic services is far from adequate; for every hundred households, only 44 have access to potable water, and just under three households have sanitary garbage disposal facilities. At the start of the 2000-01 school year, only about 20 percent of pupils were able to attend school in Kinshasa. Repeated strikes paralyze schools' normal operations in the provinces. Those pupils that do get to school, frequently study under appallingly insalubrious conditions. Finally, the number of people sharing one bedroom is high, that is to say more than three persons per room, and most of the urban workforce is unemployed. To survive, it engages in informal sector activities.

51. With respect to public transportation, the roads are full of potholes and puddles, or simply gaping holes. Above all, at rush hour there is a severe shortage of vehicles. The concentration, especially in Kinshasa, of economic activities downtown forces people to come a long way either to get to or return from work, to take supplies to a store or stand, or to procure essential goods or services. The jostling is a dismal spectacle in most Congolese towns. Moreover, frequent urban flooding often affects entire districts.

¹⁷ Annual Epidemiological Report on potential endemic diseases subject to surveillance in the DRC, published in May 2001.

2.7. Conflict and poverty: the destitution of the victims

52. Ongoing warfare since 1996 has exacerbated poverty in the country, particularly in provinces occupied by rebel forces. The impact of war will be assessed using consumption budget surveys under the final PRSP. In addition, the recent eruption of the Nyiragongo volcano destroyed more than half the town of Goma and plunged its inhabitants into a state of utter destitution.

53. Several sources observed that in the east and center of the country, rape is used as a tactic to prevent women from working in the fields. Also, children cannot be vaccinated because their mothers are not wearing decent clothing. Some men, too, only work at night for lack of clothes. Prostitution and sexual enslavement are widespread. Plunder and theft of harvests by (unpaid) armed groups are commonplace. This situation has added to the disruption of subsistence farming and increased the already severe malnutrition.¹⁸

54. In the eastern part of the country, war has aggravated the poverty of both the displaced population and the local host communities. In certain isolated areas that can be reached only by plane (Shabunda, Kindu, and Sankuru, for example), the cost of staple items such as salt, oil, soap, and clothing has risen to a point at which the population can no longer afford them.

55. It is estimated that between 1998 and 2000, more than 3,000,000 people have died as a result of the fighting, of which 350,000 were direct casualties of war and 2,150,000 died of malnutrition and diseases.¹⁹

56. The war has destroyed hospitals, medical centers, and health posts. Medicine is scarce and routine vaccination programs have been interrupted. The budget for health services is nonexistent and the cost of health care and medicine is prohibitive.²⁰

57. Five mortality surveys conducted by the International Rescue Committee (IRC) in the eastern part of the country discovered that the death rates were markedly higher than the reference rate (1.5/1000/month). The average death rate (5.2/1000/month) is 246 percent higher than the average prior to the conflict. In other words, an additional 1.6-1.8 million deaths are attributable to war, either directly (murder, rape) or indirectly (from associated diseases, such as meningitis, cholera, dysentery, measles, polio, and malnutrition).

¹⁸ The locations referred to are: Goma, Bukavu, Uvira, Shabunda, Kindu, Kalima, Mwenga, Uvira, Fizi, Baraka, Kalemie, Moba, Nyunzu, Kongolo, Manono, Kabare, Katana, Bunyakiri, Masisi, Rutshuru, Lubero, Beni, Butembo, Kisangani, Buta, Bafwasende, Kabinda, Lodja, Tshumbé, etc.

¹⁹ Save the Children, Oxfam and Christian Aid report (2001). *No End in Sight: the Human Tragedy of the Conflict in the Democratic Republic of Congo*.

²⁰ In the suburbs of Kisangani, staff at the Segama health center estimate that only 40 percent of the population can afford to pay the cost of consultations, which is US\$0.15; of those, only 1 in 4 can afford to pay US\$0.11 to buy medicine.

Box 2.2. Mortality in Eastern DRC				
	<1 year (%)		<5 years (%)	Overall/1000/month
1. Kisangani	11.0		4.8	2.6
2. Kabare	23.0		5.8	2.7
3. Katana	14.0		6.9	2.7
4. Kalonge	21.0		14.1	6.4
5. Moba	47.0		24.5	11.4
Source: International Rescue Committee, Mortality in Eastern DRC: results from five mortality surveys, May 2000, p. 12.				

58. Young children have been particularly hard hit by the fighting. The mortality rate for children under 1 year of age in the five locations surveyed is 23.2 percent. The highest rates were recorded at Moba in Katanga (47 percent), Kisangani in Orientale province (23 percent), and Kalonge in Kivu (21 percent). A little over 11 children per 1,000 of under 5 years of age die every month in the areas of conflict (24.5 per thousand per month at Moba, 14.1 per thousand per month at Kalonge, and 6.9 per thousand per month at Katana. See Box 2.2).

59. As a result of the conflict, the number of women unable to give birth with proper medical care has increased steeply, and many have died in their homes. Maternal mortality rates range from 905/100,000 in Ituri (1999) to 3,000/100,000 in Kivu (2001). The most frequently cited causes are, above all: hemorrhage and inability to afford transportation and hospitalization. The high medical costs frequently force people to resort to self-medication and traditional medicine.

60. In the occupied zones, the prevalence of AIDS is estimated by the Ministry of Health at 10 percent (compared to the national average of 5.07 percent). Although no reliable survey has been conducted in Kivu since 1998, Save the Children UK has estimated an HIV rate of 3.6 percent in Goma and 6.9 percent in Kalemie.

CHAPTER III: THE PROCESS OF DRAWING UP THE PRSP

3.1. The government's commitment

61. In a statement issued on October 17, 2001 on the occasion of the International Week for the Eradication of Poverty, the government clearly expressed its commitment to **“...transform its shame, and the challenge this implies, into an opportunity to eradicate once and for all the virus and the endemic disease of poverty in our country ...to involve everyone, every Congolese woman and every Congolese man, in the fight against poverty...”**

62. This commitment shows the importance that government attaches to the participation of all citizens in the reconstruction process in general, and in poverty reduction in particular. Thus, with UNDP support (Project ZAI/98/004), it launched the participation process at a seminar-workshop organized in April 1999 by the Ministry of Planning and Commerce. All stakeholders (the government, the private sector, nongovernmental organizations, universities, and professional and religious groups) participated actively in the discussions about the poverty profile in the Congo, the need to reduce it, the institutional framework required, and the proper approach. Through the participation process, stakeholders contributed to and endorsed the poverty profile paper. The most important outcome of the seminar was the consensus reached regarding the community dynamics approach, both as an analytical tool and as a strategic pillar supporting the chosen macroeconomic strategy. Given the huge size of the country, the diversity of its population, and the variety of climatic and other physical conditions, it was decided to test the validity of this approach in the provinces of Kinshasa, Bas-Congo, and Bandundu.

63. The survey of community dynamics in these three provinces benefited from the participation of the local populations which, organized into structured groups, replied to questionnaires and, in focus groups, contributed to the overall discussions. Some important issues were examined in depth, such as the kind of popular organization and participation to be given priority in decision-making; the origins and importance of the human, financial, and material resources employed; areas of activity and the conditions for carrying out those activities; types and degrees of beneficiary satisfaction; etc. Based on this appraisal, a **stylized profile** was drawn up, which described the minimum attributes of a model (or field tested) initiative. Following this analysis, a field survey was conducted. The outcome was a somewhat qualified assessment of experiences with community dynamics. In fact, to a large extent, these have continued to be mere survival mechanisms with no guarantee that they can be sustained over the long term. Substantial human, financial, and material support is therefore necessary.

64. All the findings of this exercise were then fed back to the three provinces surveyed and followed up by a survey to identify about fifteen tested initiatives in each of the three sites. This led to the preparation of a community strategy to combat poverty, the general purpose of which is to bolster among grassroots organizations the principles governing sustainable human development, namely:

- (i) Participation: grassroots communities must participate in the drawing up of a diagnostic assessment of conditions affecting poverty in their community, identify the determinants of poverty, mobilize human, financial, and material resources, and ensure that poverty reduction strategies are implemented and monitored.
- (ii) Sustainability: community initiatives must safeguard social and cultural stability and protect the environment. This will be achieved above all by basing them on the local culture, the environment, and economic sustainability associated with a high level of financial autonomy.
- (iii) Reliance on endogenous factors: the ability of grassroots communities to put in place mechanisms and structures that reproduce successful experiences. This is a prerequisite for dissemination of poverty reduction strategies in the surrounding communities.

3.2. Drawing up of the I-PRSP

3.2.1. Organization of participatory consultations

65. The government's commitment was again apparent during preparation of the I-PRSP. Using its own funds, despite short-term economic difficulties and budget constraints, it organized participatory consultations with local communities and national and international partners.

66. The drawing up of the I-PRSP occurred in two main stages in which a series of activities were undertaken. The first stage consisted of the installation of the Technical Committee to devise, prepare, implement, and monitor/evaluate the PRSP. This Committee is composed of representatives of all national stakeholders in poverty reduction, appointed in accordance with their own internal procedures: government, government agencies, universities, civil society, and the private sector. With assistance from World Bank staff, the committee has also undertaken documentary research focusing on recent government programs (i.e., the EIP) and on poverty reduction efforts in the DRC and in Africa.

67. Thus, a first draft of the I-PRSP, presented and enriched during a workshop attended by the national capacity-building secretariat, SENAREC, and the team of the UNDP project supporting the National Capacity-Building Program, was discussed at the technical level with World Bank, IMF, and AfDB missions. The support of these institutions allowed the presentation of an improved version of the I-PRSP, which has been disseminated widely among national and international NGOs and civil society partners.

68. The second stage involved organizing test consultations and benefited greatly from the input of a World Bank expert on participatory consultation. It covered four of the provinces under central government control. The action plan for covering the remaining provinces has already been drawn up and will be implemented as soon as possible. The structure and organization of each consultation involved a technical team

and a general assembly of 100 persons per site (Box. 3.1). The distribution of sites by province was as follows:

Kinshasa:	10 sites	Bas-Congo:	3 sites
Katanga:	4 sites	Kasaï Oriental:	1 site.

69. The consultations were carried out with the effective and active participation of all partners in development: nongovernmental development organizations, national and international civil society organizations, bilateral and multilateral cooperation agencies, and members of diplomatic missions, U.N. agencies, and focal groups such as Parliament, civil servants, institutes of higher and university education, and students' organizations.

Box 3.1. Structure and Organization of Participatory Consultation for the I-PRSP

At each site, participatory consultation involved the following:

1. A technical team
 - 1.1. Supervisor: team leader
 - 1.2. Facilitator: chairs discussions
 - 1.3. Assistants (2 persons): representatives of the participants in the technical team to help the facilitator guide the debate
 - 1.4. Rapporteur: takes notes and drafts a report on the sessions.
2. Participants
 - 2.1. Assembly: 100 persons per consultation site
3. Instrument and mode of consultation
 - 3.1. Instrument: an interview checklist of short and flexible questions on perceptions of poverty, its causes, manifestations, trends, consequences, and reduction strategies
 - 3.2. Participants: representatives of government, civil society, NGOs, partners abroad, academic circles
 - 3.3. Debate streamlining: the facilitator and two assistants representing participants
 - 3.4. Participation: free and democratic for all those taking part in the assembly
 - 3.5. Report and minutes: one member of the technical team as rapporteur
4. Average duration of consultation (per site): 4 days
5. Total cost of consultations: US\$250,000
6. Training and preparation time: 2 weeks

Source: Poverty Reduction Strategies Technical Committee Archives.

70. In a free and democratic fashion, participants in the consultations expressed their views on all aspects of poverty:

- How poverty is perceived, its manifestations, causes, trends, and repercussions;
- Core strategies and top priorities in poverty reduction;
- Short-, medium-, and long-term sectoral priorities; and
- Constraints on poverty-reduction activities.

3.2.2. Objectives of consultations

71. The overall objective of participatory consultation is to empower local communities and their organizations to influence government policies that affect their lives. To that end, the government has sought to:

- (i) Involve the population as a whole in poverty-reduction efforts by enlisting the participation of community leaders and foreign and domestic partners (NGOs, political decision-makers, government employees and executives, civil society, members of parliament, the press, etc.) in diagnostic assessments of poverty, evaluation of existing strategies, and the preparation of strategies they consider appropriate;
- (ii) Ensure that each citizen feels involved and fully responsible for the outcomes of the consultation (diagnosis) and the policy measures (poverty reduction strategies) that derive from them;
- (iii) Enhance the ability of local communities and their organizations to diagnose poverty, and design, monitor, and evaluate strategies at both local and national levels;
- (iv) Induce ongoing political dialogue between the government and domestic and external development partners; and
- (v) Ensure that the findings of the participatory consultations are used as an essential input in the drawing up of more legitimate, realistic, and better-targeted policies.

3.3. Findings and lessons learned from the consultations

72. The findings and lessons to be drawn from this stage in the participatory consultations are preliminary. They will only be confirmed or invalidated once participatory consultations in the framework of the full PRSP have been conducted.

3.3.1. Manifestations of poverty

73. The findings of the participatory consultations suggest that on the whole the Congolese define poverty basically as the lack of human capabilities or human development. Of the eleven manifestations of poverty considered, these findings show that concerns about the lack of capability predominate. In order of importance, poverty is perceived as the lack of:

- Health;
- Education;
- A clean environment;
- Access to safe water and electricity;
- Equality between men and women;
- Food;

- Good governance and peace;
- Leisure;
- Employment and human resources;
- Financial resources or cash income; and
- Road and socioeconomic infrastructure.

Although they appear under “lacks,” financial resources (cash) also figure as a cause, suggesting that they are essentially perceived of as the means, for those who have them, to accede to human capabilities such as health and education.

3.3.2. The causes of poverty

74. The causal relation between poverty and its determining factors is complex, partly because poverty is multidimensional and partly because of the philosophical complexities of the notion of causality. A factor may be a cause of a manifestation of poverty and that manifestation may itself be the cause of another manifestation.

75. Despite these conundrums, the findings of the participatory consultations suggest that for the Congolese taking part in the exercise, several factors may cause a form of poverty and several manifestations of poverty may be due to the same cause. Thus, the causal connections pointed out in this exercise are as follows:

- (i) **Bad governance:** This is the most frequently cited cause of poverty. It is held responsible for the lack of human capabilities in health, education, the environment, nutrition, government management, culture, human and financial resource management, and social and road infrastructure.²¹
- (ii) **Social values:** Social behavior, ways and customs, and social values in general are perceived as the second most important cause of poverty in the DRC. They are seen to be at the root of gender inequality (discrimination against women), malnutrition, and shortcomings in governance, in the field of culture and leisure, in human and financial resource management, and they are blamed for the destruction of socio-economic and physical (road) infrastructure.
- (iii) **Infrastructure:** the dilapidation and destruction of infrastructure, which have contributed to the decline in social and cultural values are also seen to have, in turn, a negative impact on health, the environment, access to safe water and electricity, human resource management (employment and wages), and socio-economic infrastructure.

²¹ Governance covers the whole area of public administration such as the dictatorial nature of the political regime, the widespread inability of the authorities to grasp development issues, the misuse of public money, the lack of policies with regard to roads and transport links, the ineffectiveness of existing policies, the confiscation of assets by government employees, the demolition of homes (especially those built on undeveloped plots of land), etc.

- (iv) Lack of financial resources: the lack of financial resources (cash poverty) is classified as the fourth cause of poverty. It affects health, education, human resources, and employment; and, at another level, the fiscal management of the country.
- (v) Other causes: other causes of poverty reinforce the principal factors listed above. They include above all ignorance, which plays a part in the unequal treatment meted out to women, the lack of maintenance of socio-economic infrastructure, and the disregard for protection of the environment, while at the same time acting as a constraint on labor productivity.

76. Although only indicative and preliminary, the above findings provide some leads regarding the studies to be conducted in the preparation of a full PRSP. They also provide indications of the strategic components that could form the basis for priority steps to be taken during the period bridging the gap between the periods of stabilization and the relaunching of a pro-poor growth economic program.

3.3.3. Priority actions and preliminary lessons

77. A summary of the participatory consultations indicates that Congolese communities consider that poverty affects, in order of importance, health, education, and general welfare (access to safe water, electricity, a clean environment), and hygiene (housing, household refuse disposal, etc.).

78. Given these outcomes, the priority objectives of poverty-reduction policies should be geared to improvements in health, education, and the overall standard of living.

79. Other areas, such as job creation, equal treatment of women, nutrition, and socio-economic infrastructure, were also emphasized, but constitute second order priorities.²²

80. One of the lessons to be derived from analyzing these priorities is the preponderance attributed to public goods and services in strategies designed to reduce poverty. Often, priorities take the form of a list of expectations to be addressed by the State, despite the fact that the historical failure of the State to deliver in these areas is universally recognized.

81. Admitting the inability of the State to deliver while at the same time expecting it to solve a list of expectations constitutes a contradiction. It stems from a notion of the State as the provider "*par excellence*," which can be traced back to the paternalism of colonial times. It was reinforced by the dictatorial management model of the State following independence, which used it for its own purposes. The importance attached to

²² Areas such as road infrastructure, transportation, culture and leisure, financial resources, and the creation of businesses opportunities were also mentioned during the consultations. They rank somewhat lower on the list of priorities.

governance in the list of causes of poverty is a reflection, to a large extent, of this “culture of the Provider State.”

82. The consultations showed that despite local community efforts to take responsibility for their own affairs, community dynamics has not yet managed to rid itself of this perception. In the consultations to be conducted for the full PRSP, questions regarding the definition and distribution of State and local community responsibilities should be given priority.

