Congo Republic

key figures

- Land area, thousands of km² 342
- Population, thousands (2004) 3 818
- GDP per capita, $ (2003) 957
- Life expectancy (2000-2005) 48.2
- Illiteracy rate (2004) 15.2

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Congo

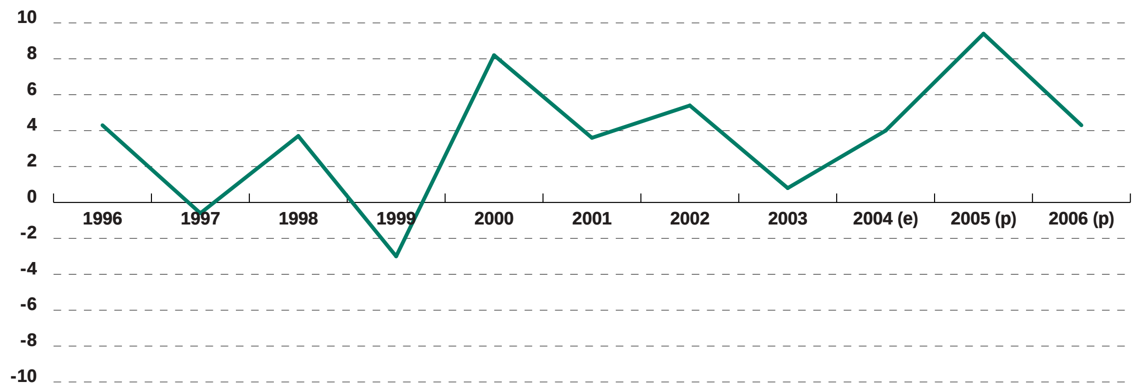
CONGO SUFFERED ENORMOUS DAMAGE during successive civil wars (especially between 1993 and 1999) but the oil sector, mainly-offshore, was spared. The fighting greatly increased poverty and the government became heavily indebted, in particular by mortgaging its oil resources. Since the end of the war in 1999 and elections in 2002, the economy has experienced a solid revival and growth should accelerate with the bright prospects of the oil sector.

Reconstruction and restoration of infrastructure were mainly financed with state funds at first, but the government has progressively restored links with the international community since 2003 for aid purposes. Strict control of public finances and major transparency efforts over oil revenue led to an International Monetary Fund (IMF) programme and an agreement with the Paris Club of lending nations in December 2004. The government aims to reach decision point under the Heavily Indebted Poor Countries (HIPC) Initiative in 2005.

Normalisation of financial relations has been achieved through improvements in the transparency of the oil sector.

The security situation remains fragile, however, and poverty widespread. The government will have to reconcile its commitment to macroeconomic stability with its promises of development and increasing social spending, in accordance with its new anti-poverty goals and the "social truce" it has signed with the trade unions. It will also have to make major efforts in governance and structural reform if growth is to be sustained.

Figure 1 - Real GDP Growth

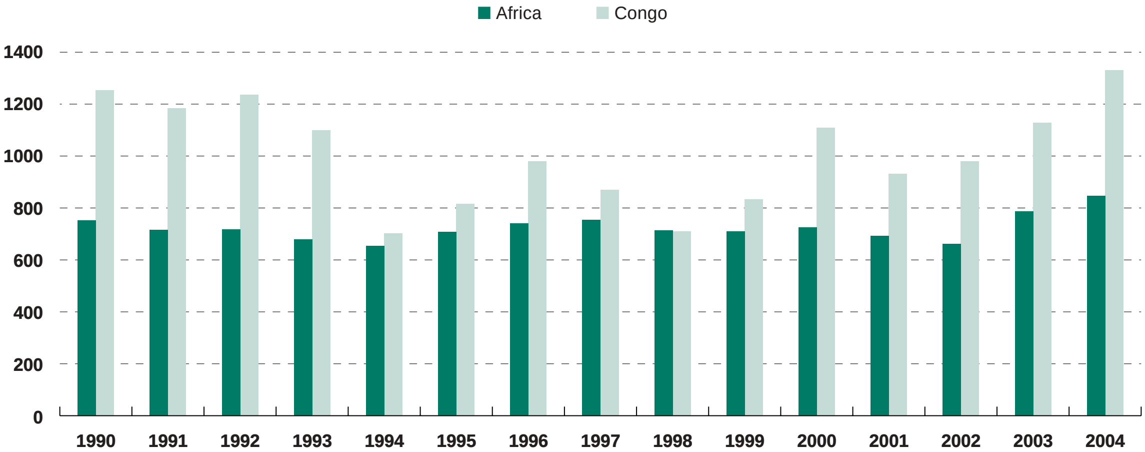


Source: IMF data; estimates (e) and projections (p) based on authors' calculations.

