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Democratic Republic of the Congo



PEACE – JUSTICE – WORK

POVERTY REDUCTION AND GROWTH STRATEGY PAPER

June 2006

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ACRONYMS AND ABBREVIATIONS

ADQ	: <i>Association de Développement de Quartier</i> [neighborhood development association]
ADV	: <i>Association de Développement de Village</i> [village development association]
AfDB	: African Development Bank
AIDS/HIV	: Acquired Immune Deficiency Syndrome/Human Immunodeficiency Virus
APNURC	: <i>Appui au Programme National d'Urgence pour le Renforcement des Capacités</i> [support for the emergency national capacity building program]
APRM	: Accelerated Participatory Research Method
ATI	: African Trade Insurance Agency
BCC	: Central Bank of the Congo
BCMI	: <i>Bureau de Coordination des Marchés d'Infrastructures</i> [infrastructure contract coordination office]
BUNADER	: <i>Bureau National de Démobilisation et de Réinsertion</i> [National Office for the Demobilization and Reintegration of Combatants]
CADECO	: Savings Bank of Congo
CAMI	: <i>Cadastre Minier</i> [mining registry]
CEDAW	: Convention on the Elimination of All Forms of Discrimination Against Women
CENAREF	: <i>Cellule Nationale des Renseignements Financiers</i> [financial intelligence unit]
CEPLANUT	: Nutrition Planning Center
CGF	: Congolese franc
CIAT	: International Committee in Support of the Transition
CI-SNLCP	: Interministerial Commission on Implementation of the National Poverty Reduction Strategy
COMESA	: Common Market for Eastern and Southern Africa
CONADER	: <i>Commission Nationale de Démobilisation et de Réinsertion</i> [National Commission for the Demobilization and Reintegration of Combatants]
CPCM	: <i>Comité Permanent de Cadrage Macroéconomique</i> [standing committee on the macroeconomic framework]
CPLP	: Provincial poverty reduction committee
CTSRP	: Poverty Reduction Strategy Technical Committee
DBC	: Distribution of Contraceptives at the Community Level
DEME	: Macroeconomic Research Directorate
DEP	: Research and Planning Directorate
DFID	: Department for International Development
DRC	: Democratic Republic of the Congo
DTO	: Treasury Management and Payment Authorization Directorate
EAD	: Decentralized administrative entity
EFA	: Education For All Program
EITI	: Extractive Industries Transparency Initiative
ENHAPSE	: National Survey of Housing and Socioeconomic Profile of Households
FGT	: Foster-Greer-Thorbecke
FNRP	: National Poverty Reduction Fund
FONAREM	: National Household Rehabilitation Fund
FRP	: Poverty Reduction Fund
GDP	: Gross Domestic Product
HC	: Health Center
HIPC	: Heavily Indebted Poor Country
HLI	: Highly labor-intensive
HPI-1	: Human Poverty Index for developing countries
ILO	: International Labour Organisation
IMF	: International Monetary Fund
INS	: National Statistics Institute
I-PRSP	: Interim Poverty Reduction Strategy Paper
IPU	: Informal Production Unit
MASF	: Ministry of Family and Social Affairs
MCT	: Mother to Child Transmission
MDGs	: Millennium Development Goals
MTEF	: Medium-Term Expenditure Framework
MWR/FP	: Maternity Without Risk/Family Planning

NHDR	: National Human Development Report
NICT	: New Information and Communications Technologies
OCPI	: Congolese Poverty and Inequality Observatory
OGEDep	: Public Debt Management Office
PAR	: Rehabilitation Support Program
PCDSP	: Private Sector Development and Competitiveness Program
PDR	: Ex-Combatant Demobilization and Reintegration Program
PEG	: Government Economic Program
PEV	: Expanded Vaccination Program
PHC	: Primary Health Care
PIDR	: Interim Demobilization and Reintegration Program
PIR	: Enhanced Interim Program
PMPTTR	: Minimum Partnership Program for Transition and Recovery
PNAG	: National Program to Improve Governance
PNC	: Prenatal care
PNLT	: National Program to Combat Tuberculosis
PNMLS	: National Multisectoral Program to Combat AIDS
PONC	: Postnatal care
PPA	: Participatory Poverty Assessment
PPP	: Purchasing power parity
PRGF	: Poverty Reduction and Growth Facility
PRGSP	: Poverty Reduction and Growth Strategy Paper
PROCER	: Job Creation Program
PRONANUT	: National Nutrition Program (former CEPLANUT)
PRONAREM	: National Household Rehabilitation Program
PRS	: Poverty Reduction Strategy
PSC	: Preschool care
PUSPRES	: Emergency Support Program for the Economic and Social Reunification Process
REGIDESO	: Water Distribution Authority
RESEN	: Status Report on the National Educational System
RESP	: Health and Poverty Status Report
RH	: Reproductive Health
RVA	: Risk and Vulnerability Assessment
SADC	: South Africa Development Community
SENAREC	: National Capacity Building Secretariat
SMIG	: Guaranteed Minimum Wage
SNEL	: <i>Société Nationale d'Electricité</i> [national electric power company]
SNHR	: <i>Service National d'Hydraulique Rurale</i> [rural waterworks department]
SNSA	: <i>Service National des Statistiques Agricoles</i> [agricultural statistics department]
SOPPPOC	: Opinion Poll on the Congolese People's Perception of Poverty
STIs	: Sexually Transmitted Infections
UCOP	: Coordination Unit for the Emergency Support Program for the Economic and Social Reunification Process
UN	: United Nations
UND	: <i>Unité des Naissances Désirables</i> [desirable births unit]
UNDP	: United Nations Development Programme
UNICEF	: United Nations Children's Fund
UPPE-SRP Process	: Steering Unit for the Poverty Reduction Strategy Preparation and Implementation
VG	: Vulnerable Group
WB	: World Bank
WHO	: World Health Organization