83. On the whole, local communities have greatly appreciated the fact that the government consulted them with a view to involving them in poverty-reduction strategies. They have, however, expressed some misgivings regarding the credibility of the government’s commitment to reducing poverty. This emerged above all in consultations with civil society partners and other grassroots organizations.

84. Finally, the time needed to prepare and carry out consultations in the field was under-estimated. Since the development partners did not honor their promises to provide financing, the government had to use its own funds.

3.4. Validation and distribution of the I-PRSP

85. Through the Ministry of Planning and Reconstruction, on February 7, 2002, in Kinshasa, the government submitted the I-PRSP for validation by the Congolese population, as represented by its community leaders. The paper takes into account pertinent opinions and considerations raised during the ensuing debate.²³ The government will ensure diffusion of the I-PRSP among internal and external partners through its distribution, organization of seminars within the country, and the creation of an internet site.

3.5. Steps to be taken for drawing up the final PRSP

86. The specific activities related to drawing up the final PRSP are provided in the timetable annexed to this paper. In Table 3.2 they are classified, together with their approximate period of execution, under 11 major headings: preparation of the terms of reference; preparation of internal procedures; installation of the national PRSP program; institutionalization of the other PRSP structures; capacity-building; surveys and studies; conferences and meetings; support for community dynamics; monitoring and evaluation, participatory consultation, and drawing up and validation of the final PRSP (Box 3.2).

²³ The ceremony took place in the People’s palace. Participants included members of government, domestic development partners (NGOs, civil society organizations), and foreign bilateral and multilateral development agencies.

Box 3.2. Activities for the execution of the I-PRSP and elaboration of the full PRSP, 2002–05

Set of activities	Period	Participants	Expected outcomes
1. Preparation of the terms of reference for the principal activities	January-June 2002	CTSRP, INS, IRES	Terms of reference are available
2. Preparation of procedures for the national and provincial technical committees (<i>CTSRP</i>)	January-February 2002	Members of the CTSRP and Ministry of Planning	The procedures have been drawn up
3. Installation of the central and provincial <i>CTSRP</i>	January-February 2002	Ministry of Planning, national NGOs, private sector, government agencies, etc.	Technical committees are operating in the provinces
4. Institutionalization of the partnership and National Poverty Reduction Charter	January 2002-June 2003	Ministry of Planning, Community Dynamics, and the private sector	The partnership is governed by a national charter
5. Capacity building: macroeconomic forecasting, contribution to sector strategies, CTSRP, focal points, equipment, training, conclusive initiatives, creation of a database (coordination tool) on activities related to the fight against poverty in the country	June 2002-November 2005	Members of the Technical Committees, Community Dynamics	Members trained, technical committees equipped, and tried-out initiatives supported.
6. Surveys and studies: basic and detailed designs, community dynamics, PRSP review, indicators	May 2002-December 2004	Technical Committee, INS, IRES	Survey completed
7. Conferences and meetings of PRSP entities: all levels and local poverty-reduction charter	February 2002-September 2003	Members of the CTSRP	The entities are functioning properly
8. Support for community dynamics: tried-out initiatives	January 2002-December 2005	Ministry of Planning, Technical Committee,	Tried-out initiatives have been identified and supported
9. Monitoring and evaluation of I-PRSP: peace, governance, stabilization and growth, community dynamics	February 2001-December 2003	CTSRP	Monitoring and evaluation report available
10. Preparation and execution of participatory consultation and preparation of full PRSP	October 2002-November 2003	Members of the national and provincial technical committees	PRSP drawn up
11. Drawing up and validation of the full PRSP	January-April 2005	CTSRP, Ministry of Planning	PRSP available and sent to partners

Note: This timetable is approximate and flexible. It may be altered in light of new circumstances and the availability of resources. The committees to be consulted will be structured in approximately the same way as those used for the test consultation.

CHAPTER IV: STRATEGIES AND PRIORITY ACTIONS OF THE I-PRSP

4.1. Pillars and approximate time frame

87. The long-term overall objective of the PRSP is to improve the standard of living of the population. Achieving this goal requires going through a set of intermediate stages that depend, in scope and contents, on the challenges to be taken up and the time needed to meet them. Given the government's political commitment to take up those challenges and based on the findings of the participatory consultations, the intermediate strategies that could allow the DRC to achieve its stated objective are based on three mainstays or pillars, namely:

- Peace and good governance;
- Stabilization and pro-poor growth; and
- Community dynamics.

88. It is worth drawing attention to the rationale behind the community dynamics pillar, which is an original feature peculiar to the I-PRSP. It underscores the important part played by local communities in the daily life of the population, and above all in activities designed to withstand the effects of the crisis of the State. To understand the importance of this pillar, it has to be set in its particular institutional context.

89. Faced with the decline in State-provided services and the exacerbation of poverty that ensued, local communities have devised survival mechanisms in all aspects of life (including agriculture, nutrition, human rights, health, education, and transportation). To ensure that these organizations take part in efforts to combat poverty, the I-PRSP proposes treating them as a key component of the national partnership system. The essential elements of this component should be identified, classified, and evaluated (see Box 4.4 below for some criteria). Subsequently, it will be necessary to implement a national and local capacity-building mechanism to disseminate these essential elements among communities undertaking other initiatives (Pillar 3, Axes 1-3).

90. Box 4.1 contains a few indications regarding the—frequently simultaneous—phases for implementation of PRSP strategies. For the moment, it is best to limit these to broad outlines; the details of each phase will be worked out during the process of drawing up the full PRSP. Outcomes of the planning processes currently under way in the government and among partners in the international community will be used to help specify some of the strategic actions envisaged.

4.1.1. The 2000-02 period

91. The first phase of the PRSP is already under way and covers the 2000-02 period. With assistance from the international community, the government is attempting to focus first on achieving peace and good governance, while also addressing the rehabilitation and stabilization of the macroeconomic environment. The latter has already borne fruit in

the form of results that need to be consolidated if the country is to commit itself resolutely to achieving the peace and good governance needed—given the sheer size of the tasks ahead, until 2005 at the least.

4.1.2. The 2002-05 period

92. This period bridges the gap between stabilization and the relaunching of pro-poor and sustainable growth that benefits the poor. The intermediate objectives **correspond with the implementation of certain priority actions of the I-PRSP**. These actions aim at mitigating the effects of the crisis and the war on the standard of living of the poorer segments of the population (especially vulnerable groups: children, women, victims of disasters, the unemployed- and under-employed, the homeless, etc.) and of the victims of war. The rehabilitation of economic and social infrastructure and of human capital, and bolstering the capacity for good governance at every level (central, middle, and grassroots) constitute the priority spheres of action in this category.

The process of drawing up the full PRSP will begin during this period, to pave the way for economic recovery.

4.1.3. The 2005-10 period

93. Finally, in the middle and long term (from 2005) the PRSP strategies are designed to bring about the recovery of the national economy and set it on a path of sustainable, strong pro-poor growth. The objective will be to put all Congolese citizens on the path of robust, just, and equitable growth. The success of this phase will depend on the country's ability to raise fresh capital by opening up its economy to the outside world and on the effort it makes to generate domestic savings.

4.2. Some government programs

94. The government is committed to undertake, with the support of the international community, a number of actions in each of the fields covered by the three pillars of this document, which will be reinforced in the full PRSP. In the field, these actions are carried out either by government bodies (ministerial departments), or by NGOs, or by staff of bilateral or multilateral cooperation partners (Box. 4.2.). They are supplemented by activities under the Enhanced Interim Program (EIP), monitored by the IMF, and the Emergency Multisector Rehabilitation and Reconstruction Project agreed upon with World Bank staff. The European Union has recently resumed cooperation geared principally to poverty reduction (see Box 4.2.).

95. The strategies put forward in the PRSP are consistent with these government efforts and aim at ensuring that they are coherent and well-coordinated. The PRSP links past and future activities geared at the development of a poverty reduction strategy in which the whole population and all the country's partners participate. Thus, it proposes institutional and good governance provisions to harmonize these national poverty reduction efforts. Box 4.1 below indicates the broad outline of strategic actions that will be refined as the full PRSP is drawn up.

Box 4.1. Temporary time frame for the strategic axis to reduce poverty in the DRC

Pillars	Axis	2000	2001	2002	2003	2004	2005
1. Peace and governance							
	1.1. Domestic Peace		xxxxxx	xxxxxx	xxxxx	xxxxx	xxxxx
	1.2. Victims of conflicts		xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
	1.3. Stable borders			xxxxxx	xxxxxx	xxxxx	xxxxx
	1.4. Governance		xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
2. Stabilization and growth							
	2.1. Stabilization		xxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
	2.2. Macroeconomic framework		xxx	xxxxxx	xxxxxx	xxxxx	xxxxx
	2.3. Growth			xxxxx	xxxxxx	xxxxxx	xxxxxx
	2.4. Employment				xxxxxx	xxxxxx	xxxxxx
	2.5. Infrastructure			xxxxxx	xxxxx	xxxxxx	xxxxxx
	2.6. Productive sectors		xxxxxx	xxxxxx	xxxxx	xxxxx	xxxxx
	2.7. Living standards		xxxxx	xxxxx	xxxxxx	xxxxxx	xxxxx
	2.8. Victims			xxxxx	xxxxxx	xxxxxx	xxxxxx
	2.9. Cooperation		xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
3. Community development							
	3.1. Grassroots framework and reinforcement			xxxx	xxxxxx		
	3.2. Federated framework and reinforcement				xxx	xxxxxx	xxxxx
	3.3. Support mechanism and reinforcement			xxx	xxxxxx		
	3.4. Sustainable development and reinforcement					xxx	xxxxx

Box 4.2. Some poverty reduction programs currently under way in the DRC (OLD)

N°	Programs	Level	Institutions in charge
1.	<i>Peace and governance</i>		
1.1	Reintegration of persons displaced by war	National	Min. of Human Rights, BUNADER
1.2	Demobilization and reintegration of child soldiers	National	National Children's Council and NGO
1.3	Prisoner training program	National	Min. of Justice, BUNADER
1.4	Street children training program	National	Min. of Social Affaires, National Children's Council, BUNADER
1.5	Distribution of motorbikes and bikes to government service employees	Bas-Congo/National	Min. Agriculture
2.	<i>Health</i>		
2.1	National Program to combat AIDS	National	Min. of Health, WHO/UN-AIDS, NGOs
2.2	National Public Health Program	National	Min. of Health, WHO/UNFPA, NGOs
3.	<i>Education</i>		
3.1	Community capacity-building program	Bas-Congo/National Bandundu/National	Min. of Planning & Recreation, Min. of Social Affaires, UNDP, NGOs
3.2	Literacy campaign, remedial education and vocational training	National	Min. of Social Affaires, UNESCO, NGOs, Churches
4.	<i>Socio-economic and road infrastructure</i>		
4.1	Rehabilitation of farm access roads	National	NGOs
4.2	Erosion control works	National	NGOs
5.	<i>Water and electricity</i>		
5.1	Purchase of 8 transformers to support SNEL activities	Kasaï-Oriental/National and Occidental/National Katanga/National	NGOs
5.2	Installation of public faucets	Bas-Congo/National	NGOs/Churches
6.	<i>Diet, nutrition, agriculture and livestock farming</i>		
6.1	Support for agriculture and livestock farming	National	Min. of Agriculture, Min. of Health/FAO, NGOs, Churches
6.2	Support for research centers (INERA and seed farm)	National	Min. Health, FAO
6.3	Program to combat malnutrition	National Bas-Congo/National	Min. Social Affaires, UNDP, NGOs
7.	<i>Women and the family</i>		
7.1	Support for the National Program for the Advancement of Congolese Women 2001-2002	National	Min. of Planification & Reconstruction, Min. of Social Affaires, World Bank, IMF, UNDP, NGOs
7.2	Microcredit program	National	Min. of Social Affaires and NGOs
7.3	Appropriate technology for the food processing industry	National	

4.3. Pillar I: Peace and good governance

96. The peace and good governance pillar comprises four priority axes, namely: (i) restoration and consolidation of internal peace; (ii) care for the victims of the conflicts; (iii) stability on Congo's borders and promotion of good-neighbor relations; and (iv) active participation of communities, through good governance, in the design, execution, and auditing of decisions.

4.3.1. Axis 1. Restore and consolidate internal peace

97. No sustainable growth or development is possible without peace and respect for human rights and fundamental freedoms. Restoring and consolidating peace is thus the core axis in that it affects the medium- and long-term performance of the other I-PRSP axis. The government has established ongoing peace and peacekeeping as prerequisites for the success of its poverty-reduction strategy and the commencement of sustainable development. Within that perspective, it has committed itself unwaveringly to the process of peacefully resolving the conflicts that have sapped the country's strength for nearly five years.

98. To achieve lasting peace, the government has already committed itself to undertaking specific steps between 2002 and 2005. These consist of:

- (i) Organizing reconciliation days between warring communities and the signing of a **National Reconciliation Pact**;
- (ii) Reuniting families, above all by bringing back children and other people displaced by the fighting;
- (iii) Participating in partnerships geared to peace and dialogue as a means to restore inter-ethnic trust;
- (iv) Continuing the demobilization and reintegration of child soldiers;
- (v) Introducing democracy in the political and social systems as a new spur to economic takeoff;
- (vi) Involving the media in the pursuit of a culture of peace and tolerance; and
- (vii) Involving traditional authorities in efforts to advance peaceful coexistence among communities.

4.3.2. Axis 2. Address the needs of the victims of the fighting

99. The situation of conflict, which has been going on for four years, is having grave repercussions: heavy loss of life, massive displacement of the population, widespread material destruction, deteriorating infrastructure, and disruption of socio-economic circuits.

100. The ensuing humanitarian disasters have plunged much of the population into dire poverty and destitution, requiring urgent remedies. The government has responded by taking two types of demobilization and reintegration measures (Decree Law N° 0066 of June 9, 2000). To address this poverty exacerbated by conflicts and the war of aggression, the government plans to launch a post-conflict reconstruction and economic recovery program, as an essential accompaniment to the peace process.

101. The demobilization component comprises the following steps:

- Disarming the demobilized combatants;
- Storing and destruction of arms;
- Organizing focus group sessions, and individual interviews to offer guidance to vulnerable people: demobilized soldiers, the aged, widows, and orphans;
- Purchasing clothes for the victims of disasters; and
- Relocating demobilized combatants, displaced persons, and refugees by transporting and reintegrating them in settlements with social protection.

Box 4.3. Demobilization and Reintegration Program (DRP)

The Demobilization and Reintegration Program (DRP) comprises three phases:

Phase I runs from the beginning of September 2001 until end-February 2002. This is the experimental phase of the program, known as IDRPG VG, in which pilot projects are carried out involving 3,000 persons in vulnerable groups, of which 1,500 are non-combatants.

Phase II will start at the beginning of April 2002, following evaluation of IDRPG VG. Strengthened by the experience acquired and lessons drawn from Phase I, Phase II will address a large number of VG in the Congolese Armed Forces (FAC), comprising 30,000 individuals (8,000 child soldiers and 22,000 others: combatants to be demobilized, and the widows and orphans of combatants). Phase II will last three years.

Phase III will focus on the demobilization of combatants, as well as the combatants' widows and orphans, and will start once the dialogue among the different Congolese factions reaches a satisfactory conclusion. It will comprise not only combatants of the FAC but also those of the armies of the *RCD*, the *MLC*, and other armed groups in the country. At this stage, the program will be referred to simply as the DRPG of the DRC. It could handle up to 100,000 persons, whether vulnerable or not, who are to be demobilized and helped to reintegrate into civilian life. Phase III will also last three years. However, should peace be restored in the DRC before the end of Phase II, Phase III will be finalized quickly on the basis of the data and experience accumulated, and launched as soon as possible.

Source: Ministry of Human Rights/Ministry of Defense: WB-ILO

102. As regards reintegration, economic recovery, and post-conflict reconstruction, the following actions have already been envisaged:

- Psychological rehabilitation;
- Vocational training in agriculture, livestock farming, and other trades;
- Training in running micro-enterprises;
- Integration in community dynamics;

- Rehabilitation of infrastructure;
- Strengthening of health district capacities;
- Housing rehabilitation and construction; and
- Resumption of economic growth through rehabilitation of basic infrastructure (transport, communication, energy, rural and urban roads, rail and waterways network, etc.)

4.3.3. Axis 3. Guarantee stability on the borders and promote neighborly relations

103. The actions envisaged for this area are:

- (i) Getting the international community to convene intra-community dialogue in all bordering countries involved in the conflict in the DRC. This would help prevent conflicts; and
- (ii) Strengthening good relations with neighboring countries and the international community, especially by organizing a conference on peace and stability in the countries of the Great Lakes region, under the auspices of the United Nations.

4.3.4. Axis 4. Ensure good governance

104. Promoting participation of the population in decisions affecting them is a fundamental principle of poverty-reduction strategies. Through this participation, poor communities can influence overall policy, budget priorities, and government programs. To be sustainable, participation has to be institutionalized. This, in turn, requires that the following steps be taken with respect to political, administrative, and judicial governance.

4.3.4.1 Political governance

105. As part of the Lusaka agreements, the government anticipates taking the following steps:

- Conducting an inter-Congolese dialogue and implementing its resolutions;
- Holding free and democratic elections at every level;
- Power sharing in order to ensure representation and social stability;
- Preparing and enacting a constitution guaranteeing fundamental rights and freedoms;
- Promoting the moralization and sensitization of leaders to instill national values (*valeurs républicaines*) that defend the vital interests of the population; and
- Promote the virtues of democratic management of the national wealth (*patrimoine national*).

