

AFRICAN DEVELOPMENT FUND

DEMOCRATIC REPUBLIC OF CONGO : FINAL COMMUNIQUE
OF THE CONSULTATIVE GROUP MEETING
(PARIS, FRANCE – 29-30 NOVEMBER 2007) *

FINAL COMMUNIQUE
Consultative Group Meeting on Democratic Republic of Congo
Paris, France – 29-30 November 2007

Paris, 30 November 2007 – During the Consultative Group (CG) meeting in Paris, the Government of the Democratic Republic of Congo (DRC) and international partners made commitments to ensure continued progress in DRC. The Government stressed that its top priorities are achievement of the HIPC Completion Point, achievement of double-digit economic growth, reaching the Millennium Development Goals by 2015, and making more rapid progress on human development indicators. The Government underlined its commitment to implement necessary reforms in all aspects of the economy and public administration. The donors welcomed the steps forward, particularly the Government's commitment to fiscal discipline.

The aim of the meeting was to discuss the progress the DRC has made over the last few years, consider the Government's vision for development, reinforce the mutually accountable and transparent partnership between the Government and its partners, and continue to mobilize funding in support of its Poverty Reduction Strategy Paper (PRSP) as well as its *Programme d'Actions Prioritaires* (PAP).

The Government and its development partners recognized the progress made with respect to the democratic and transparent elections that took place in 2006, which has made possible the installation of newly elected institutions that enjoy the support of the population – a critical condition for sustainable development.

The Government stressed that its Governance Contract is a safeguard to ensure that its development program is effective. It also reiterated its determination to take the actions necessary to attain the Heavily Indebted Poor Countries (HIPC) initiative completion point – when debt relief becomes irrevocable – by end-2008, at which point it also expects to benefit from additional debt write-offs under the Multilateral Debt Relief Initiative, as well as the Paris and London Clubs. According to the joint World Bank-IMF Debt Sustainability Analysis, DRC's external debt was an estimated US\$11.5 billion in December 2006, and its debt situation will remain fragile and vulnerable to external shocks even after debt relief. The Government also presented its program of reform and modernization of the Central Bank.

Bilateral and multilateral donors present at the CG – 140 representatives from 15 countries plus 10 international organizations¹ – pledged strong support totaling US\$4 billion over the three years period 2008-2010, or slightly more than US\$1.3 billion a year. Of this, 75 percent is new, in support of the country's political and economic stabilization, post-conflict reconstruction, and governance reform.

¹ Bilateral donors included Belgium, Canada, China, France, United Kingdom, United States, Germany, Italy, Japan, Netherlands, Norway, Portugal, Spain, Sweden, and Switzerland. Multilateral donors included African Development Bank, Arab Bank for African Development, European Commission, European Investment Bank, International Monetary Fund, Kuwait Fund for Arab Economic Development, Organization for Economic Co-operation and Development, Saudi Fund for Development, and the United Nations (United Nations Peace-keeping Operations, United Nations Development Programme, UNICEF, FAO, World Food Program), and the World Bank Group (IDA, MIGA, IFC, FIAS).

The Government and donors agreed that security sector reform (SSR) across the three pillars – army, policy, and justice – is the key to sustainable development in DRC. The Government is committed to moving forward with SSR through the implementation of a strategic plan, which will be presented at a forthcoming Round Table. Partners called upon on the Government to expedite the SSR and expand the authority of the state across regions, including Ituri and Kivus, where armed groups continue to operate. They highlighted the importance of national and international support for the recently joint Communique issued in Nairobi (Kenya) on 9 November 2007, under which the Government of DRC and Rwanda have committed to take specific action to address the issue of national and foreign armed groups in the East of DRC. The Government and partners also stressed the importance of ending sexual violence, violence against children, and impunity.

Donors committed to supporting implementation of the recommendations adopted during the recent Decentralization Forum held in October in Kinshasa, including a timetable and the PAP. In that context, donors committed to coordinate their activities within the framework of the governance thematic group. All participants agreed on the importance of holding the local elections in 2008.

Donors underlined the need for DRC to undertake key economic and structural reforms that will enable economic growth. This will equally allow the IMF to provide support through a three-year arrangement under the Poverty Reduction Growth Facility (PRGF).

All participants underlined the need for financing to be provided through a transparent process resting on mutual accountability, monitoring and evaluation, as well as predictability of development resources. The Congolese Government pledged to stay the course in its reforms on transparency, especially with respect to the Extractive Industries Transparency Initiative (EITI) and the Kimberly Process. The Government also committed to ensuring that fresh debts will not further complicate the sustainability of its debt.

The Government and donors also stressed the importance of ensuring fee-free access to primary education as soon as possible, reaching, as a first milestone, an increase in enrollment by at least one million children by September 2008. The Government increased the share of its budget allocated to the education sector to 10 percent. The donors, which currently allocate 6 percent of their overall external assistance to education, are working jointly to set mechanisms to increase their support. In order to achieve the target of the additional one million enrolled in primary school and to improve the quality of education, an additional US\$100 million is needed for 2008.

On health, the Government and donors agreed on the need to revitalize the health care system and to reduce barriers to health care access; to benefit from the expertise and dynamism of civil society organizations and faith-based organizations; to improve sector management and information sharing; and to further strengthen coordination with Government and its partners.

On HIV/AIDS, the Government and the donors agreed on the need to revise the national strategy; step up prevention campaigns focused on behavioral changes, including sexual habits; and expand access to free anti-retroviral drugs to all eligible patients.

For the infrastructure transport sector, the Government and donors stressed the importance of

strengthening the coordination among all stakeholders. The definition of a sectoral strategy for a multi-modal transport, and road maintenance, have been identified as priorities. The public-private partnerships will be encouraged.

On water and sanitation, the Government and donors reiterated their commitment to pursue and strengthen the ongoing actions in the sectors.

On forestry, the DRC authorities confirmed their determination to complete the legal review of forest concessions and to maintain the moratorium. The Government stressed its willingness to protect the second largest rainforest in the world, and the interests of local communities. It made a strong plea to the international community to set up and pilot innovative instruments to pay for carbon and other environmental services provided by the Congolese forests. A consensus emerged on the need to start funding and implementing the proposed new instruments on a pilot basis as soon as possible.

As the majority of Congolese depend on agriculture for their livelihoods and these people tend to be the poorest of the poor, the Government and the donors agreed that agriculture is one of the most important pro-poor sectors.

On mining, the Government reassured its partners that the rights of investors in the sector would be respected, explaining that it has yet to adopt or express its views on recommendations made by a committee appointed to “revisit” mining contracts in the country. The Government has committed to pursuing reforms aimed at improving the management of the sector. The mining sector alone could provide between US\$200 million and US\$300 million in additional revenue each year to DRC. The IMF estimates that investments of US\$3 billion in the mining sector would return mine production to the high levels experienced in the 1980s and help to boost growth to double digits.

Finally, the DRC and its development partners adopted a common declaration on harmonization and coordination of funding support, under which donors would work through 15 thematic groups led by the Government, in order to increase the effectiveness of aid and its minimize transaction costs. The Consultative Group resolved to review, every six months, the progress on harmonization, as well as constraints faced, funding provided, and risks involved.