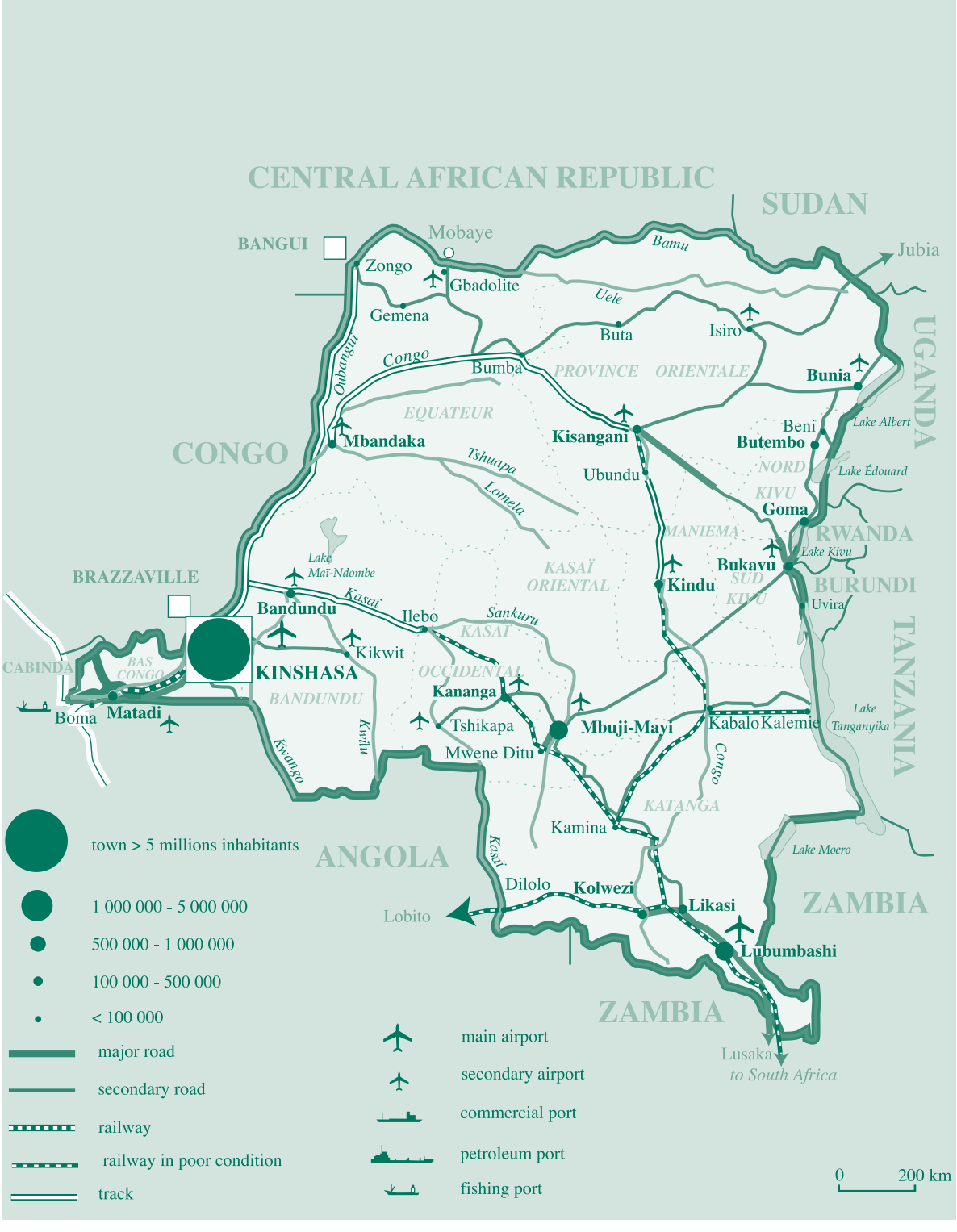
Democratic Republic of Congo

key figures

• Land area, thousands of km²	2 345
• Population, thousands (2005)	57 549
• GDP per capita, $ PPP valuation (2005)	460
• Life expectancy (2000-2005)	43.1
• Illiteracy rate (2005)	31.9

All tables and graphs in this section are available in Excel format at:
http://dx.doi.org/10.1787/141255437672