New oil discoveries boosted proven reserves in 2004, reversing a decline that began in 2000, and reforms have continued, especially in oil sector transparency – Congo joined the Extractive Industries Transparency Initiative (EITI) in June 2004 – and banking, where restructuring needs to be consolidated. Much work remains to ensure efficient basic services, such as water, electricity and transport.

Oil production declined up to 2003, but the non-oil sector forged ahead after the war ended and grew an average 12.5 per cent a year between 2000 and 2002, and 5 per cent in 2003 and 2004. Overall growth averaged 4 per cent a year between 2000 and 2004. Good prospects for the oil sector and vigorous activity in the rest of the economy should produce solid growth in coming years.

Figure 2 - GDP Per Capita in Congo and in Africa (current $)



Source : IMF.

Recent Economic Developments

Congo is one of sub-Saharan Africa's oldest oil producers and its first oilfield (Emeraude) began operations in 1972. With output of 81.7 million barrels in 2003 and proven reserves of 1.5 billion barrels, it is the fifth biggest central African producer, after Nigeria, Angola, Gabon and Equatorial Guinea. Recent discoveries in the ageing M'Boudi field checked the steady decline in national production since 2000 and daily output increased by 20 000 to 25 000 barrels a day in 2004.

The oil sector, which accounts for half of GDP and 80 per cent of total export earnings, dominates the economy. The country has a refining capacity of 21 000 barrels a day, so can process part of the output locally. Relations between the government and the companies have depended since 1995 on production-sharing agreements. The government sells its share through the state oil company SNPC (set up in April 1998) and this provides around 70 per cent of its annual revenues.

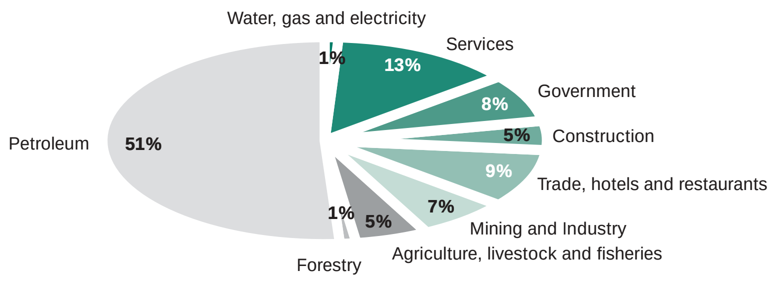
Timber was the main export before the 1973 oil boom and the government is careful to encourage job creation in the sector and properly manage the forest environment. A new forestry code regulates local processing of wood, which will involve 85 per cent of production by 2007. Log production was about 1.35 million cubic metres in 2004, up 5 per cent on the previous year. Saw milling has increased sharply since firms have been obliged to process locally part of their output under the forestry tax reform. Production of sawn wood, veneer and plywood rose from 206 900 cubic metres in 2003 to 221 700 in 2004.

The country has great hydro-electric power potential, mainly on the Kioulou river, in the south, and in the north at Imboulou, on the Léfini river, and Dja. Only 35 per cent of installed capacity is used and production is far below national demand. Despite imports from the neighbouring Democratic Republic of Congo, power cuts are very frequent.

The secondary sector has withered in the face of oil-related activities and only accounts for 13 per cent of non-oil activity. Sugar production rose sharply in 2004 however and the sugar company Saris was left with large stocks because of problems in getting it by rail to Brazzaville. Rail traffic is hampered by a shortage of wagons and the poor state of the track. The private sector has had no major projects since 2001, when large-scale restoration of damaged infrastructure was done, and the construction sector continues to be depressed since a recent cutback in government investment.