4.3.4.2. Administrative and judicial governance

106. The main objectives will be institution-building and administrative and territorial decentralization, to be achieved through:

- (i) Enhancement of the skills of those in high office through (re)training;
- (ii) Establishment of a hands-on administration with more direct contact between local authorities and their constituents and more emphasis on sustainable human development;
- (iii) Introduction of a mechanism for managing and distributing decentralized financial resources: central government and provinces on the one hand, and provinces and local governments on the other;
- (iv) Regulation, by law, of the activities of religious groups;²⁴
- (v) Cutting the red tape involved in producing official documents, paying old-age pensions, subsistence allowances, and alimony, etc., allowing beneficiaries to live decently. This will help to bring public administration into closer contact with its constituents and the poor;
- (vi) Implementation of a system of allowances for destitute, illiterate, disabled, or elderly people;
- (vii) Reform of the judicial system;²⁵
- (viii) Professionalization of members of the security forces through (re)training;
- (ix) Strengthening of the system to provide free legal assistance to allow everyone, and especially the poor, access to legal services;
- (x) Promulgation of a national law against corruption, fraud, and predatory behavior; and
- (xi) Creation of an academy to train senior public administration officials.

4.4. Pillar II. Macroeconomic stabilization, rehabilitation, and pro-poor growth

107. The economic situation has continued to deteriorate over the past four years (1997-2000), with GDP declining during that period by an average of 5.5 percent per year. No sector of the economy has been spared, which has prompted distortions in markets for goods and services fueled by a combination of imbalances between supply and demand and interventionist policies justified by the state of war.

²⁴ Religious sects have become a true social danger, as they involve people in obscure practices that destroy family life and create social instability. Their activities inhibit the development of productive activities and economic growth.

²⁵ In this context, some efforts have already been made, especially the program with the Belgian development cooperation, which targets the reform of the judiciary system.

108. Based on trends observed during the first six months of the year, the growth rate projected by December 2001 was -4.3 percent, following a 6.2 percent fall in GDP in 2000. This poor performance is essentially due to difficulties in obtaining inputs, the run-down state of the productive apparatus, and the effects of the war of aggression.

109. The rate of gross investment fell to 4.5 percent in 2000, that is one-fifth of the average for African countries.²⁶ As for monetary indicators, money supply grew sharply as a result of the increase in credit to the government by 51.9 percent, 157.8 percent, 363.3 percent, and 533.2 percent, at end-1997, 1998, 1999, and 2000, respectively. These developments kept inflation at high levels through May 2001. Thanks to efforts made by the Central Bank of the Congo under the Enhanced Interim Program monitored by the IMF, which runs from June 2001 to March 2002, the growth of the money supply was limited to 75.6 percent between December 2000 and October 2001. As a result of this policy, the pace of inflation slowed. Inflation averaged 0.74 percent between June and December 2001, compared with 18 percent for the first five months of 2001. The annual rate of inflation, calculated at end-2001 on the basis of the Central Bank's price index, was estimated at 135.1 percent, compared with 511.2 percent in 2000.

110. In recent years, government revenue has remained weak while expenditure has grown, due in large part to the lack of adequate controls, the proliferation of off-budget transactions, and the decentralized authorization of payments. Over half of all expenditure was military or defense related. Government revenue was equivalent to 4.7 percent of GDP while government expenditure amounted to 6.3 percent of GDP. Being unable to borrow abroad, the government was forced to borrow exclusively from the national banking system to the detriment of the private sector, whose share in domestic credit was restricted on average to 17.4 percent.

111. The balance of payments situation has not improved. On the contrary, there is a large deficit and debt-servicing obligations are in excess of 800 percent of exports.

112. Thus, only sustained economic growth can eradicate poverty. To encourage such growth, the government is setting itself targets aimed at stabilizing the macroeconomic situation and liberalizing the economy, rehabilitating infrastructure, and reviving the productive sectors. Thus, with increased household revenue due to economic growth the savings rate would recover (aided by a prudent budget policy). This would allow the banking system to finance private sector investment.

4.4.1. Axis 1. Stabilize and rehabilitate the macroeconomic environment

113. The main objective of the program is to stem the macroeconomic deterioration by curbing inflation, returning to normal budget procedures, and liberalizing the economy. To achieve these objectives, the government has chosen to apply the EIP; inflation will be reduced from its current level of 135.1 percent at end-2001 to 12.7 percent in 2002. The EIP, which is to be followed by a medium-term program, should result in lower rates

²⁶ As of today, it is difficult to measure net investment. An attempt will be made in the context of the full PRSP.

of inflation of 8 percent in 2003 and 5 percent in 2004. To bring this about, the government is committed to curbing monetary financing of the public sector deficit. The exchange rate at end-December 2001 was US\$1 = CGF 311.5, compared with US\$1 = CGF 313.5 at end-May 2001, when a unified rate was introduced, indicating that the Congolese franc is relatively stable.

Specific measures can be summarized as follows (see also Box 1.2 above):

- Maintain a centralized payment authorization system;
- Centralize all fiscal and nonfiscal revenue in the central bank;
- Set monthly targets for revenue-generating offices;
- Sign performance contracts with public enterprises to increase their share in the government budget;
- Eliminate authorizations for pre-allocation of certain state revenues;
- Strengthen controls on the use of fiscal stamps;
- Computerize revenue collection procedures;
- Create a large taxpayers unit;
- Eliminate multiple taxes in the provinces and at the country's border posts;
- Improve allocation and transparent handling of budget resources, which entails observing all classic phases of budget execution; and
- Establish a monthly cash flow plan, with expenditure dependent on the availability of resources (cash basis execution).

114. Execution of the EIP since June 2001 has helped improve public financial management, reduce the deficit to CGF 515.0 million, compared to the CGF 3,234 million contemplated in the cash flow forecast. This has brought considerable stability to the macroeconomic environment. In the context of the ongoing decentralization, an effort will be made to improve, through workshops, the quality of the public expenditure and procedures of budgetary programming of the provincial and local entities.

4.4.2. Axis 2. Use of a realistic macroeconomic framework

115. In addition to the government's economic scenario, the technical committee of the PRSP is examining an alternative macroeconomic scenario with working hypotheses based on developments in economic fundamentals. This experimental framework is considered as being closer to reality inasmuch as growth and price stability objectives take into account the ability of the national economy to make the required adjustments. This scheme makes it possible to calculate the volume of foreign financing and domestic credit needed to meet the growth and domestic stability targets. In its current version, the framework entails steering the economy through four successive stages in the 2002-10 period.

116. Each phase aims at macroeconomic stability and links a rate of growth to an associated rate of inflation. The economy can only enter the phase corresponding to growth rates capable of rapidly reducing monetary poverty toward the end of the period (as of 2009). In other words, the DRC will not be able to achieve the international goal of

reducing poverty by half by 2010, given the current and historical structural constraints on the economy.

117. If the DRC accepts the more modest objectives, reducing the incidence of poverty from today's 80 percent to 60 percent and assuming that population growth will continue at an annual average of 3.4 percent, the average annual rate of growth of GDP would have to be 8.1 percent. Given the constraints identified in this document, even this realistic rate will be difficult to reach in the short to medium term.

118. Using the framework adopted in the SMP and assuming a more moderate growth rate in 2002 (3.1 percent) and a stronger rate of growth in 2010 (7.0 percent), annual inflation will fall from 65 percent to 5 percent. Based on the same assumptions, absolute (financial) poverty indicators would go from US\$72.3 per capita in 2001 to US\$93.4 per capita in 2010 for GDP and from US\$65 per capita to US\$56.03 per capita in 2010, for consumption. In other words, realistic projections suggest that the DRC cannot meet international goals with respect to absolute poverty reduction by 2015. What the country can, in fact, manage will be estimated in the full PRSP.

4.4.3. Axis 3. Promote savings and investment for pro-poor growth

119. Promotion of the private productive sector is the foundation of the government's growth strategy. To achieve this objective, the following steps will have to be taken:

- Enactment of a legal framework promoting and protecting private investment;
- Introduction of incentives for private savings;
- Creation of local savings and credit operations to support grassroots producers, especially by breathing new life into CADECO and its branches and promoting savings and loan cooperatives;
- Broadening of the tax base and improving tax administration; and
- Execution and strict observance of procedures governing government expenditure commitments.

4.4.4. Axis 4. Promote employment

120. Unemployment has become a pressing issue as the DRC has experienced economic crisis and armed conflicts. To remedy this situation, the government has made job creation and sustainable income generation a short- and medium-term objective. In addition to the programs aimed at restoring peace, stabilization, and economic recovery, which should, among other things, attract productive investment and generate jobs, the following steps are to be taken:

- (i) Creation of a favorable environment for private sector activity by establishing regular consultations between the government and the Congolese Entrepreneurs Federation (FEC);
- (ii) Human resource development, through appropriate training tailored to the needs of the population (Ministry of Education);

- (iii) Employment promotion and protection (Ministry of Labor and Social Welfare, and the Social Security Institute (INSS));
- (iv) Support for employment-generating private initiatives (government, FEC, private enterprises, community dynamics);
- (v) Mobilization of human resources for community and labor-intensive projects (grassroots organizations); and
- (vi) Establishment and application of a realistic wage policy (government, FEC, trade unions).

4.4.5. Axis 5. Rehabilitate and rebuild infrastructure

121. Infrastructure is a core factor in (i) facilitating trade between provinces; (ii) lowering production costs; and (iii) strengthening competitiveness among the different provinces in the country. Rehabilitating and reconstructing infrastructure is therefore an important part of restoring sustained and lasting growth.

122. The rehabilitation and reconstruction of basic infrastructure is a long-term process. The government must make it a priority in the short, medium, and long term. In the short term, the emphasis should be on simplifying contracting mechanisms. The medium-and long-term actions will depend on the targeted sector. The priority steps to be taken are summarized below.

4.4.5.1. National highways, agricultural feeder roads, railways, waterways, and airways

123. The road and rail network in the DRC, given the size of the country, is very limited and in very poor shape. Provinces are cut off from one another. Produce rots at the farm and that which does reach consumers does so at almost unaffordable prices mainly because of transportation costs. In this area, the government has made some important decisions:

- (i) Rehabilitation of highways, rural feeder roads, and urban roads and railways;
- (ii) Adoption of a road management plan and alleviation of urban transportation problems;
- (iii) Restoration of the road repair system;
- (iv) Construction of new bridges and roads, and completion of repairs at times when there is little traffic;
- (v) Implementation of an appropriate road infrastructure policy;
- (vi) Construction of gutter and drainage systems;

- (vii) Rehabilitation and modernization of the railways;
- (viii) Maintenance and increased safety of waterways;
- (ix) Modernization of the ports and regular dredging of national maritime channels;
- (x) Incentives for airlines operating in the DRC to provide service to towns and provinces all across the country; and
- (xi) Maintenance of existing runways.

4.4.5.2 Safe drinking water

124. Raising the proportion of the population with access to safe water will require that the government take the following steps:

- (i) Preparation by the national water company (REGIDESO) of a top-priority well-drilling and water-conveyance program for settlements not served by existing networks so as to meet the goal of one well per 500 households;
- (ii) Rehabilitation of the National Rural Waterworks Service (*SNHR*) and its transformation into a semi-public entity dedicated to drilling wells in rural areas; and
- (iii) Drawing up of programs for rehabilitating existing waterworks and networks in order to improve service.

4.4.5.3. Electricity

125. The following steps appear to be urgently required in this field:

- (i) Tapping high-tension lines to supply power to towns and villages located alongside the Inga-Shaba transmission lines;
- (ii) Improvement of the transmission (pylons and cables) and distribution network carrying electricity from Inga to centers of consumption; and
- (iii) Installation of hydroelectric generators in the principal rivers and establishing a network connecting these plants.

4.4.6. Axis 6. Promote productive sectors and exports

126. Within the framework of the poverty-reduction strategies, the government has opted to play a regulatory role. It will encourage and support private initiative in sectors that bring growth: agriculture, livestock, fishing, mining, industry, and commerce. With that in mind, the following actions are contemplated for 2002-05:

- (i) Implementation of good working arrangements between the government and the private sector;
- (ii) Revision of incentives for the domestic private sector, and, specifically, revision of the mining code, the investment code, and tax and customs systems;
- (iii) Physical and legal security for investments; and
- (iv) Creation of a framework of employment-generation incentives.

4.4.7. Axis 7. Rehabilitate and rebuild the socio economic framework of poor communities

127. To make growth serve the poor, specific steps need to be taken in the following sectors: agriculture and food, education, health, and cleaning up of the environment. These actions are designed to raise the standard of living in general and incomes in particular. Similar to rehabilitating and reconstructing the basic physical infrastructure, rehabilitation and reconstruction of the socio-economic infrastructure of the poor requires strong efforts. These efforts will take considerable time and human and financial resources. An effort to establish a prioritization needs to be undertaken and will have to be continued during the preparation of the full PRSP. In the short term, a simplification of contracting and institutional mechanisms should be given priority. Some of these actions are described below:

4.4.7.1 Agriculture, livestock farming, and fishing

128. In this sector, a preliminary evaluation is required before considering the following steps:

- (i) Supporting the professional organizations of farmers, cattle breeders, and fishermen, with a view to encouraging participation, “ownership,” and lasting development;
- (ii) Developing savings banks and local financial services (micro credit) tailored to the specific needs of rural activities;
- (iii) Supporting the setting up of production units for agricultural inputs;
- (iv) Promoting extensive family-run fish farms;
- (v) Capacity-building of farmers, cattle breeders, and fishermen through training;
- (vi) Promoting women’s access to land, credit, agricultural inputs, and training;

- (vii) Bringing the land law into line with customary use, particularly as regards the poor, with a view to facilitate their purchasing of assets and other factors of production;
- (viii) Promoting producer support services, including artisanal enterprises;
- (ix) Raising agricultural productivity and food security by improving storage capacity and mechanisms for getting farm produce to local, urban, and border markets; and
- (x) Reviving the activities of agricultural research centers;

129. The government will also be involved in rehabilitating national and provincial infrastructure that provides support for farming, cattle breeding, and fishing. It will promote income- and employment-generating activities, as well as other basic services such as rural radio broadcasting and postal services.

4.4.7.2. Education and human resource development

130. In this area, the overall objective is to ensure that the children of the poor have access to education. The existence of three education systems, the public system, the private system and the community dynamic system, poses complex problems. Each of these systems responds to its own needs. The development of a national strategy must take this reality into account and will be closely monitored during the full PRSP elaboration. In any event, the objective of the strategy should focus on the quality of teaching and professionalization. In the meantime, the government will be taking steps to promote access to education through:

- (i) Allocating at least 10 percent of the government budget to education;
- (ii) Extending primary education to all young people, with a view to eventually provide it free of charge;
- (iii) Rehabilitating infrastructure and equipment in schools, centers of higher education, and universities;
- (iv) Establishing vocational training;
- (v) Promoting technical, vocational, and scientific skills to ensure adequacy of education with employment and development;
- (vi) Rehabilitating professional training and extension institutes; and
- (vii) Enhancing the prestige of the teaching profession: ongoing education, capacity building and retraining, and upgrading of work and living conditions.

4.4.7.3 Health

131. As in education, there are three existing health systems (public, private for profit, and community dynamic); they present the same complexity and deserve the same attention.

132. The overall objective in this field is to enable the poor to have access to primary health care. The government is committed to increasing access to quality health care from 37 percent to 45 percent between now and 2005, and to improving the quality of that care. To reach that goal, it intends to take the following steps:

- (i) Allocate at least 15 percent of the national budget to the health sector;
- (ii) Rehabilitate the health districts, above all in rural areas;
- (iii) Bolster national and local capacity to combat diseases;
- (iv) Strengthen the integrated disease surveillance system so as to improve management of endemic diseases and epidemics;
- (v) Provide regular supplies of essential medicine and other material needed to combat disease;
- (vi) Give preferential treatment to imports of essential medicine, material, and other medical supplies needed to handle the above-mentioned diseases;
- (vii) Upgrade the system of medicare cards for the destitute;
- (viii) Support operational health research; and
- (ix) Impose strict controls over the import and sale of pharmaceutical products.

133. Regarding HIV/AIDS and other sexually transmitted diseases, the government expects to take the following steps:

- (i) Increase awareness of the population in general and high-risk groups in particular, regarding HIV/AIDS and other STD epidemics;
- (ii) Sensitize high-risk groups to the need for responsible sexual behavior;
- (iii) Involve political decision-makers, leaders shaping public opinion, heads of companies, traditional and religious leaders and local communities in mobilizing and administering local resources capable of bringing about changes in behavior;
- (iv) Promote social marketing of condoms;
- (v) Strengthen national and international partnerships, as well as coordination of sector strategies in the fight against HIV/AIDS and poverty;

- (vi) Supply Health Centers and General Referral Hospitals with anti-retroviral medicines, HIV tests, condoms, and other inputs needed to deal with the disease. Special attention will be paid to the use of generic medicines and tri therapy;
 - (vii) Rehabilitate the National Medical-Social Fund (FONAMES) to assist those suffering from endemic diseases and orphans resulting from them.
134. The following actions will be taken to fight tuberculosis:
- Mounting awareness campaigns; and
 - Supplying health centers with tuberculo-statics, laboratory reagents, and other diagnostic materials.
135. To combat malaria, the following actions will be undertaken:
- Guarantee supplies of anti-malarial medicines (quinine Phamakina);
 - Promote the use of insecticide-treated mosquito-nets;
 - Bolster efforts to combat disease-carrying insects (vectors); and
 - Boost awareness campaigns regarding malaria.
136. In the reproductive health area, the following steps are contemplated:
- (i) Establishing centers to handle the reproductive health problems of young people and adolescents;
 - (ii) Improving the quality of health care for the poor, especially primary health care and risk-free maternity/family planning;
 - (iii) Organizing compulsory pre-natal, post-natal, pre-school medical consultations, and vaccination for pregnant women, nursing mothers, and children from 0 to 5 years;
 - (iv) Supplying maternity wards, health centers, and “desirable births units” (UND) with gynecological, obstetric, and pediatric medicine, as well as contraceptive products;
 - (v) Bolstering maternity-referral clinics to deal with gynecological, obstetric, and neonatal emergencies;
 - (vi) Supporting the distribution of contraceptives at the community level (DBC); and
 - (vii) Intensifying reproductive health awareness campaigns.
137. With regard to vaccinations, the following actions are contemplated:
- Strengthening of the expanded routine vaccination program; and

- Strengthening of the Synchronized Vaccination Days program.