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DRC – Administrative Map



FOREWORD

1. The preparation of the Poverty Reduction and Growth Strategy Paper (PRGSP) of the Democratic Republic of the Congo (DRC) comes three years after the adoption of the Interim Poverty Reduction Strategy Paper (I-PRSP). The process was carried out in an environment marked by emergence from a devastating conflict, one of the longest political transitions ever in Africa. The current strategy builds upon the efforts to normalize political life in the DRC, in which respect the democratic elections scheduled for 2006 constitute an important turning point.

2. Accordingly, the PRGSP will provide the new Government emerging from these elections not only with a framework for national reconciliation and the consolidation of peace, but also with a frame of reference for government policy and the convergence of cooperation with development partners to revitalize the economy and combat poverty.

3. This PRGSP, as a unified framework for development planning, is deliberately modest in scope and in keeping with the short- and medium-term objectives for 2006–2008 as well as the Millennium Development Goals (MDGs). It will permit an upgrading of the State's institutions and structures, the introduction of appropriate sectoral policies consistent with program objectives defined by the people, and capacity building with a view to reaching the completion point under the HIPC Initiative.

4. The Government is firmly committed to continuing the reforms initiated since 2001 in order to mobilize the resources needed for the poverty reduction programs in an environment characterized by democracy, justice, and equity.

5. The challenge before the country today is to bring the DRC out of the long period of sociopolitical crisis and return it to the path of sustainable development with justice and wisdom.

6. The preparation of this final PRGSP involved the participation of all, men and women alike, in a spirit of consensus building. In this connection, our thoughts go out to the late Justin Kazadi Tambwe, the Deputy Coordinator of the UPPE-SRP, who passed away unexpectedly on May 16, 2006.

EXECUTIVE SUMMARY

7. **The Poverty Reduction and Growth Strategy Paper (final PRGSP) was prepared in a difficult but much more promising context, characterized by a number of positive effects from implementation of the actions called for under the interim version (I-PRSP).** With the support of the international community, the country is gradually emerging from the conflict, and reunification and peace are being consolidated throughout the national territory. The political process began with the organization of the constitutional referendum in December 2005 and the promulgation of the constitution and the election law in February 2006. Inexorably, the path toward organizing legislative and presidential elections has been mapped out. The efforts to emerge from the political crisis were buttressed by courageous reforms: (i) fiscal and monetary reforms; and (ii) reforms in key sectors of the national economy. Despite several setbacks, which are hard to avoid in such circumstances, the reforms undertaken by the Government brought about clear improvement in the macroeconomic environment. Inflation has been relatively well controlled, the national currency has stabilized, and the country has returned to positive growth rates. To consolidate these gains and, in particular, to improve their positive spillover effects on the lives of the people, the Government intends vigorously to continue to intensify these reforms. This will enable it to rein in the effects of cyclical and structural shocks, whether domestic or external in origin, so as to reach the completion point of the Heavily Indebted Poor Countries Initiative (HIPC Initiative) in 2007.

8. **The process of preparing the final PRGSP was complicated and laborious, but the Government insisted that it be carried out rigorously and systematically.** The objective pursued was to have a high quality PRGSP the contents of which were assimilated, internalized, and legitimized by all stakeholders working in a responsible partnership. From the methodological standpoint, the process combined qualitative and quantitative methods in order to: (i) conduct a poverty diagnosis; (ii) define the long-term vision of development; (iii) formulate the strategy; and (iv) develop the implementation, monitoring, and evaluation framework and mechanisms for the actions called for under the strategy. Participation took the following forms: (i) the organization of sectoral and theme-based consultations and focused studies; (ii) the systematic involvement of civil society organizations in the process, in particular in the organization of participatory consultations with grassroots communities; (iii) the organization of qualitative and quantitative surveys; (iv) the involvement of national experts and the sectoral ministries; (v) the organization of capacity building workshops at the central and provincial levels; and (vi) the participation of the development partners.

9. **The qualitative and quantitative diagnosis clearly underscores the multidimensional nature of poverty.** Some of its dimensions are tangible and can be quantified, while others are intangible and can only be perceived through proxies. The results of the 1-2-3 survey show extremely high rates of monetary poverty (71.34 percent of the poor) and inequality (Gini index of 40 percent) which vary sharply by area of residence (61.49 percent of the urban poor have a Gini index of 40 percent, while 75.72 percent of the rural poor have a Gini index of 36 percent), by province (the poorest provinces are in the eastern part of the country), by socioprofessional group (with greater poverty in the informal sectors), and by demographic variable (greater poverty among young couples and the elderly). The human development indicators (education, health, access to socioeconomic goods and services) as well as indicators on the prevalence of HIV/AIDS, living conditions, and social protection, not only confirm the foregoing diagnosis, but also establish that poverty in the DRC is a generalized, chronic, mass