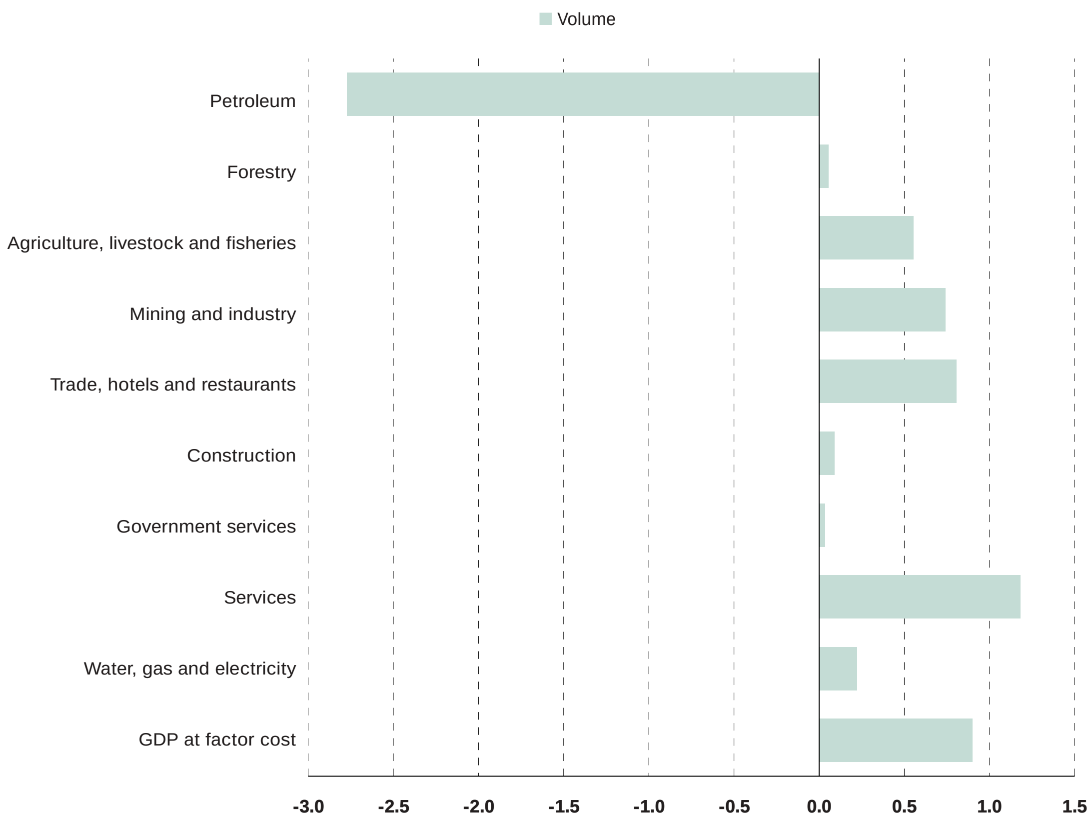
The services sector, about a third of GDP, drove growth in 2003 with vigorous activity in commerce and, in particular, telecommunications. The national

Figure 3 - GDP by Sector in 2003 (percentage)



Source: Authors' estimates based on IMF data.

Figure 4 - Sectoral Contribution to GDP Growth in 2003 (percentage)



Source: Authors' estimates based on IMF data.

insurance company, ARC, had a monopoly between 1975 and 1998, but the insurance sector – regulated within the framework of the Franc Zone's Inter-African Conference on Insurance Markets (CIMA) – has since been opened up to competition and other firms have begun operating, such as the local AGC (January 2000) and the Ivorian NSIA (December 2004).

Telecommunications, monopolised since 1960 by the state-owned ONPT (which became Sotelco), has been opened up to private mobile phone companies such as Cyrus (1996), Celtel Congo (December 1999) and Libertis Télécoms (second half of 2000). The number of telephone subscribers increased from 10 000 in 1999 to nearly 350 000 in 2004 and the

Table 1 - Demand Composition (percentage of GDP)							
	1996	2001	2002	2003	2004(e)	2005(p)	2006(p)
Gross capital formation	**32.2**	**26.4**	**23.3**	**23.2**	**22.9**	**20.6**	**21.5**
Public	12.6	10.0	8.6	6.6	6.3	5.7	5.9
Private	19.7	16.4	14.7	16.6	16.6	14.9	15.6
Consumption	**52.7**	**46.9**	**50.0**	**51.7**	**47.7**	**41.8**	**42.7**
Public	15.4	14.1	18.4	17.3	15.9	14.1	14.8
Private	37.3	32.8	31.7	34.4	31.8	27.7	27.9
External sector	**15.0**	**26.6**	**26.7**	**25.0**	**29.4**	**37.6**	**35.8**
Exports	67.8	80.1	80.7	78.8	79.5	81.4	79.9
Imports	-52.7	-53.4	-54.0	-53.8	-50.1	-43.8	-44.1

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

mobile phone network now covers areas not served by fixed lines.

Economic change is largely conditioned by the growth of the oil sector. Production had fallen in recent years but new discoveries halted the decline and in 2004 the sector once more became the engine of growth. Demand in non-oil sectors is limited by stagnant incomes, in particular a freeze on the salaries of civil servants (the main part of the workforce) for the past few years.

Macroeconomic Policies

Fiscal and Monetary Policy

As a member of the Central African Economic and Monetary Community (CEMAC), Congo uses fiscal policy as its main instrument of macroeconomic stability. The country did not meet regional convergence criteria in 2003 for debt ratios and absence of debt arrears, but showed an improved performance overall.