Democratic Republic of Congo



D.R. Congo

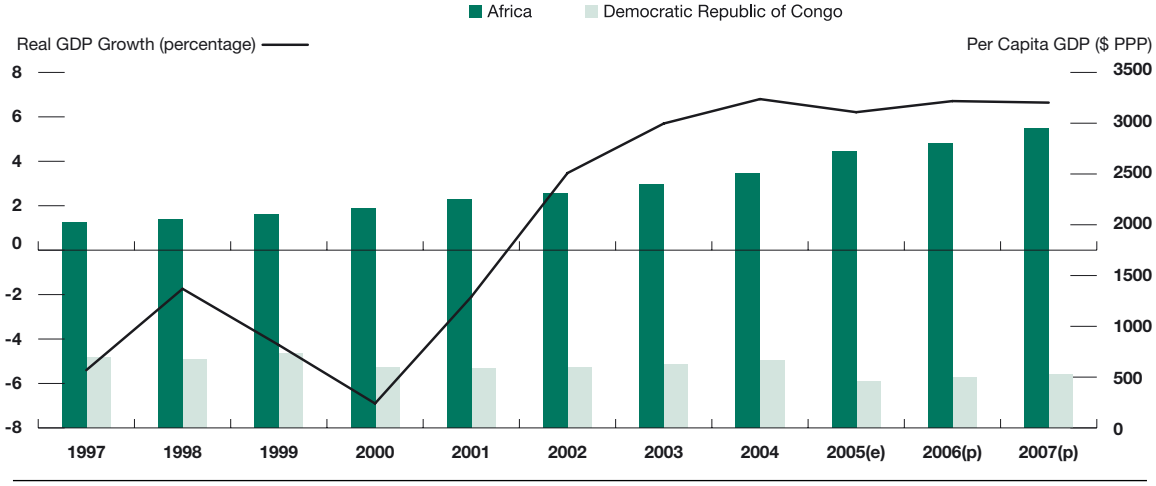
AFTER SEVERAL YEARS OF WAR and political instability, the challenges with which the Democratic Republic of Congo (DRC) is confronted are manifest. As is generally the case in post-conflict situations, reconstruction, rehabilitation and resumption of the functioning of the wider economy require a very great number of reforms, colossal financial resources and the establishment of transparent management systems and good governance. At the same time, lobbies and political pressure groups are still very much present.

The country needs, too, to tackle the state of poverty in which three-quarters of the population lives at a time when revenues are low and its main donors are concentrating on the cost of maintaining security and preparing elections. The future of DRC is largely dependent on the outcome of the presidential and legislative elections, which should take place in the spring of 2006. The international community and private investors have their attention fixed on these elections, which, if they go well, will allow different projects and programmes to be relaunched.

Renewed investments and the country's economic future depend largely on the outcome of the 2006 elections and the maintenance of peace.

For the third consecutive year, DRC has continued to register good performances via implementation of the government's economic programme. The country has succeeded in stabilising its macroeconomic framework, controlling hyperinflation and reviving a number of economic activities. Growth forecasts for the years to come are fairly promising, with 6.2 per cent expected in 2005 and 6.7 per cent in 2006, and the potential for exploitation of its natural and energy resources is immense. At the start of 2005, insecurity problems in the eastern part of the country resulted in additional military expenses that were financed by printing money, which, in turn, led to higher inflation and a lower exchange rate. Nevertheless, DRC should reach the completion point for the Heavily Indebted Poor Countries (HIPC) Initiative by the end of 2006, which would open the way to a significant and definitive reduction in the weight of the external debt in 2007. A new three-year plan to deepen reforms should be negotiated with the International Monetary Fund (IMF) for the 2006-09 period.

Figure 1 - **Real GDP Growth and Per Capita GDP**
($ PPP at current prices)



Source: IMF data; estimates (e) and projections (p) based on authors' calculations.

Recent Economic Developments

Economic recovery is the result of the massive aid offered by donors, investment flows and reform and restructuring efforts, notably in mining and forestry. In this way, GDP growth rose from 5.7 per cent in 2003 to 6.8 per cent in 2004. It should reach 6.2 per cent in 2005, 6.7 per cent in 2006 and 6.6 per cent in 2007. DRC's extraordinary potential in mining, forestry and hydroelectricity could generate even higher growth through the current elaboration of a coherent economic and sectoral policy and rehabilitation of basic infrastructures.

In 2004, the primary sector accounted for 59 per cent of GDP, of which 49 per cent for agriculture, fishing and forestry and 10 per cent for mining and quarrying. Cultivated land represents only 10 per cent of total arable land available, however, and major irrigation opportunities are not being exploited. The international community is expected to contribute to the reviving of the agricultural sector through support for the scientific activities of the Institut National d'Études et de Recherches Agronomiques (INERA) and rehabilitation of agricultural supply routes destined to allow major centres to receive basic foodstuffs. Agriculture is essentially of the subsistence-type but there is some export of such products as coffee, cocoa, rubber, oil and timber. In 2004, timber production increased 48 per cent over the previous year and the country possesses nearly half of all African forest reserves.

The mining sector was for years the economy's principal motor but also the cause of all jealousies and conflicts. With regard to copper, the contribution of Générale des Carrières et des Mines (Gecamines) to added value has steadily dwindled, falling from 69 per cent in 1974 to about 5 per cent in 2002, which represents a drop of more than 90 per cent over the period. The fall in production is directly tied to the collapse in September 1990 of the main mine in Kamoto but also to a low replacement investment level, shortage of working capital and the general obsolescence of production plants. Diamond production came close to 30 million carats in 2004, up 11 per cent on 2003. The Kimberley Process allowed some small-scale production to be reintroduced into the official circuit. In 2004, DRC also produced 395 309 tonnes of cement, 5 067 tonnes of zinc, 8 851 tonnes of cobalt and 1 tonne of gold. Also in 2004, crude oil production returned to its 1995 level of 10 million barrels.

If the mining sector is underperforming, so, too, are the water and energy sectors. Although the country's electricity generating potential is estimated to be 106 000 MW, most of it from hydroelectric sources, only 7 per cent of the population has access to electricity. At the same time, only 25 per cent of the urban population and 17 per cent of the rural population have access to drinking water despite the country having immense water resources and abundant rainfall.