138. As regards malnutrition, steps are to be taken to reinforce food security.

4.4.7.4 Cleaning up and protecting the environment

139. Improving the living conditions of the poor is one of the government's priorities. It aims to provide safe water and electricity, access to latrines, and household garbage disposal systems and to improve the environment in rural and urban areas. Within this framework, the following specific actions are scheduled:

- Improve management of the water and electricity companies (REGIDESO and SNEL), particularly by allowing private sector participation in their equity and management;
- Launch rural electrification and telecommunications programs;
- Test low-cost housing construction programs; and
- Promote the search for low-cost local construction materials.

140. With respect to the environment and the ecosystem, the authorities are aware that fauna and flora are being systematically destroyed and that there are numerous areas of erosion throughout the country, particularly in Kinshasa and the two Kasai provinces. Throughout the country, there is organized and systematic plundering of natural resources, flaunting both national and international standards for nature protection and conservation. In urban areas, numerous quarters have become unfit to live in and a source of all kinds of epidemics.

141. Within the current framework, the government's commitment to reduce poverty will focus in particular on the following specific options:

- Implementing rational and sustainable management of efforts to clean up the environment;
- Combating erosion;
- Updating the list of tree species and promoting the use of nonwood forest products; and
- Capitalizing the exploitation of forest species.

142. Along these lines, the government intends to take the following urgent steps to improve the living conditions of the poor:

- Establish public waste and garbage disposal services;
- Clean the gutters and rivers running through towns and villages;
- Promote private investment in forestry;
- Rehabilitate the Sanitation Service and create a sanitation police force; and
- Conduct sensitization and awareness campaigns for the general population on hygiene, household waste disposal, and river pollution.

4.4.8. Axis 8. Look after the victims of natural disasters

143. The following steps will be taken specifically to deal with erosion and landslides in urban areas:

- Involvement of grassroots communities in an effort to combat erosion;
- Development of new settlements for poor persons threatened by erosion, land slides, and flooding;
- Regular distribution of humanitarian aid to the victims of natural disasters;
- Rehabilitation of infrastructure, environmental sanitation, and water disposal; and
- Implementation of a national disaster prevention policy.

4.4.9. Axis 9. Promote bilateral and multilateral cooperation

144. International cooperation is a crucial factor in the poverty reduction strategy. For over a decade now, the DRC has been blacklisted by the international community and cannot tap the opportunities provided by that community to deal with its increasingly intolerable poverty. Bilateral and multilateral aid flows have been falling constantly and the same applies to private and public investment. Although it is subject to flagrant aggression, the country has enormous difficulty making itself heard in the concert of nations. To escape from this isolation, the government has clearly indicated its readiness to:

- Regularize its relations with the international community by undertaking to negotiate an equitable solution to its foreign debt problem;
- Work out a stabilization program with the Bretton Woods institutions; and
- Abide by the rules of international law.

145. To consolidate an opening up to the international community, the government has, with the agreement of representatives of development partners accredited in Kinshasa, set up an institutional framework for consensus building and harmonization of development and poverty reduction policies in the DRC, known as the Coordination Committee of Development Partners for the PRSP. This arrangement aims to ensure monitoring and evaluation of poverty reduction policies and the mobilization and allocation of PRSP resources. The functional aspects of this arrangement will be formalized by the ministry responsible for coordinating government strategies related to development and poverty reduction.

146. At the regional level, the DRC undertakes, with the support of the Common Market for Eastern and Southern Africa (COMESA) and the South Africa Development Community (SADC), to negotiate the financing of its integration projects (the Inga dam, Maluku steelworks, etc.) with a view to relaunching its industrial activities.

4.5. Pillar III: Community dynamics

147. The strategy to support Community Dynamics entails, in the short term, three main axes, namely: (i) enhancement and consolidation of the institutional framework and of grassroots governance (**Community Charter**); (ii) creation of a federated framework

for mobilizing community dynamics; and (iii) implementation of a national mechanism (**National Charter**) to ensure well-coordinated support for community dynamics. In the medium and long term, a fourth axis is geared to creating the conditions for sustainable and equitable growth in the spirit of sustainable human development. The key to these strategies is that they will be applied by the communities themselves, with a minimum of interference from government or other development partners. The extent to which these partners intervene will depend on each community's ability to prove its organizational skills and its ability to raise internal and external human, financial, and material resources. This strategy recognizes the efforts made by the communities and favors a participatory management process that at the same time avoids the red tape that was partly responsible for previous failures.

148. Based upon the needs of the population, the dynamic community support serves as a readjustment tool for inequities and disparities that exist between the rural and urban areas on the one hand, and between the richest and the poorest provinces on the other. In this context, the provinces that do not benefit from initiatives from the population will receive relatively larger support.

4.5.1. Axis 1. Enhance and consolidate the institutional framework and grassroots governance

149. This objective is a prerequisite for any activity that might be contemplated in this area because it maximizes the chances of success of all subsequent support. The actions envisaged below are geared to strengthening organizational skills and grassroots governance. They form part of a process, in which the principal stages are:

- (i) Identifying and classifying organizations and required skills (structures and forms of organization, mobilization of resources and autonomy, involvement of beneficiaries, degree of satisfaction, etc.);
- (ii) Identifying and assessing skills needs of local organizations;
- (iii) Establishing a network for skills supply and demand;
- (iv) Establishing a contractual framework (Community Poverty Reduction Charter) stipulating conditions of membership, the rights and obligations of each organization, and the network's basic tenets (participation, continuation, and versatility);
- (v) Disseminating successful experiences, as well as the contents of the Community Poverty Reduction Charter;
- (vi) Organizing training courses on the participatory process in diagnostic assessment, analysis, and drafting of poverty reduction strategies in local communities and the network;
- (vii) Evaluating mechanisms implemented by the communities themselves, with a view to determining poverty reduction priorities and strategies;

- (viii) Selecting priority activities and sectors, as well as the short-term form of intervention;
- (ix) Implementing the participatory support process; and
- (x) Implementing the follow up and evaluation of the participatory process.

150. In the short term, priority is being given to initiatives in income-generating sectors such as food and agriculture, functional literacy, and education, health, and environmental rehabilitation. The core idea is that the strategies will be conceived, applied, and monitored by the local initiatives themselves. Support will essentially target organizations with a track record of helping local communities and integrity.

4.5.2. Axis 2. Create a federated framework to trigger Community Dynamics

151. The second short-term objective is to facilitate the setting up of an institutional framework for mobilizing and spreading community dynamics. In light of lessons drawn from existing strategies, this will involve:

- (i) Dissemination of the poverty reduction strategies and their pillars in the provinces and in grassroots communities;
- (ii) Promotion of training and participation arrangements similar to “local sustainable human development committees” in the provinces and in local communities; and
- (iii) Organization of training workshops on the participation process, diagnostic assessment, analysis, and evaluation of poverty reduction strategies at the provincial and local levels, all within the functional community dynamics network.

4.5.3. Axis 3. Create a national support mechanism for Community Dynamics

152. The objective is to create, by 2004, a national, well-coordinated support mechanism for community dynamics that is compatible with macroeconomic poverty reduction strategies. It will spell out the rights and duties of the government and those of the community dynamics organizations. It will be based on a free, democratic, participatory, and responsible partnership. The steps to be taken are summarized as follows:

- (i) Evaluation and generalization of the network at the national level by gradually installing the experimental network at the intra- and interprovincial levels;
- (ii) Evaluation of the two I-PRSP pillars and of ways of harmonizing them;
- (iii) Organization of a national seminar to validate and carry out a midterm performance evaluation of the PRSP that will bring all the partners

together: the government, civil society, the private productive sector, grassroots communities, and foreign partners;

- (iv) Drafting of recommendations regarding the harmonized synergies;
- (v) Examination of ways to implement a National Poverty Reduction Charter through the joint efforts of the government, the private sector, and civil society. This activity will take place in the first quarter of 2003;
- (vi) A study of the possibilities of establishing a national observatory on poverty; and
- (vii) The eventual establishment of a poverty reduction fund (PRF) with management and funding terms tailored to the needs and financial capacities of grassroots communities. This will facilitate microcredit and microfinancing. Part of the HIPC Initiative funds could be placed in, and managed by, this specialized entity. Provisions regarding the structure and management of the PRF will be established in the National Poverty Reduction Charter.

4.5.4. Axis 4. Create at the grassroots level the conditions for equitable growth and sustainable development

153. In the medium and long term, the idea is to improve the standard of living of grassroots communities in areas and branches of activity that guarantee their subsistence and in which they have demonstrated promising skills. Over time, the strategies need to move from concern with subsistence to concern for equitable growth and sustainable human development. In each of these vital sectors, the government intends to support—without being directly engaged—the priority actions and sectors listed below:

4.5.4.1. Agriculture and livestock raising

154. The agricultural and livestock farming sector is the one that generates most income. It makes it possible for communities to (i) survive; (ii) educate their children; and (iii) have access to health care and other social services. This sector is characterized by very low productivity, mainly due to: (i) soil degradation; (ii) obsolete tools and a decline in the quality of the workforce; (iii) the difficulty of obtaining credit; and (iv) a shortage of seeds. The goal is to raise the level of productivity and the effectiveness of initiatives in order to guarantee self-sufficiency in food on the basis of equitable income distribution. In the long run, this sector has to generate a surplus to be exchanged for manufactured goods. To attain that goal, the following actions are contemplated:

- Achieve quasi-universal functional literacy at the grassroots community level;
- Provide on-site technical training for farmers;

- Strengthen the capacity to mobilize financial resources through the microcredit system on affordable terms (National Poverty Reduction Fund, NPRF);
- Provide training services for grassroots artisans' organizations (blacksmiths, carpenters);
- Develop human capital, apply new technology;
- Raise internal funds autonomously to complement external funding;
- Enhance effectiveness through a coherent and functional institutional framework for grassroots community organizations;
- Introduce farmers to the commercial aspects of their business and establish small, produce-processing enterprises;
- Rationalize the system for reproducing, storing, and distributing seeds; and
- Narrow the gaps in access to basic services between grassroots communities and those in the modern sectors, and between urban and rural areas.

Box 4.4. Some Criteria for Evaluating a Demonstrated Initiative

A well-established legal form of organization: association, cooperative, NGO, religious body, or other form.

Clear objectives and targets: well-defined and realistic objectives, well-specified targets.

Well-defined organizational structures: existence and proper structuring of executive and management bodies (assembly, executive secretariat, etc.).

Existence and use of management tools: statutes, reports, accounts, and auditing mechanisms.

Existence of a permanent headquarters: a known head office, devoted to poverty reduction strategy program activities.

Qualifications of the leaders and administrators of the organization: formal education, and previous experience.

Ways in which partners and beneficiaries are brought together and participate: in the conception, implementation, monitoring, and evaluation of activities and outcomes in relation to PRSP objectives and priorities.

Adequate effort made to finance initiatives and absence of corruption: with emphasis on self-financing, which measures internal capacity to raise funds and financial autonomy. No corruption or influence peddling.

Orthodox financial management: proper bookkeeping and financial management documentation, existence of audit and control documents.

Networking: partners at the local, provincial, national, and international cooperation levels.

Activities match PRSP priorities: with respect to the area and sector of intervention, the branch of activity, the intervention strategy, and SHD principles; there must also be emphasis on productive and income-generating activities.

Gender awareness: no discrimination against women, positive effort to advance women's roles in the bodies responsible for devising, implementing, evaluating, and monitoring.

The socio-economic status of members: access to education, health, safe water, proper nutrition, etc.

Capability and self-sufficiency: at the technical, managerial, and financial levels.

Democratic decision-making

Activities sustained over time

Replicability and replication

4.5.4.2. Infrastructure

155. This sector provides basic and indispensable support for grassroots communities' farming activities. Apart from the far-reaching activities contemplated in the government's multisector program, grassroots communities have to be involved in efforts to maintain and rehabilitate infrastructure. This entails above all:

- (i) Assembling and training local communities concerning the initiatives they themselves have set in motion in the use of elementary techniques for maintaining and rehabilitating feeder roads linking farms and communities to markets and other communities;
- (ii) Mobilizing and sensitizing communities regarding the need to maintain infrastructure and social services; and
- (iii) Creating infrastructure and basic services maintenance brigades in the communities, especially by using pupils and students in their time off and during vacations.

4.5.4.3. Grassroots education

156. There has been a sharp decline in the level of education. In grassroots communities, especially those in rural areas, the education system essentially produces functional illiterates. School and academic infrastructure and furnishings are practically nonexistent. Nevertheless, the communities attach considerable importance to children's education and devote a large part of agricultural income to it. Schools and institutes created on the basis of community initiatives are increasingly replacing State establishments that are no longer functional. With their collaboration and at their initiative, the government intends to support grassroots organizations by taking the following steps:

- Training communities in maintenance and rehabilitation of school infrastructure and furnishings;
- Supervising community initiatives in this area and providing access to low-cost school furnishings, particularly by adopting better-tailored fiscal and quasi-fiscal policies; and
- Guaranteeing teacher training for young people who want to become teachers.

4.5.4.4. Health

157. Mortality rates are among the highest in Central Africa, because of a broad decline in living standards and above all in health infrastructure and health care. The communities have developed workable initiatives in the health sector, which the government intends to support with the following activities:

- Reviving local development and health care committees;

- Mobilizing and training grassroots communities in maintenance and rehabilitation of health care establishments and infrastructure;
- Rehabilitating traditional medicine and providing scientific and professional training for practitioners of traditional medicine;
- Making the population more aware of techniques to prevent HIV/AIDS; and
- Bolstering mother-child health care service.

4.5.4.5. Living environment

158. The widespread economic crisis in Congo, which has lasted over two decades, has taken a heavy toll on the standard of living of the population. Grassroots communities have developed survival mechanisms in all essential aspects of life, from safe water supplies to protection against erosion and natural disasters. The government is committed to supporting the following actions:

- Reviving and promoting rural water works and electrification;
- Studying the feasibility of providing electricity to grassroots communities and villages by tapping the Inga-Katanga transmission line;
- Training grassroots communities in disposing of and recycling household waste, reforestation, and efforts to stem erosion;
- Training grassroots communities to combat vectors of disease by using plants and other resources available in Congo's tropical biodiversity.

4.5.4.6. Promotion of women in grassroots communities

159. The 2002–05 national programs for the advancement of Congolese women and for the socio-economic inclusion and care of vulnerable groups are geared to helping women and vulnerable groups to become aware of their poverty and actively contribute to reducing it. The government will rely on the provisions of these programs to support local communities by taking the following steps:

- (i) Establishing centers to handle the reproductive health problems of young persons and adolescents;
- (ii) Boosting functional literacy and schooling for women in grassroots communities;
- (iii) Specifically supporting women's organizations and services in grassroots communities;
- (iv) Promoting women in positions of responsibility in grassroots communities;
- (v) Revising laws and customs that favor discrimination, exclusion, and unequal treatment of women in respect of access to education, health care, employment, ownership of productive assets and factors of production (in

the spirit of the Convention on Elimination of All Forms of Discrimination Against Women);

- (vi) Publishing laws promoting the advancement and protection of women;
- (vii) Strengthening the organizational and managerial capabilities of women's community organizations, as well as their ability to devise poverty reduction strategies, especially by establishing or supporting microfinancing for women;
- (viii) Specifically supporting the creation of women's initiative networks, especially women's external organizations; and
- (ix) Stepping up awareness campaigns regarding reproductive health and responsible sexuality, particularly directed at young women.

CHAPTER V: FINANCING AND RESOURCE MOBILIZATION FOR THE PRSP

160. The financing of the I-PRSP strategies will come from state budgetary resources at the national level and financial means of the population at the base level. As these domestic resources are insufficient, considerable external support will be needed. The actual mechanism of resource management needs to be adapted in order to efficiently reduce poverty, both at the national and at the base levels. An improvement of the targeting and the quality of government expenditure constitutes a priority action. Moreover, the creation of a National Poverty Reduction Fund and the promotion of financial intermediaries are essential elements of this strategy.

161. The current state of knowledge, institutional and analytical, does not permit the presentation of detailed and accurate propositions about the funding of PRSP activities. The full PRSP will clarify this aspect.

5.1. Mobilization of budget resources

162. To reach its targets in this area, the government has taken a number of steps, including reform of the tax collection offices and of public enterprises. Thus, it is committed to:

- Maximizing existing revenue sources and creating new ones;
- Enhancing the quality of expenditure to avoid fraud and all other types of waste;
- Determining, through program-contracts, the amounts that public enterprises must contribute to the Treasury; and
- Identification and recovery of all government claims.