Congo has used its big rise in oil revenue in the past two years to restore balance to public finances and improve their management. The oil sector provides almost 70 per cent of government income and the non-oil sector provides limited tax revenues. These efforts at discipline have made it possible to reopen links to foreign funding agencies and the country has begun to pay off its external debt. But the problem of huge domestic arrears in payments due to civil servants and government suppliers is barely closer to solution, despite a signed "social truce" between management and trade unions.

The primary budget surplus rose from 0.3 per cent of GDP in 2002 to 6.1 per cent (2003) and 9.6 per cent (2004) due to exceptional oil revenue and strict control of overall spending. Oil revenue grew in 2003 and 2004, despite almost stagnant production, because of a sharp rise in world prices and payment of $145 million received in 2003 to settle a dispute with one of the oil companies.

Total expenditure fell nearly 6 percentage points of GDP (from 35.5 to 29.7 per cent) between 2002 and 2003 and should fall further in 2004, to 26.7 per cent. These cuts, to both current and capital expenditure, were the result of a major effort to centralise budget decisions and monitor payments. As a result, reconstruction work begun in 2000-02 slowed significantly. However the budget continues to suffer from cashflow problems and arrears have built up, notably debts to the Democratic Republic of Congo for electricity imports.

The authorities are now handling oil revenues much more transparently. Oil future sales stopped in 2002 and the companies (including the state-owned SNPC) are banned from spending on the government's behalf. Since 2003, oil revenue has been certified every quarter by an independent audit firm and the SNPC's accounts are systematically inspected. These checks have revealed large extra-budgetary transactions. The government

Table 2 - Public Finances (percentage of GDP)

	1996	2001	2002	2003	2004 (e)	2005 (p)	2006 (p)
Total revenue and grants[a]	**28.1**	**30.9**	**27.4**	**30.1**	**31.7**	**31.7**	**27.5**
Tax revenue	9.9	8.3	7.7	8.7	8.8	8.1	8.1
Oil revenue	17.6	21.8	19.4	20.7	22.4	23.1	18.9
Total expenditure and net lending[a]	**38.7**	**31.6**	**35.5**	**29.7**	**26.7**	**23.6**	**24.2**
Current expenditure	25.7	21.6	26.8	23.1	20.4	17.9	18.3
Excluding interest	*13.0*	*14.1*	*18.4*	*17.3*	*15.8*	*14.1*	*15.0*
Wages and salaries	8.2	5.8	5.7	5.9	5.4	4.7	4.7
Interest	12.8	7.4	8.4	5.8	4.6	3.8	3.3
Capital expenditure	13.0	10.1	8.6	6.6	6.3	5.7	5.9
Primary balance	**2.1**	**6.7**	**0.3**	**6.1**	**9.6**	**11.9**	**6.6**
Overall balance	**-10.6**	**-0.7**	**-8.1**	**0.4**	**5.0**	**8.1**	**3.3**

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

Oil revenue: what does the government get?

Production-sharing agreements were signed between the government and the oil companies (posted in full on the government's website) and vary from one oilfield to another. Oil taxes are calculated on the basis of cost oil (investment spending), cost stop (a ceiling on reimbursement of oil costs) and, in some contracts, a bonus (varying according to the contract) when prices of crude rise above $22 a barrel.

Oil revenue comprises the tax (12-15 per cent) and oil-profit, which depends on the government's agreed share and can increase above a certain level of production. It varies between 20 and 63 per cent according to the contract. When prices are high, the government can claim up to 90 per cent of the difference between the fixed price and the higher one. In the PNGF and Madingo fields (60 per cent of total output), the government's oil-profit rises faster than the barrel price when the latter is above $26, but is stable below $10 and between $14 and $26. This increases the apparent oil tax base.

posts regular detailed information about the oil sector on its website, including recently an account of a controversial financial settlement with a company in 2003.

These public finance management efforts have enabled Congo gradually to normalise its financial relations with the international community. Between January and June 2004, the country complied with performance criteria set under a standard IMF-monitored programme. This led to a poverty reduction and growth facility (PRGF) programme in December 2004 and agreement with the Paris Club creditors the same month. Strict compliance with the PRGF should enable the government to reach its goal of HIPC decision point in 2005, so it can settle its external debt arrears and regain access to new development funding.

The government plans, through careful management, to boost its anti-poverty spending in 2005 while servicing its external debt. The 2005 budget, drafted when world oil prices were very high, is conservatively based on an average $31 barrel price for the year and on only a small rise in oil revenue – less than one percentage point of GDP in 2005, despite a big expected production increase of 17 per cent.