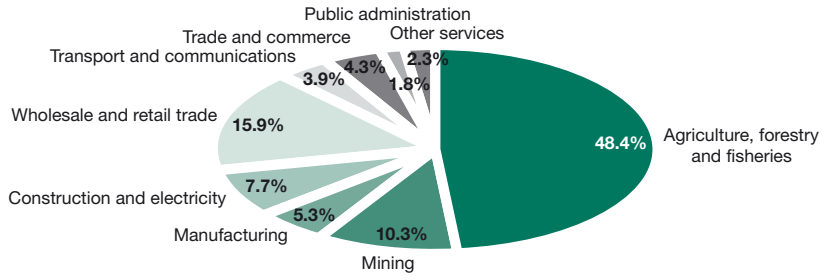
The secondary sector was relatively stable in 2004 with a 13 per cent share of GDP. Manufacturing production comprises mainly wheat flour and fizzy and alcoholic drinks. The tertiary sector accounted for 29 per cent of GDP. In the services sector, transport

Table 1 - **Demand Composition** (percentage of GDP)

	1997	2002	2003	2004	2005(e)	2006(p)	2007(p)
Gross capital formation	**36.2**	**9**	**12.2**	**12.8**	**18.4**	**19.6**	**20.8**
Public	0.5	1.0	2.7	2.8	7.8	9.0	9.5
Private	35.7	8.0	9.5	10.0	10.6	10.7	11.3
Consumption	**60.5**	**96.0**	**95.0**	**96.1**	**91.8**	**90.9**	**90.9**
Public	8.0	5.5	6.3	8.2	9.2	9.2	9.3
Private	52.5	90.4	88.7	87.8	82.5	81.7	81.6
External sector	**3.4**	**-4.9**	**-7.2**	**-8.9**	**-10.1**	**-10.6**	**-11.7**
Exports	19.1	21.2	26.1	30.5	33.3	32.8	32.1
Imports	-15.8	-26.1	-33.3	-39.4	-43.4	-43.4	-43.9

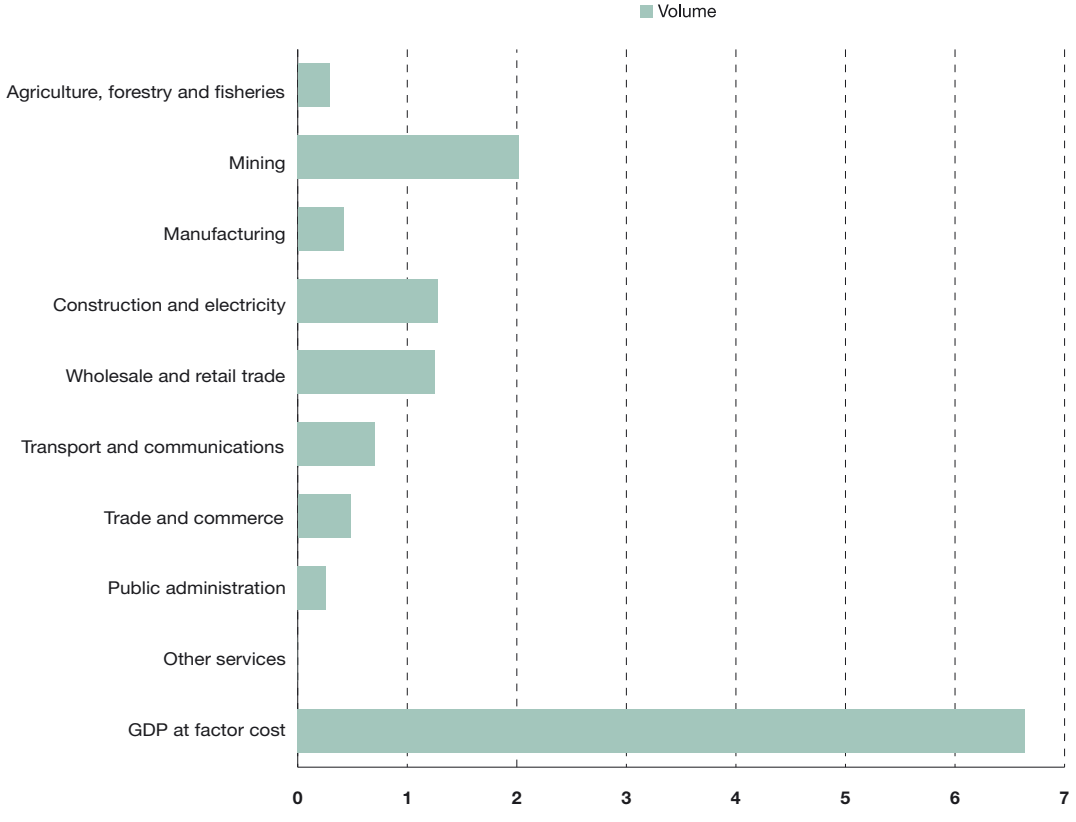
Source: IMF data; estimates (e) and projections (p) based on authors' calculations.

Figure 2 - **GDP by Sector in 2004** (percentage)



Source: Authors' estimates based on Central Bank data.