5.2. Mobilization of foreign resources

163. In this interim paper, the volume of external funding required to combat poverty remains undetermined in the absence of a cost evaluation to be made with donors and creditors.

164. A substantial flow of foreign financing is indispensable to guarantee an acceptable level of growth and stability. This implies an easing of the external constraint. Once foreign financing is assured, the DRC wishes simultaneously to embark upon a reconstruction/rehabilitation phase, and to attempt to reduce poverty. Indeed, this dual concern presupposes an additional volume of investment that can only be sustained by appropriate foreign financing, until domestic sources of financing are sufficiently large. This will only materialize after rehabilitation of financial intermediation, modernization of the national financial system, the curbing of inflation, and a lowering of the debt-service burden to reasonable levels.

165. In approving the loans under the World Bank's concessional arrangements and the PRGF, the absence of immediate HIPC Initiative resources should be taken into

account. In addition to multilateral cooperation, the government intends to strengthen ties with certain partners with a view to obtaining bilateral loans at concessional terms.

5.3. HIPC Initiative

166. The HIPC Initiative offers the opportunity to lower the debt burden and free up resources needed to finance social sector activities, notably in education, health care, and sanitation. To be eligible for the Poverty Reduction and Growth Facility, the government is committed to taking steps to clear its external debt arrears.

167. Bearing in mind the specific nature of each group of creditors, bilateral and multilateral creditors should be handled differently. As regards the latter, the government will need to find a source of financing with which to settle arrears, e.g., a bridge loan from a bilateral creditor.

168. As regards bilateral creditors, three possibilities can be envisaged:

- Forgiveness in the framework of the Naples summit for the first three years of the program monitored by the IMF and the World Bank;
- Forgiveness of the capitalized interest and the contractual interest derived from it;
- Partial or total forgiveness of current maturities (principal and interest costs).

These options may subsequently be subject of negotiations between the DRC and its partners.

CHAPTER VI: MONITORING AND EVALUATION

169. The particular situation in the DRC requires that the PRSP go beyond classic poverty indicators in order to cover a minimum of indicators related to stabilization, rehabilitation and growth. From this perspective, the process of follow-up and evaluation will be based upon two categories of indicators. The first category is about strategic or intermediary indicators, the details of which are already indicated in the priority action matrix (Annex III). The second category addresses the final results on progress related to poverty reduction as retained in the outcome of the World Summit on Social Development in Copenhagen (world indicators). For this last category, the DRC governance capacity does not allow to reach them in the timeframe indicated by the Summit (2015). However, a minimum will be retained, to establish the progress realized toward these world indicators. Also, emphasis will be put on the necessity to reinforce the statistical apparatus and the capacity of the population in this area, in order to promote a participatory evaluation/follow-up mode at all levels.

6.1. Intermediary indicators

6.1.1. *Peace and good governance*

170. For this pillar of the PRSP, the selected principal indicators of follow-up/evaluation are the following (Annex III, Axis 1):

- Holding of the inter-Congolese dialogue with agreement on a new democratic political order (constitution) with a decentralized and reformed public administration and judicial system;
- Adoption of a national law against corruption;
- Assist the victims of the conflict;
- Organization of reconciliation days, drawing up of the national treaty of reconciliation and a national framework for conflict resolution; and the holding of a sub-regional peace conference;
- Demobilization of soldiers and child soldiers, recovery of weapons, and formulation of a post-conflict program;
- Capacity building at the local community level to prevent conflicts; and
- Involvement of the press and international community in the reestablishment of peace and good political governance.

6.1.2. *Macroeconomic stabilization, rehabilitation of infrastructure, and pro-poor growth*

171. The evaluation of progress realized in this pillar is based upon the macroeconomic performance indicators and the performance indicators related to intermediary actions, which should allow for the improvement of the world indicators.

172. Regarding macroeconomic performance, the following indicators have been retained:

- Development of and respect for the macroeconomic framework;
- Development of and respect for budgetary procedures; and

- Evolution of macroeconomic performance indicators and institutional reforms, including:
 - ❑ GDP per capita;
 - ❑ GDP rate of growth;
 - ❑ Inflation rate and/or GDP price deflator;
 - ❑ Budget deficit;
 - ❑ Private and public investment;
 - ❑ Employment, productivity and wages;
 - ❑ Public domestic and foreign debt;
 - ❑ National debt and arrears on national debt;
 - ❑ Trade balance and balance of payments;
 - ❑ Budget expenditure allocated to education, health, protection of the environment, and vulnerable groups;
 - ❑ Efforts undertaken in capacity building in the public administration; the revenue generating agencies; and the financial, central, local, and provincial judicial system;
 - ❑ Institution of an independent central bank and reform of the financial sector and public enterprises;
 - ❑ Ability to model macroeconomic behavior; and
 - ❑ Level of rehabilitation of physical infrastructure (roads, rail, river), social sectors (health and education), and capacity building of sectorial actors.

6.1.3. Support to community dynamics

173. Indicators of support to community dynamics are essentially about the reinforcement of institutional and technical capacity of the population at the base and its representatives. They include:

- Level of participation of actors and beneficiaries in the process of decision making of organizations;
- Forms of organization adopted and use of orthodox forms of management (NGOs, associations, cooperatives);
- Organization of operations and decision making,
- Efficiency of organizations in relation to grassroots PRSP actions;
- Existing operating rules and adherence to them;
- National Poverty Observatory;
- Level of financial intermediation and availability of micro credit at the grassroots;

- Analytical capacity and formulation of poverty reduction strategies at the grassroots;
- A system for reporting initiatives that have been taken;
- Economic, environmental, and social sustainability; and
- Capacity to duplicate actions taken and disseminate them geographically and externally.

6.2 Result indicators

174. The result indicators are those developed by the World Summit on Social Development. They will be used and adapted to the context of the DRC and will take into account its capacity to realize them in a specific timeframe compatible with the current situation. Particularly, we have retained (subject to completion of the indicators in Annex A.II):

- (i) Income poverty: average income per adult equivalent, national poverty line, incidence and severity of poverty;
- (ii) Human poverty: human poverty indicator (IPH-1), literacy and education rate disaggregated by sex, socio-economic level, and area of residence;
- (iii) Health and demography: global mortality rate, per age (neo-natal, infantile) by sex and the maternal mortality rate at childbirth, malnutrition level and weight deficiency, level of access to services and health services, level of prevalence for HIV(percent), malaria (percent), tuberculosis (percent), level of condom use (percent), and practice of safe maternity (percent);
- (iv) Nutrition: dietary and nondietary expenses of families, cost of essential foods, and caloric intake;
- (v) Living conditions and environment: level of access to drinking water, level of latrine utilization, and disposal of human waste; and
- (vi) Gender and vulnerable groups: households managed by women (percent), women with remunerated employment (percent), inequality of income and remuneration of men/women, result indicators for victims of conflict and street children.

6.3 Improving the output and dissemination of statistical information

175. To have a reliable database on poverty characteristics and for monitoring and evaluating the PRSP as described above, it is essential to devise appropriate statistical tools in relation to poverty reduction in order to be able to monitor execution of actions undertaken, measure outcomes, evaluate their impact on the least privileged groups, and take any corrective measures that may be deemed necessary.

176. These tools should enable the compilation of reliable indicators in a timely manner. Selection of indicators will depend on the outcomes, determinants, and constraints identified in the strategy and should be organized in such a way as to capture

the different dimensions of poverty, especially financial poverty, living conditions, and the standard of living of the population.

177. Bearing in mind the weakness of basic statistics, and the outdated and unreliable nature of some existing statistics, it is going to be necessary to opt for a survey of household living conditions. The constraint will be the financing of such a survey. A request will be made to international organizations to support the DRC in this regard. Specific surveys will be conducted to monitor the principal poverty reduction indicators.

178. The government will produce indicators of progress in the financial and technical execution of projects and public investment programs. A tripartite commission (government, private partners, and civil society) will monitor execution of all the priority projects related to the poverty reduction process.

179. Given that public services are involved, periodic surveys will be conducted among users to elicit their views on any changes in the quality of services provided.

6.4. Participatory monitoring

180. The poverty reduction efforts are highly dispersed. A National Poverty Reduction Charter will be created to formalize the coordination of poverty reduction strategies and to ensure observance, within the strategies of the different players, of the principle of subsidiarity between the government, private enterprises, civil society, grassroots organizations, and external partners. The Charter will define each player's rights and obligations at all levels of the poverty reduction strategy process: from conception to implementation, and in monitoring and evaluation. In practice, the "private enterprise" and "civil society" components will play a pivotal role. They will ensure that the government's projects and programs are contracted out in the following areas:

- Health;
- Education;
- Environment;
- Safe water and electricity;
- Equality between men and women;
- Food;
- Good governance and peace;
- Leisure;
- Employment and human resources;
- Financial resources or cash income; and
- Road and socioeconomic infrastructure.

181. In accordance with the monitoring and evaluation indicators, the National Charter strategies will be founded upon the principles of sustainable human development: strengthening the capacities of each of the partners in the PRSP, the principle of participation, the lasting nature of strategic actions, the principle of endogeneity, and the accountability of each partner in poverty reduction. At the grassroots community level, a minimum profile of the organizational capacities of the communities concerned will be

drawn up to implement and guarantee the monitoring and evaluation of both the grassroots organization and the poverty reduction strategies in nearby districts: *localités* (villages), *collectivités* (groups of villages), and *territoires* (groups of *collectivités*). Access to the provisions contained in the National Poverty Reduction Charter depends on the performance of the partners within different indicators. The idea is to develop an evaluation card based on a weighting system in terms of each indicator's importance.

CHAPTER VII: CONSTRAINTS AND RISKS

182. Implementing poverty reduction strategies requires that the initial factors be correctly placed to produce the anticipated outcome. The starting points are either endogenous (political, economic, and budgetary governance) or exogenous (foreign financing in particular). Three of these factors are both constraints and risks; they could hinder implementation of these strategies. What is more, exogenous risks and constraints are highly dependent on the endogenous situation: (i) peace; (ii) political, institutional, and economic stability; (iii) deregulation and the opening up of the economy to the outside world; (iv) capacity to absorb external resources and to service debt; and (v) honoring of commitments, etc.

7.1. Endogenous constraints and risks

7.1.1. Political risks

183. Sound political governance, especially the restoration of peace, is the base on which other strategies can be crafted. Political negotiations between the parties in conflict, which began in Lusaka in 1999 and concluded one year later in the form of the Lusaka Agreements, showed the country the path to take (inter-Congolese dialogue). Failure of the inter-Congolese Dialogue would compromise the restoration of peace and lead to a renewal of hostilities, which would be a handicap in the implementation of poverty reduction strategies.

7.1.2. Economic risks

184. Three kinds of risk can be underscored: (i) failure to abide by the provisions and measures envisaged in the macroeconomic framework which would make it difficult to implement the PRSP strategies; (ii) shortfalls caused by dwindling budget resources could also hamper execution of sector strategies targeting the poor; and (iii) non-execution by the government of investment budgets in the course of the next 10 years.

7.1.3. Constraints and risks related to the participatory process

185. The lack of a coherent participatory process would make it difficult for partners to adhere to the PRSP strategies. The weakness of the statistical base and the data collection system implies that there is a danger of being misguided with regard to devising, implementing, and monitoring and evaluating the PRSP strategies. Also, lack of coordination and institutional weaknesses could jeopardize the implementation of PRSP strategies and severely impair their effectiveness.

7.1.4. Human constraints and risks

186. Apart from the weakness of institutions, there must be some doubt regarding absorption capacity, which could be lacking especially when one considers that there was a freeze on international cooperation for over a decade and that, consequently, the people responsible for managing projects are no longer familiar with the procedures. Harmonizing and simplifying donors' procedures would minimize this risk.

187. A no less serious risk is the possibility of government officials becoming demotivated, prompting them to resort to detrimental “self-motivation” practices (over-invoicing, “return of favors”). Raising the salaries of this category of government officials is a condition that is not to be neglected.

7.2. Exogenous constraints

188. The dependence of the DRC on foreign aid constitutes a risk factor. A slight delay in the honoring of commitments would have a negative impact on the poverty reduction strategy. The high level of indebtedness is another substantial constraint. Given Congo’s difficulties in accessing international financial markets, assistance in the short and medium term should take the form of grants and concessional loans.

189. Deterioration in the terms of trade and the competitiveness of our raw material exports (basic products exported by the DRC) is another big handicap. Finally, any difficulties in meeting donor conditionality and accessing the HIPC mechanism means that the country runs the risk of compromising its poverty reduction strategies and programs. However, whatever risks and constraints have to be faced, one rule must be followed: debt-service payments should not exceed inflows of external resources into the country.

ANNEXES

ANNEX I. TIMETABLE OF ACTIVITIES FOR THE FINAL PRSP: January 2002-April 2003

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1. Preparation of the TOR												
1.1 Consolidation of the Technical Committee with Focal Points	■											
1.2. Provincial Technical Committees	■	■										
1.3. National Council for Poverty Reduction Strategies		■	■									
1.4. Institutionalization of the framework for consultation with development partners		■	■									
1.5. Surveys of household budgets and living conditions			■	■								
1.6. National and Community Poverty Reduction Charters						■	■					
2. Internal Rules of Procedure												
2.1. CTSRP		■	■									
3. Installation of the CTSRP												
3.1. Secretariat, equipment, communication, transport and field trips	■	■	■									
4. Institutionalization												
4.1. Framework of consultation with development partners	■	■	■									
4.2. Provincial Technical Committees		■	■	■	■							
4.3. National Partnership for Poverty Reduction (National Charter)				■	■	■	■					
4.4. Community partnership						■	■					

ANNEX I. TIMETABLE OF ACTIVITIES FOR THE FINAL PRSP: January 2002-April 2003

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
5. Capacity-building: analysis, workshops, management, monitoring, and evaluation of poverty and the PRSP												
5.1. <i>CTSRP</i> : workshops, studies, training, congresses, forums		■			■			■				
5.2. Provincial <i>CTSRP</i>							■				■	
5.3. Advisory Council												
5.4. Ministerial committees and technical directorates	■		■	■	■			■				
5.5. Focal points						■						
5.6. Demonstrated grassroots initiatives						■						
5.7. Procurement of equipment and technical materials			■	■	■							
6. Statistical surveys and studies												
6.1. Preparation, subcontracting, execution, and analysis of statistical surveys: household budgets and living conditions in all provinces and environments (urban, rural, etc.)				■								
6.2. Surveys on community dynamics (8 provinces) and identifying and selecting demonstrated initiatives				■		■						
6.3. Designing PRSP monitoring and evaluation indicators			■	■	■	■	■	■				
6.4. Updating the national, provincial, and local poverty profile										■	■	■
6.6. Progress review: current economic situation and PRSP connection						■	■					
6.7. Specific studies and consultations: equity and social exclusion, towns, and rural areas						■	■	■			■	■
6.8. Monitoring and evaluation of poverty at the national, provincial, and local levels										■	■	■

ANNEX I. TIMETABLE OF ACTIVITIES FOR THE FINAL PRSP: January 2002-April 2003

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
7. Conferences and meetings												
7.1. Expanded CTSRP		■										
7.2. Advisory Council		■		■								
7.3. Development partners			■	■								
7.4. Charter partnership: national, provincial, and local						■			■			
7.5 International and studies									■			
8. Support for Community Dynamics	■			■			■				■	
8.1. Restructuring and support for dissemination of convincing initiatives: Kinshasa (5), Bandundu (5), Bas-Congo (5)			■	■	■			■	■	■		■
8.2. Introduction and institutionalization of the grassroots microfinance system and mechanism								■	■	■		
8.3. Tentative support for management and microfinance extension work: Kinshasa (5 initiatives), Bas Congo (5 initiatives), Bandundu (5 initiatives)							■		■	■		
9. Monitoring and evaluation of I-PRSP												
9.1. Peace: political, administrative, and judicial governance			■	■	■	■	■	■	■	■	■	■
9.2. Rehabilitation and stabilization			■	■						■	■	
9.3. Growth and poverty			■	■		■	■		■	■		■
9.4. Infrastructure and social services for the poor			■	■		■	■		■	■		■
9.5. Monitoring and evaluation workshops			■	■		■	■					

ANNEX I. TIMETABLE OF ACTIVITIES FOR THE FINAL PRSP: January 2002-April 2003

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
10. Organization of Participatory Consultations (CTSRP and consultation) and Elaboration of full PRSP 10.1 Participatory consultations: Bandundu, Equateur, Province Oriental, Kivu , Maniema Kasai Occidental										■	■	
		Y	E	A	R		2	0	0	3		
11. Drawing up and Validation of the Full PRSP 11.1. Preparation PRSP 11.2. [deleted] 11.3. Reconstruction PRSP 11.4. Validation PRSP	■	■	■	■	■							

ANNEX II. STATISTICAL TABLES ON POVERTY AND HUMAN DEVELOPMENT INDICATORS IN THE DRC

Table AII.1: National poverty indicators in the DRC

Years	1960	1965	1970	1975	1980	1985	1990	1995	1996	1997	1998
GDP/per capita (US\$)	286	296	307	273	239	225	191	111	106	97	92
Calory intake per capita	2252	2187	2158	2159	2163	2163	2060	1875	--	--	--
HPI-1	61.3	58.2	55	53.6	45.9	43	40.4	42.6	42.3	41.3	39.4

Sources: UNDP/ DRC, National Human Development Report, 2000: Governance for human development in the DRC and UNDP/DRC project 98/004/01: The Poverty Profile in the DRC: levels and tendencies

Table AII.2: Poverty indicators by provinces in the DRC in 1997

	Kimshasa	Bas-Congo	Bandundu	Equateur	Orientale	Nord-Kivu	Sud-Kivu	Maniema	Katanga	Kasai-Or	Kasai-Occ	DRC
GDP per capita	322	137	32	25	31	110	67	71	138	82	82	103
Intake of calories/per day	1989	1765	1942	1816	1758	1741	1561	1903	2008	1827	1816	1836
HPI-1	24.7	35.4	43.1	43.6	42.5	30.2	46.6	42	46.1	41.1	42.8	41.3

Sources: UNDP/ DRC, National Human Development Report, 2000: Governance for human development in the DRC and UNDP/DRC project 98/004/01: The Poverty Profile in the DRC: levels and tendencies.