Under the plan, current spending will fall below 18 per cent of GDP but will reflect the priorities of the interim poverty reduction strategy paper (PRSP) finalised in last-quarter 2004. So anti-poverty spending, especially for health, primary education and rural roads, is growing strongly (from 4.7 per cent of GDP in 2004 to 5.9 per cent in 2005) while all other spending is on hold. The resulting primary surplus (11.9 per cent of GDP) will enable repayment of domestic and external arrears to be speeded up, with extra help from additional oil revenues.

Congo has accumulated major domestic arrears of about 230 billion CFA francs ($396.7 million – 11 per cent of GDP at the end of 2003), which includes the social debt (23 months of arrears of salaries, pensions and benefits to workers of disbanded state firms) and the commercial debt, much of it to government suppliers. The government will submit audits already carried out on the commercial debts for checking by firms hired by international tender and get the social debt confirmed by the government's general financial monitoring unit. The 2005 budget earmarks 50 billion CFA francs ($98.8 million) for paying off domestic arrears but this will not be paid until they have been verified and certified and a transparent and fair repayment plan drawn up.

The cautious regional monetary policy of the Bank of Central African States (BEAC) limited Congo's inflation to 1.2 per cent in 2003 and 2 per cent in 2004, despite a sharp rise in transport costs in the first half of 2004.

External Position

Congo's main trading partners are the United States and China, to which it mainly sells oil and timber. A third of all imports come from France. Oil exports by the local Coraf refinery in third-quarter 2004 were 5.1 million metric tonnes (slightly down from 5.2 million in 2003). Volume exports of logs rose 22.8 per cent in the first half of 2004 year-on-year and sawn wood, veneer and plywood 16.9 per cent. Total imports were expected to increase due to renewed economic activity in 2004, but the trade surplus grew from 49.2 to 52.2 per cent of GDP. The current account returned to surplus due to better trade and transfer balances.

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Congo is one of the world's most indebted countries per capita as a result of a decade of war and poor debt policies. The external debt was $8.6 billion at the end of 2003 – 243 per cent of GDP and 70 per cent of it arrears. Bilateral debt was 58 per cent of the total, commercial debt 34 per cent and debt to multilateral creditors 8 per cent. The commercial debt includes debt secured to oil revenue that was mostly contracted during the war years. Debt service relative to government revenue remains very high (46 per cent in 2003, 37 per cent in 2004). Repayment can only be done with special international help, so the government intends to normalise relations with its creditors.

The government had many meetings with bilateral and multilateral public creditors in 2004 to this end. A meeting with the Paris Club on 16 December resulted in rescheduling of the bilateral debt under Naples terms, including cancellation of two-thirds of it ($1.6 billion), and special treatment of arrears that cannot be rescheduled (reprofiling over three years), after arrears to multilateral creditors have been paid off, two-thirds of the amount covered by external budget aid.

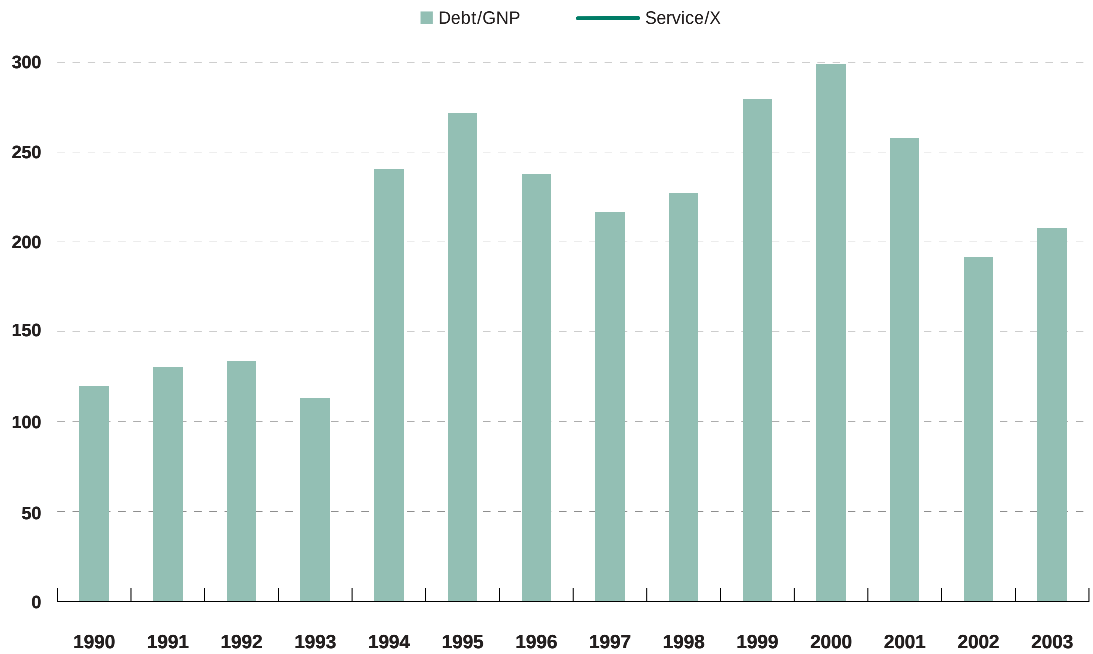
The government should also get a 90 per cent multilateral debt reduction from the Paris Club in