Figure 3 - **Sectoral Contribution to GDP Growth in 2004** (percentage)



Source: Authors' estimates based on Central Bank data.

and telecommunications have shown the strongest recovery since the end of the war.

Alongside these sectoral developments, private consumption was more sustained in 2004 than in 2003, as was private investment. Public consumption also increased in 2004 and 2005, provoking inflationary surges. On the other hand, an increase in the external deficit in 2004 and 2005, which will probably continue in the coming years, offset pressure on internal demand.

In 2004, the global investment rate was still insufficient to generate self-sustaining growth. It reached 12.6 per cent of GDP in 2004, of which 2.8 per cent for public investment. With external support, however, public investment virtually doubled in 2005 and its share

of GDP rose to 7.8 per cent. In future, it should continue to increase and the national investment rate could exceed 20 per cent in 2007. Taking account of low internal savings – less than 5 per cent in 2004 and not more than 10 per cent expected in the years to come – investment is financed by foreign funds.

Macroeconomic Policies

Fiscal Policy

Until January 2006, the government economic programme tied DRC to the IMF via the Poverty Reduction and Growth Facility (PRGF). A new three-year programme is due to take its place.

In 2005, the international community financed 58 per cent of the state budget. Because of the preparations for the elections, the contribution of grants to GDP was considerable, at 9.3 per cent. It should continue to be high in 2006 and 2007, at 7.6 and 8.1 per cent respectively. Without these very large amounts, the economy would collapse. Total revenue, which represented 5.1 per cent of GDP in 2000, was up to 11.6 per cent in 2004. It should reach 18.7 per cent in 2005 and 17.1 per cent in 2006. This phenomenon can be explained notably by an increase in oil revenues, especially in 2005, and by more effective tax collection following a general strengthening of fiscal administration over the country.

Since 2003, expenditure has increased markedly, partly as a result of the country's reunification and partly because of an increase in military spending destined to restore peace, notably in the eastern part of the country. Expenditure should reach very high levels in the years to come. It is expected to reach 21.3 per cent of GDP in 2005 and 22.4 per cent in 2006. In 2004, because of insecurity problems, investment and other public expenditure on the poor was not as high as expected. It fell short of the initial programme – by 61 per cent for capital expenditure. The government resorted to bank financing and money printing to cover additional current expenditure, which came to 12.6 per cent of GDP. For 2005, 2006 and 2007, capital expenditure is expected to increase strongly – from 7.7 per cent of GDP in 2005 to 9.4 per cent in 2007, compared with 2.8 per cent in 2004 – because of the scale of the country's infrastructure and reconstruction needs.

Overall, taking into account grants, the budget deficit came to 3.8 per cent in 2004. It could be reduced to 2.5 per cent in 2005 thanks to the external resources expected for the elections and the disarmament, demobilisation and reintegration (DDR) programme as well as payment of the first tranche of arrears held

Table 2 - **Public Finances** (percentage of GDP)

	1997	2002	2003	2004	2005(e)	2006(p)	2007(p)
Total revenue and grants[a]	**9.3**	**7.9**	**9.7**	**11.6**	**18.7**	**17.1**	**17.8**
Tax revenue	4.2	6.5	6.9	7.7	7.6	7.7	7.8
Grants	4.1	0.4	2.0	2.0	9.3	7.6	8.1
Total expenditure and net lending[a]	**10.1**	**10.3**	**13.6**	**15.4**	**21.3**	**22.4**	**22.7**
Current expenditure	8.4	9.4	10.9	12.6	13.6	13.4	13.3
Excluding interest	*8.4*	*6.2*	*7.5*	*9.3*	*10.4*	*10.5*	*10.6*
Wages and salaries	1.4	1.9	2.5	3.6	3.3	3.1	3.0
Interest	0.1	3.2	3.4	3.3	3.2	3.0	2.7
Capital expenditure	0.5	0.5	2.7	2.8	7.7	8.9	9.4
Primary balance	**-0.7**	**1.2**	**-0.4**	**-0.5**	**0.6**	**-2.3**	**-2.2**
Overall balance	**-0.8**	**-2.0**	**-3.9**	**-3.8**	**-2.5**	**-5.2**	**-4.9**

a. Only major items are reported.
Source: IMF data; estimates (e) and projections (p) based on authors' calculations.

by private creditors. It is expected to rise again to 5.2 per cent of GDP in 2006, however, and come close to 5 per cent in 2007.

The problem of the internal debt – which is social, commercial and contracted with public companies – is in the process of being settled via a mark-down and a reimbursement schedule spread over several years. Altogether, public arrears are thought to represent over $1.3 billion.