Table A.II.3: Poverty indicators by area of residence in the DRC

Years	1960	1965	1970	1975	1980	1985	1990	1995	1996	1997	1998
Urban	45.4	40.7	36.5	34.7	25.2	22.3	20.6	18.5	19.1	18.9	17.9
Rural	67.7	65.0	61.9	60.4	53.0	50.0	47.7	49.2	49.0	47.9	46.0
HPI-1	61.3	58.2	55	53.6	45.9	43	40.4	42.6	42.3	41.3	39.4

Sources: UNDP/ DRC, National Human Development Report, 2000: Governance for human development in the DRC and UNDP/DRC project 98/004/01: The Poverty Profile in the DRC: levels and tendencies

Table AII.4: Evolution of some living conditions indicators

Year	1960	1965	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998
Percent of people likely to die before age 40	44.8	43.9	39.8	37.2	33.3	30.1	30.6	30.5	30.4	30.3	30.2	30.1	32.4	32.2	31.7
Adult illiteracy rate	69	63	58	56	42	34	26.0	29.7	30.1	31.5	32.7	32.9	33.3	34.0	30.9
Percent of people without access to safe water	92.4	87.7	84	82.3	67	67	55.0	55.6	56.2	56.8	57.4	58.0	54.5	51.2	46.7
Percent of people without access to health services	75	75	74	74	74	72	72.0	72	73	73	73	74.0	72.0	70.0	69.0
Percent of underweight children under five	27	28.2	29	29	28	28	33.0	33	34	33	34	34.0	35.0	34.0	33.0
Percent lacking decent standard of living	64.8	63.6	62.3	61.8	56.3	55.7	53.3	53.5	54.4	54.3	54.8	55.3	53.8	51.7	49.6
Human poverty indicator (HPI-1)	61.3	58.2	55.0	53.6	45.9	43.0	40.4	41.1	41.6	41.8	42.3	42.6	42.3	41.3	39.4

Sources: INS, National Accounts 1997–98; Central Bank of the Congo, annual reports for 1994, 1995, 1996, 1997; UNDP, World Human Development Report (various editions) 1990–2000; UNDP, DRC 98/004/01: The Poverty Profile in DRC: levels and tendencies; UNDP/WHO, Inventory and statement of State of Repair of the Health Sector (1999 report); Unicef, National survey of the situation of children and women in Zaïre.1995; National Department of Agricultural Statistics *SNSA*, using the database of the agricultural survey in rural areas, 1995, 1996, and 1997; Ministry of Housing, National Housing Survey, 1999; and our own estimates.

Table AII.5: Evolution of some basic indicators

Year	Life expectancy at birth	Adult literacy rate	Combined enrolment ratio	GDP per capita (PPP)	GDP (1987=100) in billions of ZRZ	GDP per capita in dollars (1985 US\$)
1960	41.3	31.0	10.0	2,592.0	1193.7	286
1965	42.0	37.0	20.0	2,682.0	1235.2	296
1970	45.1	42.0	32.0	2,781.0	1280.8	307
1975	47.0	44.0	36.0	2,475.0	1139.8	273
1980	50.0	58.0	40.0	2,169.0	998.9	239
1985	53.0	66.0	49.0	2,045.2	941.9	225
1990	53.0	72.8	42.3	1,730.4	798.0	191
1991	51.6	71.3	41.5	1,532.8	730.8	169
1992	52.3	69.9	40.4	1,326.8	654.3	146
1993	52.0	68.5	39.0	1,109.5	565.8	122
1994	52.2	67.3	37.1	1,031.5	543.9	114
1995	52.4	67.1	41.0	1,005.8	547.7	111
1996	51.1	66.7	40.0	962.9	541.8	106
1997	50.8	66.0	39.0	881.0	512.4	97
1998	51.2	69.1	38.0	837.3	503.5	92
1999	50.2	68.4	37.1	767.0	460.7	84
2000	49.9	67.7	36.1	727.1	437.2	80

Sources: INS, National Accounts 1997-98; Central Bank of Congo, annual reports for 1994, 1995, 1996, 1997; UNDP, World Human Development Report (various editions) 1990-2000; UNDP, DRC98/004/01: The Poverty Profile in DRC: levels and tendencies; UNDP/WHO, Inventory and statement of state of repair of the health sector (1999 report); Unicef, National survey of the situation of children and women in Zaïre, 1995; National Department of Agricultural Statistics *SNSA*, using the database of the agricultural survey in rural areas, 1995, 1996, and 1997; Ministry of Housing, National Housing Survey, 1999; and our own estimates.

Table AII.6: Evolution of basic human development indicators by province (1996-1997)

Provinces	Life expectancy at birth	Adult literacy rate	Combined enrolment ratio	Real GDP per capita in US\$	GDP per capita in (PPP)
Kinshasa	54.4	92.5	54.3	322.9	2,929
Bas-Congo	50.7	72.3	42.4	136.5	1,238
Bandundu	48.4	67.8	39.8	32.3	293
Equateur	49.2	68.6	40.3	25.3	229
Province Orientale	48.7	69.1	40.6	31.1	282
Nord-Kivu	52.6	69.8	41.0	109.7	995
Sud-Kivu	43.0	48.3	28.4	66.6	604
Maniema	47.8	67.1	39.4	70.7	641
Katanga	48.3	67.7	39.7	137.7	1,249
Kasaï Oriental	49.3	76.2	44.7	81.5	739
Kasaï Occidental	46.5	96.5	56.6	82.0	744

Sources: UNDP, DRC98/004/01: The Poverty Profile in DRC: levels and tendencies; UNDP/WHO, Inventory and statement of state of repair of the health sector (1999 report); Unicef, National survey of the situation of children and women in Zaïre.1995; National Department of Agricultural Statistics *SNSA*, using the database of the agricultural survey in rural areas, 1995, 1996, and 1997; Ministry of Housing, National Housing Survey, 1999; and our own estimates.

Table AII.7: Evolution of female/male human development indicators

Year	Life expectancy at birth		Adult literacy rate		Combined enrolment ratio		Real GDP per capita (in PPP)	
	Females	Males	Females	Males	Females	Males	Females	Males
1990	54.6	51.3	64.9	86.6	33.7	49.7	1,257.8	2,213.9
1991	53.1	50.0	63.5	84.8	33.1	48.8	114.2	1,961.1
1992	53.8	50.7	62.3	83.2	32.2	47.5	964.5	1,697.6
1993	53.5	50.4	61.1	81.5	31.1	45.9	806.5	1,419.5
1994	53.7	50.6	60.0	80.1	29.6	43.6	749.8	1,319.6
1995	53.9	50.7	59.8	79.8	32.7	48.2	731.1	1,286.8
1996	52.6	49.5	59.4	79.4	31.9	47.0	699.9	1,231.9
1997	52.3	49.2	58.8	78.5	31.1	45.9	640.4	1,127.2
1998	52.7	49.6	61.6	82.2	30.3	44.7	608.7	1,071.3
1999	51.7	48.6	61.0	81.4	29.6	43.6	557.5	981.3
2000	51.4	48.3	60.3	80.6	28.8	42.5	528.5	930.3

Sources: INS, National Accounts 1997-1998; Central Bank of Congo, annual reports for 1994, 1995, 1996, 1997; UNDP, World Human Development Report (various editions) 1990-2000; UNDP, DRC98/004/01: The Poverty Profile in DRC: levels and tendencies; UNDP/WHO, Inventory and statement of state of repair of the health sector (1999 report); Unicef, National survey of the situation of children and women in Zaïre.1995; National Department of Agricultural Statistics *SNSA*, using the database of the agricultural survey in rural areas, 1995, 1996, and 1997; Ministry of Housing, National Housing Survey, 1999; and our own estimates.

Table AII. 8: Levels of some progress monitoring and evaluation indicators

INDICATORSS	National	Urban	Rural
1. Low birth weight incidence (children < 2500 gr)	8.7 %	5.84 %	9.72 %
2. Infant mortality rate	127‰	65‰	138‰
3. Incidence of moderate malnutrition	13.2 %	18.20 %	13.8‰
4. Incidence of severe malnutrition	10.6‰	10.8‰	11.1‰
5. Immunization coverage	29.00 %	7.4‰	26.10 %
6. Percent immunized against tuberculosis	62.10 %	42.40 %	57.30 %
7. Percent immunized against measles	58.50 %	85.10 %	53.40 %
8. Percent immunized against DPT3	57.10 %	82.20 %	51.60 %
9. Percent immunized against OPV3	59.10 %	83.90 %	54.20 %
10. Percent attended at least once during pregnancy by trained health personnel	67.20 %	79.60 %	64.90 %
11. Percent of births attended by skilled health personnel	69.70 %	91.60 %	65.60 %
12. Households with devices for hygienic practices	4.60 %	6.60 %	3.90 %
13. Male literacy rate	82.30 %	92.40 %	79.60 %
14. Female literacy rate	56.80 %	81.00 %	50.30 %
15. Percent of population using latrines	79.00 %	90.70 %	76.40 %
16. Percent of population using sanitary latrines	17.40 %	42.00 %	12.10 %
17. Garbage disposal rate	25.40 %	43.20 %	21.60 %
18. Percent of population regularly using safe drinking water	46.70 %	66.50 %	42.40 %
19. Percent of population with regular access to safe water within 1 km.	36.6 %	59.1 %	31.8 %
20. Food security	69.70 %	44.39 %	75.06 %
21. Maternal mortality ratio	1873 per 100,000 LB	2000 per 100,000 LB	1806 per 100,000 LB

Source: UNICEF: National survey of the situation of children and women in Zaïre, 1995.

Table AII.9: Distribution of households by average monthly expenditure bracket per person
(in 1995 U.S. dollars)

EXPENDITURE BRACKET PER PERSON PER MONTH	SET OF 4 TOWNS **			
	Number (<i>effectifs</i>)	Accum. households	Number (<i>effectifs</i>)	Accum. percent
<10.03	985	985	44.22	40.22
10.03 – 20.05	649	1634	26.50	66.72
20.05 – 30.08	339	1973	13.84	80.56
30.08 – 40.10	160	2133	6.53	87.10
40.10 – 50.13	99	2232	4.04	91.14
50.13 – 60.15	74	2306	3.02	94.16
60.15 – 80.20	74	2380	3.02	97.18
80.20 – 120.03	38	2418	1.55	98.73
120.03 et plus	31	2449	1.27	100.00
TOTAL	2.449			

Source: National Institute of Statistics (INS), 1989, Household Budget Survey. Monograph on the following towns: Kinshasa, Lubumbashi, Kisangani and Bandundu, Kinshasa.

* The exchange rate used is \$1US= 40.102Z , i.e., the average rate for 1995.

** Kinshasa, Lubumbashi, Kisangani and Bandundu.

Table AII.10. Indicators related to interventions by development partners in the DRC (US\$ millions and percentages)

	Management	%	Education	%	Health	%	Social	%	Humanitarian	%	Total	%
1. Multilateral	6.210	36.0	9.754	41.6	12.2716	73.8	11.343	45.5	57.4675	90.6	724.698	83.6
1.1. UNDP	0.667		0, 613		3.732		2.634		4.576		12.222	1.4
1.2. UN Agencies	4.422		5.783		26.667		8.709		475.589		52 1.128	60.1
1.2. European Union	1.121		3.358		92.317		-		94.510		191.306	22.1
2. Bilateral	11.048	64.0	13.668	58.4	42.294	25.4	13.613	54.5	52.343	8.2	132.966	15.3
2.1. Belgium	6.645		7.817		31.221		4.738		18.583		69.004	8.0
2.2. France	-		1.721		2.669		2.573		0.682		7.645	0.9
2.3. Germany	0.602		-	-	3.990		5.067		4.264		13.923	1.6
2.4. Canada	3.709		3.694		1.086		0.466		2.083		11.038	1.3
2.5. U.K.	0.087		0.031		-		0.216		1.261		1.595	0.2
2.6. Japan	-	-	0.165		0.092		0.254		-		0.511	0.1
2.7. USA	-		0.240		0.010		0.008		16.232		16, 490	1.9
2.8. Others	0.005		-	-	3.226		0.291		9.238		12.760	1.5
3. NGOs	-				1.235	0.7	-		7.563	1.2	8.798	1.0
Total	17. 258	100.0	23.422	100.0	166.245	100.0	24.956	100.0	634.581	100.0		

Source: UNDP (1998-2000). Cooperation for Development. Reports 1998-2000. Kinshasa (April 2000).

Table AII.11. Democratic Republic of the Congo: Selected Economic and Financial Indicators, 2002-05

	2002 Prog.	2003 Proj.	2004 Proj.	2005 Proj.
	(Annual percentage changes, unless otherwise indicated)			
Output and prices				
Real GDP	3	5	6	7
Nongovt. consumption per capita (in U.S. dollars)	97	101	107	115
Nominal GDP per capita (in U.S. dollars)	109	116	125	137
GDP deflator	23	9	6	6
Consumer prices, annual average	25	9	6	5
Consumer prices, end of period	13	6	6	5
External sector				
Exports, f.o.b. (in U.S. dollar terms)	8	11	18	23
Imports, f.o.b. (in U.S. dollar terms)	36	42	24	8
Export volume	8	11	13	12
Import volume	37	40	22	6
Terms of trade	3	8	4	4
	(In percent of GDP)			
Central government finances				
Revenue (excluding grants)	7.3	8.4	9.6	11.1
Grants (including relief aid)	1.2	4.7	6.4	5.2
Expenditure 1/	11.0	18.1	21.1	18.2
Domestic primary cash balance 2/	0.9	2.4	3.8	5.4
Overall balance (commitment basis)	-2.5	-5.0	-5.1	-2.0
Overall consolidated cash balance	-0.4	-1.7	-2.3	-1.0
Investment and saving				
Gross national savings	11.0	15.9	16.9	16.1
Government	2.8	6.9	8.7	7.8
Nongovernment	8.3	9.1	8.2	8.3
Gross domestic savings	6.8	8.2	9.9	11.7
Government	1.9	2.7	4.1	5.7
Nongovernment	4.9	5.4	5.8	6.0
Investment	9.9	16.5	19.9	18.8
Government 3/	2.9	8.5	10.9	8.8
Nongovernment 4/	7.0	8.0	9.0	10.0
	(In millions of U.S. dollars, unless otherwise indicated)			
Balance of payments				
Exports of goods and nonfactor services	1,101	1,226	1,431	1,741
Imports of goods and nonfactor services	1,286	1,769	2,158	2,322
External current account, incl. grants, before debt relief (in percent of GDP)	-3.7	-4.7	-7.7	-7.3
External current account, excl. grants, before debt relief (in percent of GDP)	-9.1	-12.2	-14.9	-11.6
External current account, incl. grants, after debt relief (in percent of GDP) 5/	1.1	-0.5	-3.0	-2.6
Gross official reserves (end of period)	111	216	260	321
Gross official reserves (weeks of imports)	6.2	10.0	9.3	9.6
External public debt				
Total, including IMF 6/	8,890	9,159	9,415	9,430
Of which: arrears	0	0	0	0
Scheduled debt service (incl. interest on arrears) 7/	56	178	319	357
In percent of exports of goods and nonfactor services	5	15	22	21
In percent of government revenue	50	21	27	27

Sources: Congolese authorities; and staff estimates and projections.

1/ Including interest due on external debt and, from 2003 onward, expenditure financed by resources released under the HIPC Initiative.

2/ Revenue (excl. grants) minus expenditure (excluding interest and foreign-financed expenditure).

3/ From 2003 onward, includes investment financed by resources released under the HIPC Initiative.

4/ From 2003 onward, includes capital projects financed through nongovernmental organizations (NGOs).

5/ After possible debt relief on interest and HIPC Initiative-related resources.

6/ End-of-period debt stock, including arrears and before HIPC Initiative relief.

7/ From 2002 onward, after debt relief.

Note: The data in this table are based on information available at end-March 2002, and, therefore, may differ from those in the rest of this document, which was drafted in October 2001.

ANNEX III. MATRIX OF STRATEGIC ACTIONS

III.1. Introduction

For over two decades, the DRC has been classified, despite its vast human and mineral resources, among the poorest countries in the world. Some indicators place it among the most destitute countries in sub-Saharan Africa. Almost 80 percent of its 52 million inhabitants live at the brink of what human dignity can endure. The average Congolese lives on less than US\$0.20 a day.

The crisis of transition following the fall of Mobutu's dictatorial regime left the country with a highly centralized and corrupt form of government, whose institutional structure was among the most fragile in the world. Against this backdrop, the so-called war of liberation (1996) ensued, followed some two years later by a sub-regional conflict (1998) so extensive that it not only threatens to completely disintegrate the DRC but also to sow violence and disruption throughout the Great Lakes region. Over half a dozen foreign armies occupy, for one reason or another, the Congolese territory. Three rebel movements dominate almost half of the country, an area over which the authorities in Kinshasa have absolutely no control. It is estimated that about 3.5 million Congolese have been killed in the conflicts, which has led to mass displacement of the population and the most worrying humanitarian crisis of the beginning of the new century.