Table 3 - Current Account (percentage of GDP)

	1996	2001	2002	2003	2004 (e)	2005 (p)	2006 (p)
Trade balance	42.4	49.3	51.1	49.2	52.2	57.5	55.9
Exports of goods (f.o.b.)	65.7	73.7	74.5	72.3	74.1	76.8	75.3
Imports of goods (f.o.b.)	-23.3	-24.4	-23.4	-23.1	-21.9	-19.3	-19.4
Services	-33.5	-22.6	-24.4	-24.4			
Factor income	-43.2	-29.9	-27.1	-25.2			
Current transfers	1.2	0.1	0.1	0.2			
Current account balance	**-33.1**	**-3.2**	**-0.3**	**-0.1**			

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

Figure 5 - Stock of Total External Debt (percentage of GNP) and Debt Service (percentage of exports)



Source: World Bank.

2005 under the HIPC Initiative and has said it will ask other bilateral and commercial creditors for similar treatment. But this is far from certain, as the funds that hold much of the commercial debt are taking legal action to obtain repayment of the debt's original value.

Structural Issues

Congo's private sector is still marked by decades of a planned economy and by the various conflicts and wars that have ravaged the country. The economy's competitiveness is handicapped by inefficient public services, such as water and electricity, and the dilapidated state of most infrastructure, especially roads.

The corrupt and dysfunctional legal system needs to be strengthened and made more independent, the tax system streamlined and government corruption in the customs service tackled. Some progress has been made with the setting up of new courts and renovation of their buildings but they are not yet operating for lack of money. A one-stop administrative office, the CFE, has been open since 1995 for those wanting to set up businesses and has greatly reduced the time taken to do so.

Government figures put the number of formal sector companies at 2 100 and of informal sector firms at more than 10 000. The formal sector had 40 421 workers, according to an employment survey, mainly in the services sector which also has the most employees in the private sector. This is confirmed by CFE figures that show 97.5 per cent of new business applications in 2003 were in the services sector. The CFE said 1 942 firms were set up during that year, 1 743 of them individual ones. The number rose sharply in the first half of 2004, when the CFE had already registered 1 870 applications and 1 186 new firms had been set up.

Most big firms (banks, breweries, distribution, telecommunications) are concentrated in Brazzaville and Pointe-Noire, the economic capital, where the main export companies are located because of its port. Non-individual firms are reckoned to employ more than 70 000 people. Most firms (78 per cent) have fewer than five workers and 6 per cent have an annual turnover of less than 1 million CFA francs ($1 900). Only eight have more than 500 workers and only 21 a turnover of more than 5 billion CFA francs ($9.4 million). The informal sector is large and some of it is run by immigrants from elsewhere in West Africa and by Lebanese.

The banking system has been restructured and is in much better shape but still fragile. Commercial bank loans (8 per cent of GDP) go almost entirely to big firms. So micro-credit is indispensable and extensively used for borrowing. It has become more widespread with the rapid growth of co-operatives – the Mucodec associations – that hold nearly 10 per cent of total loans to the private sector. They are supervised by the BEAC's Central African Banking Commission (Cobac) and have solid financial ratios. Their short-term loans are increasing by 2.5 per cent a month and they have some 150 000 active members in a network of 30 local offices. The number of their loans has risen very quickly (23 per cent in 2004) but they have managed to keep unsafe loans at a minimum through a strict guarantees policy.

Much work remains to be done before the process of privatising the first state companies can begin. Only the banking sector has been completely restructured and is now entirely in private hands. Serious delays have plagued the rest of the programme, especially in respect of public services such as water, electricity and transport, which continue to deteriorate.