Monetary Policy

Although the primary objective of the Banque Centrale de Congo (BCC) is to maintain price stability through a rigorous monetary policy, it ran into several difficulties in 2005. First, despite the bank's independence, budgetary difficulties, arising from the insecurity in the eastern part of the country, led to a deterioration in the monetary situation between January and April, characterised by an increase in money supply and inflationary pressures, and a new fall in the exchange rate. The BCC reacted in February by sharply increasing its discount rate from 20 to 65 per cent so as to absorb surplus monetary liquidity and prevent it from growing further. In July 2005, it reduced its official market rate again to 30 per cent. Second, the BCC functions with just 14 per cent of money supply in Congolese francs since the remaining 86 per cent (CDF106.22 billion) is outside the banking circuit. This phenomenon is a result of the under-representation of the banking system in DRC. There is only one bank branch for every 1.5 million inhabitants and for every 56 000 km^2. Third, the face value of notes is much too weak, given that the highest value note, which has a value of CDF500, is worth just $1.2. The economy is highly dollarised. Another major reason for dollarisation is the low credibility of the national currency after annual inflation reached more than 500 per cent in 1999 and 2000.

The floating exchange system enabled exchange rates to be stabilised until the first half of 2004. After that, the Congolese franc started to depreciate progressively, finally falling 30 per cent between January and April 2005. The dollar was traded at CDF450 in December 2005, compared to CDF515 in mid-April 2005.

As a result of the monetary slide, the increase in military spending and the increase in the price of oil products, inflation accelerated in the first half of 2005, reaching a peak of 26.6 per cent at the end of May. On a full-year basis, the inflation rate was 22.6 per cent in 2005 but should be brought back under 10 per cent in 2006 and 2007, when it is forecast to fall to 6.7 and 5.2 per cent respectively.

External Position

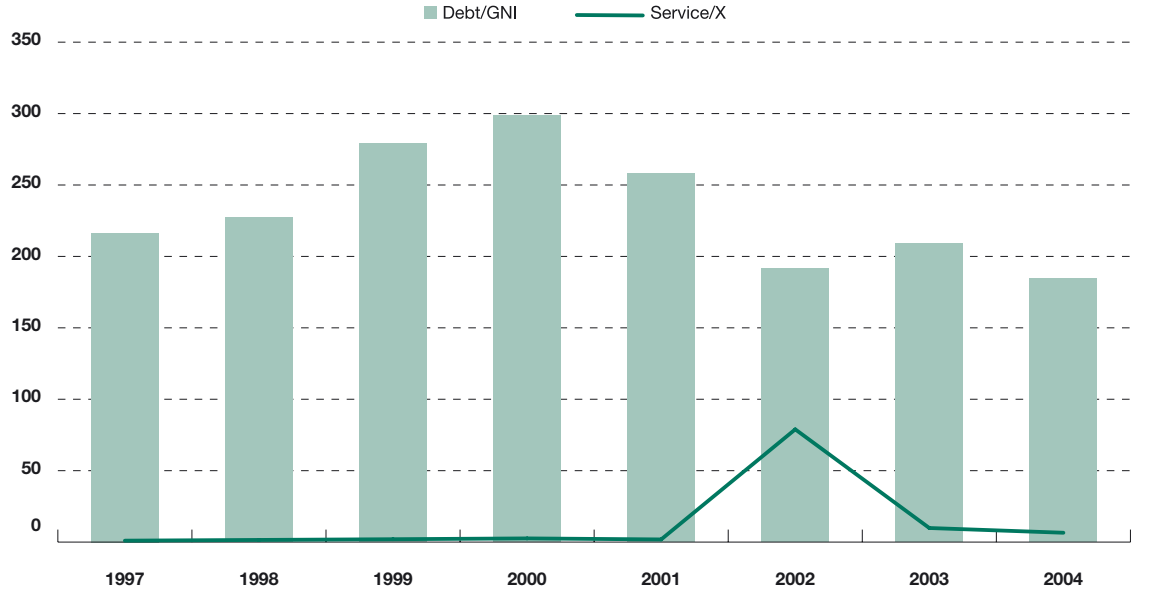
DRC's geographical position enables it to belong to four regional communities: the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), the Economic Community of Central African States (ECCAS) and the Economic Community of Great Lakes Countries (CEPGL). It has earned sanctions for payment arrears from the SADC and COMESA, however. In September 2005, the authorities in the provinces of Katanga (DRC) and Copperbelt (Zambia) adopted a series of measures aimed at encouraging trade and reinforcing their common border.

Table 3 - **Current Account** (percentage of GDP)

	1997	2002	2003	2004	2005(e)	2006(p)	2007(p)
Trade balance	8.4	-0.3	-2.8	-3.8	-4.2	-4.4	-5.4
Exports of goods (f.o.b.)	20.1	19.4	23.6	28.1	31.1	30.9	30.2
Imports of goods (f.o.b.)	-11.7	-19.7	-26.4	-31.9	-35.3	-35.3	-35.6
Services	-4.8	-4.6	-4.5	-5.0			
Factor income	-7.1	-5.4	-3.0	-4.1			
Current transfers	0.0	7.5	8.8	7.5			
Current account balance	**-3.4**	**-2.7**	**-1.5**	**-5.4**			

Source: IMF data; estimates (e) and projections (p) based on authors' calculations.

Figure 4 - **Stock of Total External Debt** (percentage of GNI) **and Debt Service** (percentage of exports of goods and services)



Source: IMF and World Bank.