Institutional frailty and instability have created a situation of chronic legal and judicial insecurity for the productive private sector, the engine of growth. Private investment, which used to be equivalent to 9 percent of GDP in 1990 (US\$939 million) fell to 7 percent in 1999 (US\$110.0 million). The decline in private productive activity has had repercussions on the level of poverty. Thus, consumption per capita fell from US\$227 to US\$130 over the same period.

The socio-economic and institutional crisis, and its sequel of instability and legal insecurity, have also taken a toll on the relations of the DRC with the international community. The country has accumulated enormous external debt arrears. Its access to the financial facilities of the international institutions has been cut off. At least until 2000, bilateral and multilateral cooperation has been steadily dwindling. Since 2001, a window of opportunities has been gradually opening. It is with this in mind that this paper has been written. It expresses the desire of the Congolese again to become a regular member of the community of nations, a normal State.

III.2. The significance of the I-PRSP

The DRC is a disaster area. It suffers massive, abject poverty, at the limit of what human dignity can bear. On more than one opportunity, the government has clearly stated its resolve to emerge from the disaster. Without doubt, the way out of the disaster must pass through three fundamental and decisive stages, namely: the restoration of peace throughout the territory and the reunification of the national territory; the reconstruction of a modern State, which respects human rights and freedom; and, finally, the initiation of a process of economic stabilization and recovery. The inter-Congolese dialogue currently under way should make it possible to complete the first stage, while effective

implementation of the resolutions that emerge from those talks will allow the country to endow itself with a normal, credible government, an essential, crucial condition for the success of the third stage.

The role the PRSP can play is to accompany the DRC as it emerges from disaster, serving as a guide in respect of actions to stabilize the economy and reconstruct the conditions for a return to growth. Pending preparation of the full PRSP (FPRSP), the I-PRSP proposes an approach with three pillars, namely:

- 1) Restoration and consolidation of peace;
- 2) Macroeconomic stabilization and a return to growth targeting the poor; and
- 3) Community Dynamics

For each of these pillars, the I-PRSP focuses on sets of actions deemed to be priorities in the short and medium term (2002-2005). For the long term, the paper lists steps to be taken, without, however, assigning priorities or a time frame for their execution. That will be the task of the FPRSP.

III.3. Community Dynamics: a special feature of the I-PRSP

The Community Dynamics pillar is a special feature of this I-PRSP. Because of the crisis and its sequel of poverty, the population has taken steps of its own in all sectors (agriculture, nutrition, human rights, health, education, and transportation) in which government intervention has either been non-existent or barely perceptible. The I-PRSP proposes identifying and making an inventory of these experiences in order to bolster them and disseminate their achievements to other initiatives. Thanks to this process, the I-PRSP and the strategies it proposes will be reformulated and updated, as new experiences are accumulated and new, more reliable, data become available.

Pillar I: Peace and good governance

During the participatory consultations, the communities identified “bad governance” as the main cause of poverty in the DRC, defining it as “corrupt, influence-peddling public administration, which ignores the fundamental aspirations of the population.” It is also seen as “the cause of wars and inter-ethnic conflicts,” which led to “loss of human life, vulnerability to epidemics, increased poverty, generalized insecurity, violations of human rights and fundamental freedoms, pillaging of natural resources, and destruction of infrastructure.” Without peace and good governance, the strategies outlined in the I-PRSP run the risk of ending in failure. In the short term (2002-04), restoring peace and caring for the victims of the conflicts (Axes 1 and 2) are two unavoidable prerequisites for further action. To address them, it is essential to establish democratic political governance and a competent, effective administration (Axis 4). The restoration of peace and good governance are indispensable to make the most of the positive outcomes of the Enhanced Interim Program (EIP) (Pillar II).

Axis 1. Restore and Consolidate Peace

190. Without peace and respect for human rights and freedoms, no sustainable growth targeting the poor will be possible in the DRC. The government has made the restoration and consolidation of peace and conflict prevention pre-conditions for the success of its efforts to combat poverty and initiate growth targeting the poor. It is committed to “making 2002 the year of restoration of peace and of national reconciliation”(President of the DRC).

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
1. Peace and solution of internal conflicts	For decades the political, social, and economic administration has been too centralized, prone to influence peddling, and corrupt. It has ignored the aspirations and fundamental rights of the population. This has led to frustration, ethnic and regional conflicts, and poverty	Restore and consolidate internal peace	<ul style="list-style-type: none"> - Successful completion of the inter-Congolese dialogue and implementation of its resolutions - Organization of reconciliation days for communities in conflict and signing of a National Reconciliation Pact. - Organization of groups promoting peace and dialogue for reconciliation and the restoration of inter-ethnic trust - Involvement of the media and traditional governance system in the quest for peace and peaceful coexistence among communities - Creation of a national framework for preventing and settling conflicts - Participation of the African and international community in the peace process in the DRC - Pursuit and intensification of demobilization and reinsertion of child soldiers into civilian life - Promotion of democracy and of respect for fundamental rights and freedom 	<ul style="list-style-type: none"> - National dialogue held - Reconciliation days took place - National Reconciliation Pact signed - Traditional governance and media involved in the peace process -National framework to prevent and settle conflicts put in place - African and international communities involved in the peace process in the DRC 	2002-03	<ul style="list-style-type: none"> -government of the DRC - Ethnic groups and political parties, civil society, grassroots communities - African countries (OAU) and international community (EC, UN)

Axes 2-3. Care for the victims of conflicts, guarantee stability on the borders, and promote good neighborly relations

There is a basically reciprocal relation between conflicts and poverty. Poverty generates conflicts, which, in turn, exacerbate the destitution of the victims of those conflicts: loss of human life, mass displacements of the population, material destruction, deterioration of infrastructure, and disruption of socio-economic circuits. This situation has plunged a sizeable percentage of the population into poverty and destitution so severe that emergency measures are needed. The government has taken two kinds of measures with respect to demobilization and reinsertion into civilian life (Decree-Law No. 0066 of June 9, 2000). To combat poverty exacerbated by wars and conflicts, the government is contemplating implementing a post-conflict program for reconstruction and economic recovery, both of which are essential to the peace process.

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
2. Care for the victims of ethnic and regional conflicts in the country	The conflicts, in turn, have plunged the civil and military population into poverty and destitution. They have brought loss of human life, mass displacements of the population, enrolment of children in the army, material destruction, and damage to infrastructure	Care for the victims of conflicts and expedite the process of demobilization of child soldiers and reinsertion of the population into normal life	<ul style="list-style-type: none"> - Demobilization and disarmament of combatants and child soldiers - Recovery and destruction of weapons - Preparation of a post-conflict program for the supervision and psychological and socio-economic and medical rehabilitation of the victims, education, health, housing - Reuniting of families and relocation of displaced communities and refugees - Bolstering of the economic and social management capabilities of grassroots community 	<ul style="list-style-type: none"> - Combatants and child soldiers demobilized and disarmed - Weapons recovered and destroyed - Post-conflict program drawn up: victims of conflicts rehabilitated and reinserted into normal life - Community capacities strengthened: management, self-management 	2002-04	<ul style="list-style-type: none"> -Government of the DRC - Victims of conflicts - Ethnic groups, political parties, civil society - Grassroots communities - African countries (OAU) and international community (EC, UN)

Axes 2 – 3 Peace and the Victims of Conflicts (continued)

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
3. Stability on the borders and good relations with neighboring countries to consolidate and perpetuate peace	The Congolese conflict involves almost all neighboring countries, some of which have official or rebel troops fighting on Congolese territory. The entire sub-region is in danger of collapse	To guarantee stability and good relations with neighboring countries in order to prevent and settle conflicts in the sub-region of the Great Lakes	<ul style="list-style-type: none"> - Call for dialogue in the sub-region and with border communities - Holding a peace conference in the Great Lakes sub-region - Creation of a regional framework for conflict prevention and settlement - Participation of the international and the sub-regional community in conflict prevention and settlement in the DRC 	<ul style="list-style-type: none"> - Sub-regional and border community dialogue has taken place - Peace conference held in the sub-region - Sub-regional framework created - Sub-regional and international community participating in the peace process 	2002-03	<ul style="list-style-type: none"> - Government of the DRC and governments of the countries in the sub-region - Ethnic groups and political parties, civil society and grassroots communities. - Sub-regional and international communities

Axis 4. Ensure Sound Political, Administrative, and Judicial Governance

Promoting participation by the population in political, administrative, and judicial decisions of general concern is a fundamental principle of poverty reduction strategies. Thanks to that participation, the poor can influence the general policy, budget priorities, and programs of the government. In the DRC, the lack of governance and the conflicts have destroyed the State, which now has to be reconstructed, as well as good governance, which has now to be restored. For this to happen, the following actions must be taken in the sphere of political, administrative, and judicial governance.

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
1. Political governance	Political and socio-economic state administration that is over-centralized, prone to influence-peddling, corrupt, and incompetent. This form of government does not allow the population to participate in the decision-making process and in the selection of leading government officials.	Ensure sound political governance by allowing the population to participate democratically in the process of taking and monitoring the country's political decisions.	<ul style="list-style-type: none"> - Holding of inter-Congolese dialogue aimed at giving the DRC a new political order and a new democratic system, which respects fundamental human rights and freedoms - Organization of democratic, free, and transparent elections at every level - Drafting of a democratic Constitution governing the distribution and democratic exercise of power, while respecting fundamental rights and freedom - Promotion of the values and virtues of democratic management of the nation -Strengthening of government officials' capabilities with respect to management of the country by arranging study trips to democratic countries and participation in international conferences and fora on sound political governance - Promulgation of a National Anti-corruption Law 	<ul style="list-style-type: none"> - Inter-Congolese dialogue has been held and a democratic system established - Democratic Constitution has been drafted and democratic elections organized - Decentralization and separation of powers implemented. - Anti-corruption law enacted 	2002-04	<ul style="list-style-type: none"> - Government of the DRC - National and international development partners - African and international communities, political parties, and civil society organizations - Grassroots communities - Women's organizations

Axis 4. Ensure Sound Political, Administrative and Judicial Governance (conclusion)

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
2. Administrative and judicial governance	Arbitrary judicial and administrative management, which is also over-centralized, corrupt, incompetent, and repressive, and excludes participation by the population.	Boost the ability of the population to take part in a democratic manner in the process of taking and monitoring administrative and judicial decisions, which affect their lives, by guaranteeing the security of property and persons.	<ul style="list-style-type: none"> - Depoliticization and strengthening of the capacities of the public administration and the judicial system - Decentralization of public administration and the justice system in favor of local administration and justice - Decentralization of the mechanisms or forms of decision-making and allocation of financial and material resources at the provincial and local levels - Depoliticization, training, and retraining of members of the security forces with regard to maintenance of public order in respect of human rights and freedom and democracy - Simplification of administrative and judicial red tape - Creation of a specialized institution for training high level government officials and members of the judiciary (National Academy) - Set up "security pocket" mechanisms for least privileged and vulnerable groups, the physically and mentally disabled, and the destitute 	<ul style="list-style-type: none"> - Heightened capacity of leaders: public administration and the judiciary - Depoliticized civil service and judicial system - Depoliticized trained and retrained security forces - Specialized training institute created - National law against predatory behavior - System for assisting vulnerable groups put in place 	2002-05	<ul style="list-style-type: none"> - Government of the DRC - National and international development partners - African and international communities - Political parties and civil society organizations - Grassroots communities - Women's organizations

Pillar II: Macroeconomic stabilization, rehabilitation, and pro-poor growth

The economic situation has continued to deteriorate over the past four years (1997-2000), with real GDP declining during that period by an average of 5.5 percent per year. No branch of the economy has been spared and that has led to distortions in markets for goods and services fueled by a combination of imbalances between supply and demand and interventionist policies justified by the state of war. Based on the trends observed during the first six months of the year, the real GDP growth rate projected by December 2001 was—4.3 percent, following a 6.2 percent fall in GDP in 2000. This poor performance is essentially due to difficulties in obtaining inputs, the run-down state of the productive apparatus, and the effects of the war. The rate of investment fell to 4.5 percent in 2000, one-fifth of the average for African countries. As for monetary indicators, the money supply grew sharply as a result of the increase in credit to the government, by 51.9 percent, 157.8 percent, 363.3 percent, and 533.2 percent, at end-1997, 1998, 1999, and 2000, respectively. These developments kept inflation at high levels through May 2001. Thanks to efforts made by the Central Bank of the Congo under the Enhanced Interim Program, the rate of growth of the money supply was reined in to 75.6 percent between December 2000 and October 2001. As a result of this policy, the pace of inflation slowed. Inflation averaged 0.94 percent per month between June and October 2001, compared with 18 percent per month for the first five months of 2001. The annual rate of inflation, calculated at end October-2001 on the basis of the consumer price index, was estimated at 208.8 percent. In recent years, government revenue has remained weak, while expenditure has grown due in large part to the existence of several authorities issuing payment orders and poor allocation of resources. government revenue was equivalent to 4.7 percent of GDP, while government expenditure amounted to 6.3 percent of GDP. Being unable to borrow abroad, the government was forced to borrow exclusively from the national banking system to the detriment of the private sector, whose share was limited, on average, to 17.4 percent. The balance of payments situation has not improved. On the contrary, continued deficits have caused debt servicing to equal over 800 percent of exports. Thus, only sustained economic growth can eradicate poverty. To encourage such growth, the government is setting itself overall targets aimed at stabilizing the macroeconomic framework and liberalizing the economy, rehabilitating infrastructure, and reviving the productive sectors. What is more, this growth should be accompanied by distributive justice in favor of the poor. Measures directed mainly at the sectors and living condition of the poor form an integral part of the strategies in this pillar.

Axes 1-2. Stabilize and rehabilitate the macroeconomic environment

The main objective is to stem the deterioration in macroeconomic variables by curbing inflation and exchange market distortions, as well as by deregulating the economy. To attain these goals, the government intends, under the EIP, to rein in inflation from its current level of 208.8 percent (at end-October 2001) to 12.7 percent in 2002. This approach suggests that lower inflation rates are likely in 2003 (8 percent) and 2004 (5 percent). To achieve this, the government is committed in the short term to stop the monetary financing of the public sector deficit.

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
1. Control over internal and external macroeconomic disequilibria	Low capacity to control internal and external macroeconomic disequilibria in respect of public finance, monetary policy, and the balance of payments.	Stabilize and rehabilitate the macroeconomic environment	<ul style="list-style-type: none"> - Improvement of the procedures for planning, executing, and monitoring government budget management (treasury cash flow plan) - Preparation of a framework for macroeconomic management and a return to growth targeting the poor - Establishing a single payment authority - Centralizing government revenue in the Central Bank of the Congo - Rehabilitation and strengthening of the management capabilities of the tax collection offices and signing of performance contracts with them - Elimination of authorizations earmarking government revenue in advance - Strengthening the supervision of the stamp tax and other fiscal forms - Computerization of revenue collection circuits and services - Creation of large tax payers' unit - Establishing central bank autonomy 	<ul style="list-style-type: none"> - A single payment center instituted - All government revenue centralized - Tax collection office capabilities strengthened, including computerization - Specialized units created - Budget planning, execution, and monitoring system up and running - Macroeconomic plan drawn up and operational - Central bank autonomy institutionalized. 	2002-04	<ul style="list-style-type: none"> - Government of the DRC - Tax collection offices - Central Bank of the Congo - National and international development partners
2. Technical instrument for macroeconomic management: the macroeconomic framework		Put in place an operational and realistic macroeconomic framework	<ul style="list-style-type: none"> - Recruitment of an international expert on macroeconomic models targeting the poor - Strengthening the abilities of the PRSP team to devise macroeconomic models, and to boost the capabilities of officials in ministries, focal agencies, and civil society with respect to macroeconomic framework and poverty reduction - Implementation of a macroeconomic and growth model targeting the poor and tailored to the situation in the DRC 	<ul style="list-style-type: none"> - International expert hired - Macroeconomic models devised - Capabilities strengthened 	2002-03	The government of the DRC, PRSP team, national and international development partners and civil society

Axes 3-4-5. Promote growth: Investment, productivity, and employment

Promotion of the private sector is central to the government's growth strategy. The government will continue to perform a regulatory role and set standards, restricting itself to establishing and rehabilitating a macroeconomic framework that supports productive private investment and encourages increased productivity, especially in the foreign-exchange-generating export sector. Given the high level of unemployment and the risk of a political, economic and social crisis associated with it, the government is also committed to promoting the creation of productive employment as a source of wealth. Accordingly, the following steps are to be taken.