Hydro-electric plants were very badly damaged during the civil war and the country has severe electricity and water shortages. Only 56 MW are produced, about half the 109 MW combined capacity of the two hydro-electric plants, at Djoué (14 MW) and Moukoukoulou (70 MW), and a 25 MW gas-fired power plant at Djeno opened in 2002. The decrepit equipment of the state electricity firm SNE operates at only a third of its capacity. The gap between supply and demand causes many power cuts, so the government has signed a contract with the neighbouring Democratic Republic of Congo's electricity firm SNEL to supply 35 MW (and perhaps eventually 45MW) from the Inga hydro-electric plant. But Congo had accumulated $28 million of arrears to SNEL by the end of 2002.

The government plans, with Chinese funding, to build a $236 million 120 MW hydro-electric dam at Imboulou, on the Lefini river 210 km north of Brazzaville. About 15 per cent of the money has been disbursed and the rest will be in the form of supplier credits repayable over 15 years, with a five years grace

The Oil Sector Starts Funding SMEs

The private sector and funding agencies are trying to ease the ready-capital problems of small and medium enterprises (SMEs).

The Pointe-Noire industrialists' association Apni,[1] which includes the French oil firm Total and two local commercial banks, has funded technical and professional training centres, a business information centre for SMEs in Kouilou province (October 2003), officially registered management advice centres (February 2004) and surveys to help the private sector organise better. Apni presented a project in February 2004 for an investment company to give SMEs easier access to medium and long-term loans.

The French Development Agency (AFD) has also proposed a loan guarantee arrangement (the Ariz Fund) to local banks to help them provide more medium and long-term credit to SMEs and to enable SMEs to buy shares in their subsidiaries.

Despite these efforts, funding facilities for agriculture are still lacking and there is little leasing or factoring.

1. The organisation grew out of the Point-Noire Industrial Project launched in July 2002 with the local chamber of commerce, industry, agriculture and professions and with some large industrial and commercial firms.

period and less than 1 per cent interest. Another thermal power station of 30 MW may be built in Brazzaville to meet needs until the dam is built. Repairs to the high-voltage line between Moukoukoulou and Brazzaville should start soon. A proposed Belgian-funded coal-powered plant may also help supply.

In view of the government's financial problems, the fully state-owned SNE is being put up for franchise, but with 1 385 workers, it is a sensitive area of the economy. A first privatisation attempt failed in 2001 when no bids were deemed suitable. The plan now is to modernise the grid and improve the firm's finances before offering it for sale again. Potential investors are deterred by its dilapidated condition, war damage to equipment, outdated machinery, its social debts and its overstaffing. In 2000, it owed its workers 5.1 billion CFA francs ($7.2 million) in salary arrears and 9.3 billion ($13.1 million) in social security contributions. The system of lump-sum billing encourages abuse and households use a large amount of electrical kitchen equipment and shun gas appliances.

The CFCO railway company is also to be privatised. The primitive state of the roads makes rail or air the only feasible way to travel between the major centres of Brazzaville and Pointe-Noire. CFCO's good management and profitability make privatisation an option and the plan is to offer a 25-year franchise with an option to extend. Tenders were received from a South African consortium, Sheltam-Mvela, and a European group, Congo-Rail (Bolloré-Maersk-Comazar-SNCF), but the financial terms could not be agreed . The line has been made significantly safer but freight traffic is still very slow (15-20 km/hour) and dangerous. Armed bandits mostly target goods but passengers are still at risk and only freight traffic has resumed since the last attack in October 2004. With very bad and dangerous roads, air is the only dependable and safe way of travelling between the two cities.

Political and Social Context

After a decade of war, stability of sorts returned to the country with the signing of a peace agreement in Pointe-Noire in November 1999, another in Brazzaville the following month and a subsequent national dialogue between all parties involved. Peace and stability were boosted with the holding of elections in 2002 and a peace agreement with the last rebel groups in March 2003. The government also signed a two-year "social truce" with the country's trade unions in 2003.

But security remains fragile, especially in the Pool region, southwest of Brazzaville, where it has not been possible to hold by-elections for its seven parliamentary seats since 2002. The next parliamentary elections are due in 2007 and a presidential poll in 2009. A cabinet reshuffle in January 2005 saw the departure of the minister of economy, finance and budget.

With the return of peace, restoring security nationwide is a major challenge. A body to reintegrate the former combatants into civilian life has been set up and will work largely in the Pool region. The disarmament and reintegration programme has foreign funding and the European Union, with the World Bank, is dealing with the return of former child soldiers to civilian society. People displaced by the fighting are beginning to return to their homes and resume farming activity.