DRC's exports are largely based on very low added value mining and agricultural products, both of which have been falling for three decades. According to forecasts, the share of exports in GDP should stabilise at less than 31 per cent in the years to come. The contribution of copper and cobalt production by Gecamines, which used to average more than 60 per cent in the 1970s and 1980s, represented only 7.3 per cent in 2004, even if this represented a 218 per cent increase over 2003. At present, diamonds and oil account for three-quarters of foreign currency revenues. In 2004, moreover, DRC exported 647.85 kg of gold for revenues totalling $7.45 million and 6 098 tonnes of cassiterite (tin) for a little over $5 million. DRC also exports a few industrial products like cement and chemical products.

The hyper-concentration of the country's exports is one of the explanations for the fall in foreign trade. In the import field, DRC depends heavily on very costly manufactured products from countries in the northern hemisphere. Between 2003 and 2004, the value of imports increased 24.6 per cent, including an increase of 76.6 per cent for capital equipment and 72.8 per cent for raw materials which were required for the resumption of economic activity. Imports represented 35.3 per cent of GDP in 2005, against 31.9 per cent in 2004. They should remain high at over 35 per cent of GDP in 2006 and 2007 and so contribute to increasing the trade deficit.

In 2004, exports increased strongly in value, rising 34.6 per cent following an increase in the prices of mining products and oil. Overall, the trade deficit amounted to 3.8 per cent of GDP. It should reach 4.2 per cent of GDP in 2005, then 4.4 and 5.4 per cent respectively in 2006 and 2007. The big increase in debt interest repayments contributed, moreover, to a deterioration in the current balance, which increased from 1.5 per cent of GDP in 2003 to 5.4 per cent in 2004.

Over the last four years (2001-05), the World Bank has invested about $1.83 billion in DRC in the form of loans and subsidies. The majority of these operations have been classified as urgent loans and adjustment loans for political reform and budget support.

In July 2003, DRC attained the decision point under the Heavily Indebted Poor Countries (HIPC) Initiative and has benefited since from a reduction in

external debt service from its creditors. The reduction of about two-thirds was revised to $86 million in 2004 and $146 million in 2005. At the end of 2004, the stock of external debt was estimated to be $10.9 billion, three-quarters of it owed to multilateral bodies. In 2005, the international financial institutions decided to grant funds totalling $150 million to DRC, of which $40 million for balance-of-payments support. In addition to this amount, budget support totalling $90 million was granted, comprising $42.7 million for internal debt payments and $47.5 million for retirement dues. A further $20 million was granted for public service restructuring.

The period of debt service relief was extended for a year by the IMF in August 2005. Drafting of the Poverty Reduction Strategy Document (PRSD) was due to be completed for the end of 2005 and will enable the country to reach the point of completion under the terms of the HIPC Initiative by the first quarter of 2007. DRC could then benefit from a 90 per cent cancellation of its debt stock.

Structural Issues

Recent Developments

In the context of the programme concluded with the IMF, DRC is in the process of adopting structural reform programmes covering good governance, price liberalisation and the encouragement of business through the establishment of an appropriate institutional and regulatory framework. A complete privatisation and public company reform programme should be brought into operation in 2006. Exploitation of mineral and forest resources should be carried out in a transparent manner with greater private sector involvement. In the judicial field, two commercial courts were set up in 2005 in Kinshasa and Lubumbashi. An anti-corruption law was promulgated in March 2005.

In general terms, the state has been obliged to privatise public sector companies because they are often bankrupt, starved of capital and unable to pay their taxes. They represent an excessive burden on the public purse, all the more so because the state guarantees their external loans and grants them subsidies to enable them to survive. Country risk is very high, however, and certain assets may be worthless, particularly outside sectors offering good prospects like telecommunications, mining, forestry and water and energy infrastructure.

The pilot committee for public company reform (COPIREP) has been given the job of preparing legislation to modernise the legal framework of public companies and to privatise some of them. Already in 2004, the government's economic programme financed by the World Bank, provided for the restructuring of a series of companies through voluntary departures of employees. These measures had started to be applied in such companies as Gecamines and the Office Congolais des Postes et Télécommunications despite strong union resistance.

Transport Infrastructure

Transport infrastructure in DRC is either dilapidated or inexistent. In the ten years after independence, practically no maintenance was carried out and the entire network created for colonial exploitation collapsed. In the 1970s, in collaboration with the main donors, steps were taken to rehabilitate it but were rapidly abandoned because of political instability and war. Lack of maintenance and destruction have left an infrastructure system which exists only on maps.

The state of the transport sector is having dramatic consequences on the whole country in the form of insecurity, lack of internal socio-economic cohesion, pauperisation of isolated regions and limitation of development and trade. The bulk of the DRC's territory is at present inaccessible. Out of ten provincial capitals, only one is accessible by road, three by river and six only by air. Communication between these capitals and other provincial centres and access to rural areas is often no longer possible.