AREA	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
1. Promoting economic growth	The rate of investment and the level of productivity and efficiency remained low and actually fell over the past decades. The government has vastly increased its involvement in sectors generally reserved for private initiative. Deterioration of the productive apparatus.	Promote growth by promoting investment and increasing the productivity of productive factors	<ul style="list-style-type: none"> - Implementation of a national mechanism of incentives for private savings and investment, mainly in the export sector - Reform of the financial sector and financial intermediation - Promotion of local financial services: popular savings banks - Strict discipline regarding policies for mobilization and procedures for allocating government resources and reform of the tax collection offices - Rehabilitation of the productive apparatus 	<ul style="list-style-type: none"> - Laws offering incentives to the private sector, investment and mining codes, customs and financial legislation - New laws and procedures governing fiscal management - Levels of employment, investment, and productivity - Infrastructure maintained and rehabilitated, capabilities strengthened - Opening up of equity and/or management shares in REGIDESO , SNEL for the private sector - Level of productivity 	2002-04 and beyond	Government, private sector, and development partners

Axes 3-4-5. Promote growth: Investment, productivity, and employment (continued)

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
2. Productive and wealth-creating employment	High and increasing unemployment rate, deterioration of the quality of productive human resources	Promoting employment and enhancing the quality of human capital	<ul style="list-style-type: none"> - Strengthen the capabilities of human capital - Promote high intensity work techniques - Support initiatives and technologies that generate jobs - Support community work - Implementation of a realistic wage policy 	<ul style="list-style-type: none"> - Jobs created - New technologies adapted - Human capital capabilities strengthened - Wage policy adopted 	2002-04+	Government, private sector, and development partners
3. The productive sectors and exports	The increasing obsolescence of the productive apparatus, disinvestment in growth and export sectors	Promoting investment in growth and exports sectors	<ul style="list-style-type: none"> - Reform the incentive system - Create a framework for consultations between the government and productive private sector partners - Provide physical and legal security for investments - Reform the customs code 	<ul style="list-style-type: none"> - Incentives system reformed - National consultation framework implemented - Security measures adopted - Increased exports 	2002-04+	Government, private sector, and development partners
4. Infrastructure needed for growth	Road, water supply, and power supply infrastructure are all dilapidated.	<ul style="list-style-type: none"> - Rehabilitating and reconstructing infrastructure supporting output in order to facilitate trade between provinces, lower production cost, and encourage competition. - Promoting the export sector and involving the international community 	<ul style="list-style-type: none"> - Rehabilitate national highways and urban road and rail systems - Draft a road infrastructure management plan - Restore the road repair system - Rehabilitate and maintain runways and drainage and sewer system. - Rehabilitate electric power infrastructure - Allow private sector shares in the equity and management of government water and power providers 	<ul style="list-style-type: none"> - Road rehabilitated - Management plan drafted - Water and electricity supply infrastructure rehabilitated - Management and equity of public enterprise sector opened to private investors 		Government, communities, civil societies, and development partners

Axes 3-4-5. Promote growth: Investment, productivity, and employment (concluded)

AREA	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
5. Revival of cooperation	<ul style="list-style-type: none"> - Inability to handle external imbalances and to honor debt commitments - Inability to manage and take full advantage of international cooperation opportunities - Inability to accumulate and improve productive factors to ensure robust and equitable growth 	Reinsertion in the international community and taking full advantage of globalization for poverty reduction	<ul style="list-style-type: none"> - Regularize relations and return to assistance and cooperation programs with bilateral and multilateral partners - Enter into structural adjustment and poverty reduction programs with international community partners - Equitable renegotiation of the debt and respect for commitments - Respect for international practices and laws 	<ul style="list-style-type: none"> - Reinsertion in the community of nations - Adjustment and poverty reduction program - Equitable renegotiation of the debt achieved - Resource flows reestablished 	2002-04	Government, civil society, and bilateral and multilateral partners

Axis 6. Rehabilitate Services, Infrastructure, and Living Conditions of the Poor

Without robust growth, it will be impossible to reduce the wide spread poverty in Congo. The extent of the disaster is such that a considerable effort will be required and the road to recovery will be very long. Nevertheless, for those efforts to be effective, men and women in the DRC must not be left behind, snared in poverty and destitution. They must take part in the growth effort and be involved in a responsible and sustainable manner in the process. To ensure this participation, the government is planning to take steps directed especially at raising the output and living standards of the poor.

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
1. Targeting the productive sectors of the poor.	Very low and dwindling productivity levels in agriculture, livestock farming, and fishing	<ul style="list-style-type: none"> - Raising productivity in small agriculture and livestock farming - Guarantee food self-sufficiency 	<ul style="list-style-type: none"> - Achieve regular supplies of equipment and agricultural and phytosanitary inputs for small farmers and livestock breeders - Achieve functional literacy and bolster the organizational and management capacity of small farmers and corporate bodies in the community - Rehabilitate agricultural research infrastructure - Pass laws and measures offering incentives for very small farmers and for big investors in agroindustry - Support the creation of financial intermediation structures targeting the poor: local savings banks and microfinance - Mobilization and training of communities in collective productive activities: farm brigades, and grassroots social infrastructure maintenance brigades 	<ul style="list-style-type: none"> - Equipment and inputs distributed - Functional literacy achieved - Infrastructure rehabilitated and capabilities bolstered - Laws offering incentives enacted - Intermediation structure created and supported - Population mobilized and trained in collective works 	2002-04+	Government, civil society, private sector

Axis 6. Rehabilitate Services, Infrastructure, and Living Conditions of the Poor: Sphere of the poor (continued)

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
2. Human development and living conditions of the poor	Rate of access to, and quality of, basic social services (water, electricity, and healthy environment) and education beneath human dignity. Bad sanitary conditions	Set the poor on the path to growth and sustainable development.	<ul style="list-style-type: none"> - Rehabilitate the infrastructure and social services of the poor above all in rural areas: safe water, education, electricity, sanitation - Rehabilitate the human capital of the poor: functional literacy of poor communities - Mobilization and training of communities in environmental rehabilitation and protection, especially efforts to combat erosions 	<ul style="list-style-type: none"> - Infrastructure and basic social services rehabilitated - Functional literacy and training of the community achieved - Environment cleaned up and protected 	2002-04+	Government, civil society, private sector, development partners
3. The situation of victims of natural disasters	The living conditions and standard of living of the victims of disasters are particularly precarious		<ul style="list-style-type: none"> - Rehabilitate and reintegrate the victims of natural disasters - Mobilize and train community in infrastructures maintenance and works to combat erosion 	<ul style="list-style-type: none"> - Victims of disasters are reintegrated and rehabilitated both psychologically and socially - The communities trained in environmental conservation and erosion protection 		

Axis 6. Rehabilitate Services, Infrastructure, and Living Conditions of the Poor—Sphere of the Poor: Education, Health, and HIV/AIDS (concluded)

The deterioration of the educational and health systems and structures is evident all over the DRC, and has resulted in the decline in the quality of education and health care. School enrollment and dropout rates, the incidence of HIV/AIDS, and other endemic diseases have led to extremely high mortality rates. Thus, consultations with the communities have shown that they give priority to these two sectors in poverty reduction strategies. In addition to the support the government will give to initiatives developed by the communities themselves in these two sectors within the community dynamics framework, it is necessary to undertake the following urgent reforms.

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
5. Education for sustainable development	Decline in the level and quality of education at all levels of the system and the dilapidation of school infrastructures.	Enhance the qualitative and quantitative performance of the country's educational system	<ul style="list-style-type: none"> - Reform the education system - Support and encourage private initiative in the sector - Promote vocational, technical, apprenticeship training - Provide custom and tax exemptions for academic and school supplies - Adopt a strategy of universal basic primary education - Allocate budget resources matching the importance of the sector (10 percent) 	<ul style="list-style-type: none"> - Reform of the educational system under way - Emphasis on vocational and apprenticeship education - Incentives for education sector inputs - Principle of universal primary education adopted - Adequate resources allocated to the sector (10 percent) 	2002-04+	Government, civil society, private sector, and development partners
6. Health HIV/AIDS and other endemic diseases	Very high death rate due to the combined effects of HIV/AIDS and other endemic diseases.	Improve access to quality health care for the population (37-45 percent) and lower the incidence of the HIV/AIDS epidemic and other endemic diseases.	<ul style="list-style-type: none"> - Reform the health sector; support private initiative and grassroots communities working in this field - Allocate budget resources matching the importance of the sector (15 percent) - Rehabilitate health districts and research institutions (FONAMES) - Step up the expanded immunization program - Improve the education and the mobilization of the communities in an effort to prevent HIV/AIDS, malaria, and other endemic diseases - Revive local development and health committees - Mobilize and train communities in health infrastructure maintenance. - Establish nutrition education centers in hospitals 	<ul style="list-style-type: none"> - Reform of the sector under way - Budget resources allocated (15 percent of the budget) - Health districts and establishments rehabilitated (FONAMES) - Immunization campaign stepped up, communities sensitized, and health community revived - Maternal nutrition education centers established 	2002-04+	Government, civil society, private sector, communities, and development partners

Pillar III. Support for community dynamics

The strategy to support Community Dynamics entails, in the short term, three main axes, namely: enhancement and consolidation of the institutional framework and grassroots governance (Community Charter), creation of a federated framework for mobilizing community dynamics, and implementation of a national mechanism (National Charter) to ensure well-coordinated backing for community dynamics. In the medium and long term, a fourth axis is geared to creating the conditions for sustainable and equitable growth in the spirit of sustainable human development. The key to these strategies is that they will be applied by the communities themselves, with a minimum of interference from government or other development partners. The extent to which these partners intervene will depend on each initiative's ability to prove its organizational skills and its ability to raise internal and external human, financial, and material resources.

Axis 1. Enhance and consolidate the institutional framework and grassroots governance

A formal institutional structure is a prerequisite for any activities that might be contemplated in this area because it maximizes the chances of success of all subsequent support. The actions envisaged below are geared to strengthening organizational skills and grassroots governance before addressing their forms of support.

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
1. Grassroots governance	<ul style="list-style-type: none"> - Weak structures, forms of decision-making, and selection of officials - Little ability to mobilize and manage human, material, and financial resources - Strong dependence on outside assistance of all kinds 	<ul style="list-style-type: none"> - Strengthen the organizational and structural framework for managing and mobilizing resources - Create a participatory framework for grassroots management and decision-making - Strengthen grassroots ability to analyze poverty reduction, governance, and negotiation processes 	<ul style="list-style-type: none"> - Conduct a census of community organizations - Identify and make an inventory of skills - Identify and evaluate needs - Set up a network of supply and demand for skills - Preparation and adoption of the Community Poverty Reduction Charter - Training courses and dissemination of experiences and analytical and drafting techniques. Implementation, monitoring, and evaluation of grassroots poverty reduction strategies or community PRSP. - Strengthen grassroots fund-raising capabilities and strategies and financial autonomy 	<ul style="list-style-type: none"> - Decision-making bodies exist, with free, democratic, and transparent decision-making - Percentage of organizations with basic documents and management tools - Percentage of new successful initiatives introduced - Poverty analysis tools and methods - Existence of community PRSP 	2002-04	Grassroots communities/ government support

Axis 2. Creating a federated framework to trigger grassroots initiatives

The second short-term objective will be to facilitate construction of an institutional framework for galvanizing and spreading community dynamics based on PRSP strategies. Its structure will be based on lessons drawn from observance of how strategies have performed, experiences, and successful networks.

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
1. Regional and national governance	Limited geographical scope of existing initiatives, which tend to influence only one village or set of villages, which limits their potential impact	<ul style="list-style-type: none"> - Expand the impact of initiatives to cover whole provinces or the country - Increase the scale and range of activities beyond local confines - Construct an institutional framework that will allow grassroots organizations to make their methods understood and to defend their interests among wider circles 	<ul style="list-style-type: none"> - Make provincial communities in the DRC aware of the human development philosophy based on community dynamics and strategies, and of the need for management techniques, decision-making processes, participation, and autonomy - Disseminate successful experiences at the provincial and national level - Promote local and provincial community dynamics units - Organize capacity-building workshops at every level - Promote provincial and national Community Dynamics federations based on the principles of the Poverty Reduction Charter 	<ul style="list-style-type: none"> - Regional and provincial inventory of community initiatives - Inventory of local and provincial Charter-based networks - Regional and provincial dissemination of successful experiences and networks - Regional and provincial PRSP 	2002-04 and beyond	Grassroots communities/ government support

Axis 3. Create a national mechanism of support for community dynamics

The objective is to create, by 2004, a national support mechanism for Community Dynamics that is compatible with macroeconomic poverty reduction strategies. It will spell out the rights and duties of the government and those of the grassroots community dynamics organizations. It will be based on a free, democratic, participatory, and responsible partnership.

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
1. Democratic, participatory governance, open to grassroots communities	Low level of grassroots community participation in the institutional decision-making processes that affect their lives	Enhance the participation of grassroots communities in the national decision-making processes that affect their lives	<ul style="list-style-type: none"> - Create the national federation of community dynamics networks - Strengthen the federation's capabilities with respect to analysis and preparation of poverty reduction strategies, fund-raising, and monitoring, and evaluation - Coordinate strategies and work out partnership synergies with the government of the DRC. - Draw up and adopt a National Poverty Reduction Charter - Establish the National Poverty Observatory - Set up a special Poverty Reduction Fund (PRF) 	<ul style="list-style-type: none"> - The national inventory of grassroots initiatives - Network of successful initiatives - Dissemination of successful initiatives and networks - National Poverty Reduction Charter 	2002-04 and beyond	Grassroots communities/ government support

Axis 4. Create the conditions for equitable growth and sustainable development

In the medium and long term, the idea is to improve the standard of living of grassroots communities in areas and branches of activity that guarantee their subsistence and in which they have demonstrated especially promising entrepreneurial talent. The strategies need to move from concern for subsistence to concern for equitable growth and sustainable human development. In each of these vital sectors, the government intends to support the top priority actions and sectors listed below:

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
1. Agricultural output	Low productivity of subsistence farmers, due to poor quality of human resources and production tools, and lack of access to credit.	Raise farmer productivity and achieve a marketable surplus	<ul style="list-style-type: none"> - Functional literacy - Extension work with farmers - Training and extension work with grassroots corporate bodies (e.g., blacksmiths) - Access to seed banks, agricultural inputs, and sound produce conservation methods - Access to microfinancing by the Poverty Reduction Fund on concessionary terms - Program to train farmers and farm workers to set up small agricultural and pastoral businesses 	<ul style="list-style-type: none"> - Number of persons taught to read and write - Number of farmers receiving training - Number of corporate bodies formed and members trained - Quality of seeds and other inputs distributed, and number of beneficiaries - Conservation of farm produce improved and loans granted - Improved poverty index - Training programs designed 	2002-04 and beyond	Grassroots communities/ government support
2. Grassroots infrastructure	Destruction of roads, paths, and rural feeder roads due to lack of maintenance and rehabilitation.	Rehabilitate and maintain roads and farm access routes	Train grassroots community in maintenance and rehabilitation of paths and farm access roads	Number and extension (in km) of paths and feeder roads rehabilitated and/or improved		

Axis 4. Create the conditions for equitable growth and sustainable development (continued)

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
3. Health	Very high mortality rate (overall, maternal, infant) due to the dilapidated state of health infrastructure, poor motivation, physical (distance), and economical (cost) inaccessibility to health services and health care.	<ul style="list-style-type: none"> - Lower all mortality rates. - Reduce the incidence of HIV/AIDS in grassroots communities 	<ul style="list-style-type: none"> - Rehabilitate health care infrastructure and services created and managed by grassroots community initiatives - Provide rehabilitation and scientific and technological training for traditional medical practitioners - Provide capacity-building administrators of health services in grassroots communities 	<ul style="list-style-type: none"> - Volume of health care infrastructure and services rehabilitated and managed by grassroots initiatives - Number and quality of traditional medicine doctors receiving training - Number of grassroots health care administrators receiving capacity-building training 		
4. Education	High illiteracy and school drop-out rates due to obsolescent infrastructure, poorly motivated personnel, and the physical and economic inaccessibility to educational services.	Raise literacy and school attendance rates and lower the drop-out rate in grassroots communities	<ul style="list-style-type: none"> - Rehabilitate school infrastructure - Train and make grassroots communities responsible for maintenance of school buildings, benches, and education sector inputs - Step up mass literacy campaigns among grassroots communities 	<ul style="list-style-type: none"> - Literacy rate - School attendance rate - Drop-out rate - Quality of school infrastructure and furnishings 	2002-04 and beyond	Joint organization
5. Living conditions	<ul style="list-style-type: none"> - Constraints on access to safe water, electricity, and household refuse disposal facilities - Physical environment, harsh with inclement climate 	Improve water, sanitation, and healthy environment indicators for grassroots communities	<ul style="list-style-type: none"> - Restore rural water supply services and micro hydro-electric plants - Conduct a study of village electrification tapping the Inga-Katanga transmission line - Form village waste disposal and household refuse recycling groups. Also groups for reforestation and for action against parasites using hygienic and biodiversity techniques 	<ul style="list-style-type: none"> - Safe water source rehabilitated - Village groups formed to maintain social services infrastructure and combat parasitic diseases - Electrification studies carried out 	2002-04 and beyond	Grassroots communities/ government support

Axis 4. Create the conditions for equitable growth and sustainable development (concluded)

COMPONENT	KEY PROBLEMS	OBJECTIVES	PRIORITY ACTIONS	PROGRESS INDICATORS	PERIOD	PLAYERS
6. Gender issues in grassroots communities	Unequal, frequently violent, quasi-cultural, and institutional treatment of women in grassroots communities	Guarantee equitable participation of women in decision-making, production, access to resources, basic services (education, health, culture), and a share in the output and assets of grassroots communities	<ul style="list-style-type: none"> - Improve literacy and school enrolment rate of women and girls in grassroots communities - Promote women's community initiatives - Appoint an equal proportion (50 percent) of women in the decision-making bodies of grassroots initiatives - Amend laws and ways and customs that support the exclusion or unequal treatment of women and their organizations (networks), particularly with regard to education, health (reproduction), and access to the factors of production - Strengthen women's (and women's community organizations) organizational, management, and production capabilities 	<ul style="list-style-type: none"> - Female literacy and schooling rates improved - Women's initiatives created - Proportion of women in decision-making bodies raised to 50 percent - Customs and legislation amended - Capacity-building for women 		