The government has been a member of the Extractive Industries Transparency Initiative (EITI) since 2004 and Congo has made more progress than most African states in respecting these standards, according to the World Bank. Transparency in managing oil revenue has indeed greatly improved. Congo is also trying to return to the Kimberley Process scheme (for preventing diamonds from conflict areas being sold on the legitimate market to finance wars), from which it was excluded in July 2004, and a meeting of diamond-producing countries was held in Congo from 11-15 November 2004. Transparency International placed Congo 114th out of 145 countries in its 2004 corruption index, better than other oil-producing countries such as Nigeria, Chad and Cameroon, but the country's rating indicates corruption remains endemic.

The government has done a poverty survey and drawn up a list of priority action areas as part of its interim PRSP poverty reduction strategy, for which there was much consultation, including in the provinces (most of the many non-governmental organisations in the country are in Brazzaville and Pointe-Noire). The government needs urgently to increase budget spending in these priority areas.

Two-thirds of Congolese live below the poverty line, according to the World Bank, compared with only 30 per cent before fighting broke out in 1993. Congo slipped more than 12 per cent on the UNDP's Human Development Index during the civil war. According to UNICEF, 11 per cent of children under 15 are orphans and 60 000 women and girls were raped during the war, in which 5 000 children fought. It also said 70 000 people still need urgent humanitarian aid.

The steady growth of the population (3.4 per cent a year between 1975 and 2002) and continuing high fertility (6.3 children per woman of child-bearing age) could reflect persisting major political and social instability encouraging women to have a large number of children. In 1999 17 per cent of rural and 72 percent of urban households had access to clean water .

Life expectancy at birth was put at 48.9 years in 2004. Maternal mortality (510 per 100 000 live births) and infant mortality (81 per 1 000) remain very high. HIV/AIDS infection affects between 5 and 12 per cent, according to various sources. Reliable data on this are hard to get, but the disease is clearly spreading fast, judging by the country's nearly 100 000 AIDS orphans. HIV infection is especially high in Pointe-Noire. Fewer than 500 adults were getting anti-retroviral treatment in June 2004.

An expanded vaccination programme (EVP) covered 60 per cent of the population in 2003 for tuberculosis (BCG), 50 per cent for diphtheria and tetanus (59 per cent of children are born with natural immunity to tetanus thanks to their mothers' antibodies), 50 per cent for polio and 50 per cent for measles.

Missed immunisation opportunities remain high, affecting 12.8 per cent of children and 50 per cent of mothers, according to a 1998 survey. In a third of the cases, vaccine was unavailable and 36 per cent of the children were ill, so health workers need to redouble their efforts to get mothers to have their children vaccinated. Missed opportunities are higher among women than children and women must be persuaded to be vaccinated by stressing the automatic immunisation of the child with vaccination during pregnancy. Vaccination rates against measles for children under a year old fell from 75 per cent in 1990 to 38 per cent in 1995 and 37 per cent in 2002.

The wars sharply reduced primary and secondary school attendance, which dropped from 81.6 per cent in 1990 to 51.6 per cent in 1998. But enrolment recovered very fast and in 2001/02 was 86 per cent in primary schools. Literacy remains high – an average 80 per cent, and 97.8 per cent for the 15-24 age group, but plenty remains to be done. Total secondary enrolment fell by 6 per cent in 2002 year-on-year due to a sharp drop (18.2 per cent) in the number of girls and large variations between provinces. Primary enrolment was up in Brazzaville, Pool and Niari, but stable in Cuvette-Ouest and Lékoumou and down in Likouala.

Children do not have equal access to education: 68.5 per cent of pygmy children between 6 and 14 have never been to any kind of school and most children out of school are girls (highlighting the relevance of looking at education in gender terms). Dropout rates are also very high and less than a third of schoolchildren complete primary school. Preschool education is expanding, however, even though enrolment is still low (4.9 per cent in 2002), and the number of pupils rose from 6 033 in 1999 to 15 714 in 2002. The start of the new school year went better in 2004 than previously, despite persistent organisational problems that meant children had to enrol over a period of several weeks and sometimes months.

Educational infrastructure is lacking, with an average of four children seated at each form-desk in state schools and 1.3 in private schools. An average of 57 children share an arithmetic book in state schools and eight in private establishments, while 18 and four share a reading book in state and private schools respectively. Six of the country's 11 administrative units have more than 50 children per class in state schools and in three there are more than 100 children per teacher.

Many teachers died in the wars and schools were looted and destroyed. Only 5 596 classrooms were operating after the war ended, compared with 6 425 in 1997. A national education plan lists priorities and literacy targets, but the government does not yet have a sector strategy or overall educational administrative plan, though these are government priorities. A World Bank project aims to equip 400 classrooms, provide free education and school books and encourage enrolment in the poorest areas of the country.