Of the immense 145 000 km road network, of which 58 000 km are categorised, only 2 800 km are surfaced and road signs are inexistent. As for the railways and their 5 000 km of track, the majority is unusable

because of the poor state of the tracks and bridges and the destruction and pillage of rolling stock. There is a 16 200 km network of inland waterways, with 40 ports on the River Congo, its tributaries and the lakes. The inland waterways are the only trade route to the northeast. The absence of dredging over the last 10 years, the general deterioration in the state of channels and ports and pillaging have made navigation very dangerous, however, and not very profitable. The deep-water port of Matadi in the southwest is DRC's only maritime outlet but only a part of the port's installations are still functional and draught maintenance is a source of enormous difficulty. Moreover, the 5 000 tonnes of cargo which arrive each day can be dispatched neither by road nor railway. The port is completely congested. In the air transport sector, the network comprises 270 airports, aerodromes or landing strips, including five international airports. Kinshasa absorbs 80 per cent of domestic traffic. At the same time, infrastructures are deteriorating because of strong demand for air travel arising from the lack of alternative modes of transport. A series of crashes bear witness to the deplorable state of the country's private aircraft fleet. Out of a total of 51 companies, 33 were banned from flying in September 2005 and the government announced an increase in the number of inspections and a total ban on flying for aircraft more than 20 years old.

The multimodal nature of the transport network means that it is managed by several different specialised institutions which are often public sector companies overseen simultaneously by several ministries. The Office des Routes and the Office de Voirie et Drainage (ministry of public works), as well as the Direction des Voies de Dessertes Agricoles (ministry of rural development) manage and maintain major national roads, urban roads and secondary and rural roads. Rail infrastructures are run at sub-network level by the Office National des Transports (ONATRA) in the west, the Société Nationale des Chemins de Fer du Congo (SNCC) in the south and the Chemin de Fer des Uélés (CFU) in the north. Three separate bodies run the main sea, waterway and air ports and oversee navigation. In future urban transport is to be run by the newly created Société des Transport Urbains Congolais (STUC).

Given the sector's fragmentation and the absence of a national transport plan to co-ordinate and formalise policies in the different sub-sectors, the performance of these institutions has been very uneven. The multimodal nature of the network is poorly exploited even though all transport projects emphasis the need for intermodality to make the system efficient and end the country's isolation.

To deal with the dilapidation of infrastructures and the problems of organisation, the government intends to finance certain projects and undertake legislative and institutional reforms. Projects can be divided between those which are short term, dealing with security and communication at the national level, and those which are long term, dealing with the need for rural integration enabling the country to play the role of backbone of Africa which goes with its geographical position.

The first series of projects is described in the Emergency Multisector Rehabilitation and Reconstruction Project (EMRRP), which takes account of the country's primary need for communications and security. Next, following the reunification of the territory, another series of measures has been prepared for the east of the country. Finally, in the Minimum Partnership Programme for Transition and Recovery (MPPTR), a list of priorities has been presented to donors on the basis of impact criteria which take into account the access they offer and the technical feasibility of the work they entail. These projects should allow several existing infrastructures to be rehabilitated, links between production consumption centres to be restored and mining activities to be revived. The road link between Kinshasa and Matadi has been rehabilitated and river traffic between the capital and Kisangani, the country's third biggest city, re-established.

Apart from this priority to develop the interior, the government is considering a wider ranging programme aimed at regional integration. Trade growth is seen as dependent on construction of major transport corridors like the North Corridor, which will link the Indian and Atlantic oceans via the Kenyan port of Mombasa and that of Banana in DRC, and the South

Corridor, which will run between the mines of Katango and Kasai to southern Africa. Rail gauge problems mean that the northern rail network cannot be linked to the other regional networks. As for the African aviation market, the liberalisation which the Yamoussoukro Decision is expected to usher in, could enable DRC's enormous potential to be exploited by promoting its integration at continental level.

In all, many projects exist but their realisation requires institutional reforms, the co-ordination of rehabilitation activities, improved project management capacity and provision of necessary financing. Rehabilitation generates major maintenance costs which it would be preferable to reduce by completely renewing existing infrastructures.

Establishment of an efficient transport system is a long-term objective which will cost billions of dollars but is hampered both by DRC's limited investment absorption capacities and the availability of resources. The financial needs of the minimum programme projected over the next three or four years come to $919 million, of which $374 million in the first year.

In the medium term, the government is working on new solutions. A road maintenance fund is in the process of being set up to improve road safety, stop road deterioration and attract more funds from donors. Low traffic levels means that it is impossible to set up toll stations to recover investment funds, with the result that private sector involvement in infrastructure financing is limited. To overcome this, a system of operating concessions for quarries and mines, which would be linked to road and rail infrastructure rehabilitation, could be set up. More generally, however, the absence of framework legislation for public-private partnerships represents an obstacle to national and international private sector involvement in implementation of transport policy.

With the exception of telecommunications, where there has been spectacular development thanks to the high number of potential users, the private sector is still handicapped by regulatory and institutional constraints, as well as by lack of infrastructure. Nevertheless, sectors such as energy, mining, forests and agro-industry should attract investors in the years to come.

In the banking sector, nine banks have recently been put into liquidation and seven others are due to be restructured in 2006, while three foreign banks opened in 2005. In the microfinance sector, ProCredit Bank Congo, the first private microfinance bank, which itself groups 19 specialised banks, was inaugurated in October 2005. The informal trading, which dominates nearly 90 per cent of the Congolese economy, is the principal target of this new bank, which offers its clients the opportunity to open an account without a prerequisite deposit. In Kinshasa, nearly 2 000 clients had opened an account and nearly 200 micro-loans had been granted only 45 days after the bank's opening.

Political and Social Context

Since April 2003, DRC has been engaged in a fragile political transition which had been due to end in June 2006 with the organisation of the first democratic elections in 40 years. The independent electoral commission took charge of the identification and registration of voters in the provinces. It had already collected the details of 17 million electors out of an estimated potential total of more than 20 million in November 2005. The international committee for accompaniment of the transition, composed of five permanent Security Council member countries, Belgium, Canada, South Africa, Angola, Gabon, Zambia, the European Union, the African Union and the United Nations mission in DRC, has been given the task of following the transition and election processes. The constitutional referendum took place on 18 December 2005; the first round of the presidential and legislative elections is planned for June or July and the second round of the presidential elections six weeks later. The electoral budget totals more than $185 million, not including the cost of logistics and voting security, which takes the total projected budget to $430 million. This process is being largely financed by the international community, including, notably, the European Union.

DRC is having difficulty, however, in forming a national army integrating all the armed groups from the former rebellions, which is one of the principal obligations of the transition government. Ituri, a district in the northeast of the country, is still trying to emerge from six years of war and inter-ethnic violence in which militia groups opposed to disarmament are maintaining a climate of terror. Since 1999, more than 60 000 people have been killed and 600 000 displaced in this district of some 5 million inhabitants. Gold, oil, timber and uranium are arousing the jealousies of neighbouring countries. A report by United Nations experts, circulated in August 2005, established a link between the pillage of DRC's natural resources, trafficking and arms smuggling in the east of the country. It notes big discrepancies between the mining resources of Uganda and Rwanda and the volume of minerals they are exporting. Altogether, some 377 000 Congolese have taken refuge in neighbouring countries, of whom 150 000 in Tanzania alone.

DRC is one of the poorest countries in the world. In 2005, more than 75 per cent of Congolese were still living with less than a dollar a day and did not have access to drinking water. The infantile mortality rate, at 128 per 1 000, is one of the highest in the world. Only 61 per cent of births are medically assisted but regional disparities are enormous and, on average, the maternal mortality rate is 1 289 women out of 100 000. One child in every ten is an orphan. The number of street children and child soldiers is estimated at 15 000 and 30 000 respectively.

The World Food Programme has announced that it is extending a vast operation of assistance to provide food rations for 150 000 ex-combatants and their families, a total of 750 000 people, by June 2006. This operation, which was launched in 2004 and is costing a total $191 million aims, too, to assist some 175 000 displaced persons within DRC and some 400 000 Congolese refugees who are progressively returning home.

On the employment market, unemployment or precarious employment concerned the very great majority of the active population in 2004. The numbers involved in informal work are constantly increasing and salaries are derisory. After negotiations in February 2004, a new salary scale fixed the monthly remuneration of the lowest placed civil servant at $208 and that of the secretary general of the civil service at $2 080. This scale is still not applied, however. An usher, who is on the lowest salary, receives CDF826 (about $1.7), which is supplemented by a monthly transport allowance of CDF9 202 ($20).

Progress towards realisation of the Millennium Development Goals is very slow. Gender inequality is great since most women do not have access to production factors such as land, capital and work nor to education. In 2004, 61.2 per cent of women lived below the poverty level. Their schooling levels are lower and their illiteracy level higher than those of men. Women are also exposed to sexual violence from the armed forces and rebels. They are also under-represented in strategic level decision making.

In the health field, vaccination and screening campaigns were carried out in eight provinces between September and December 2005. These campaigns were intended to protect 10 million children under 5 against polio and nearly 8 million children between 6 months and 15 years against measles. In 2004, 4 million cases of malaria were recorded and 13 000 people died of the disease. In reality, however, the malaria figure only represents 20 per cent of cases, since 80 per cent of those affected do not present themselves for hospital treatment.

HIV/AIDS is a real problem for the country because it is spreading at an exponential rate. According to 2004 statistics, 2.6 million Congolese are carriers of the disease. Every minute, ten new cases are recorded and six deaths occur as a result of the infection. The average prevalence rate is 5 per cent on average and more than 3 million children are orphans, of whom a third because of AIDS.

The literacy rate is currently 68.1 per cent. Nearly one child in two does not go to primary school, 30 per cent of them because of difficulty meeting school expenses. To this can be added the poor quality of teaching, a very high level of repeat years and difficult

conditions for teachers. After a strike which started on 5 September 2005, the teachers resumed work in mid-October. They won an increase of $2.3 million over the initial wage bill allocation of $60 million. In DRC, a teacher earned the equivalent of $30 per month, including transport allowance, and probably earns $50 per month now.

In the 2005-06 school year, UNICEF should provide 3.3 million children with school material and 67 000 teachers with basic teaching material, while at the same time maintaining its efforts to support 2 000 selected schools and to improve the school attendance rate. In the first year of primary school, the 2005-06 year showed an improvement in school attendance of 32 per cent for girls and 22 per cent for boys. For the first time in DRC, the number of girls registered in first year at national level was higher than the number of boys.

The Campus Numérique Francophone de Kinshasa (CNFK) has been in operation since June 2003. It constitutes a technological platform which enables the university public to consult books, access the Internet, order recent scientific articles and follow training in information technology. In 2005, CNFK offered 32 distance education training courses leading to a diploma.