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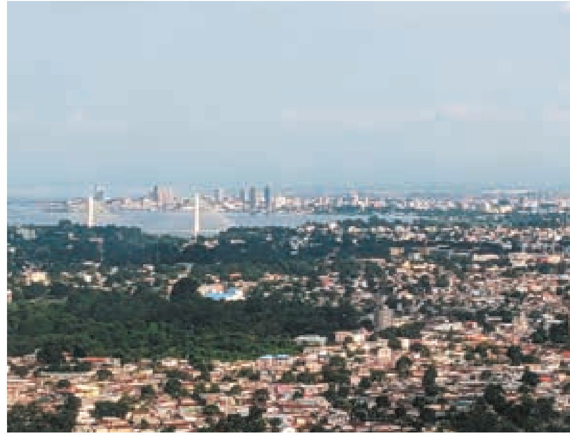

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Denis Sassou N'Guesso,
President of the Republic of Congo

editorial

"OUR ECONOMY IS IN A PERCEPTIBLE UPTURN."

On 21 March 2021, our social project "Ensemble, poursuivons la marche" (Together, let us keep advancing) was acclaimed by the people.
A collective ambition, our social project is defined in the National Development Plan 2022-2026, which was implemented to put Congo back on its feet after the collapse of oil prices in June 2014 and the ensuing decline in domestic demand. Today, despite the uncertainties associated with the global context, our economy is undergoing a perceptible upturn.

The approval of the Extended Credit Facility agreement signed with the International Monetary Fund on 21 January 2022 is contributing to economic recovery and confirms the confidence of our partners. In addition to the increase in growth, the improvement in internal revenue coupled with better management of public spending continue to improve the budgetary situation. Repayment of external and domestic debt are progressing positively.

As a result, our country's credit rating was once again upgraded this year. To consolidate our achievements and reach our Sustainable Development Goals, we need to accelerate the implementation of structural reforms in 2024, to improve the business climate and diversify our economy. Growth gains must then be reinvested in combating unemployment, particularly among young people, and reducing poverty.

Our achievements have been made possible by the resilience of the Congolese people in the face of price inflation in consumer goods, due to the Covid-19 pandemic and the Russian-Ukrainian war. Multifaceted global uncertainties will continue to impact our march towards development. In a context of sustained globalization, stability is essential for progress. Consequently, I have led a number of mediation initiatives around the world in recent years, playing an active part in strengthening stability in our sub-region.

In addition to the geopolitical instability, the adverse effects of climate change are likely to fragilize the gains made by our country. For this reason, for several decades we have been at the forefront of the fight to safeguard the environment,

The organization of the Three Tropical Forest Basins Summit last October, attended by more than 5,000 decision-makers, scientists, and experts, made Brazzaville the world capital of the preservation of our ecosystem. We must stay the course and safeguard the forests of the Congo Basin if we are to reduce the devastating effects of climate change.

ECONOMY AND SOCIETY: THE FUNDAMENTALS

REPUBLIC OF CONGO: POPULATION, GEOGRAPHY, GOVERNANCE

Located in the heart of a tropical forest in Central Africa, the Republic of Congo is one of the planet's "green lungs". It borders six countries and enjoys a strategically important coastal position on the Atlantic Ocean.

GEOGRAPHY

The Republic of Congo is located in Central Africa that extends over 342,000 km2. It borders Gabon to the west, Cameroon to the northwest, Angola and the enclave of Cabinda to the southwest, the Central African Republic to the northeast, and the Democratic Republic of Congo to the east and south. The country has 220 km of coastline on the Atlantic Ocean.

The Congo River, with a flow rate second only to the Amazon, forms the country's border with the Democratic Republic of Congo and separates Brazzaville and Kinshasa, the world's two geographically closest capitals. There are plans to build a bridge over the river that would bring the capitals even closer together.

Congo is located on the equator and almost two-thirds of the land is covered by tropical rainforests. It is the fifteenth most forested country in the world and has one of the world's largest tropical peat bogs, a fragile ecosystem that contributes to mitigating global warming by capturing and storing the carbon in the atmosphere.

POPULATION

In 2021 the population of Congo stood at 5.65 million, 16.5% higher than in 2015; 47% of the population is under the age of 18. Population density is less than 15 inhabitants per square kilometre. This makes Congo one of the least densely populated countries in Africa. In 2020, 56.5% of the population, 3,089,229 inhabitants, lived in the two largest cities, Brazzaville (pop. 2,031,244) and Pointe Noire (Source: Institut national de la statistique, 2020).

LANGUAGES

French is the official language and is spoken by 56% of the population, by 78% of the inhabitants over the age of 10 and by 88% of those living in Brazzaville. The other main languages are Bantu languages. Kituba and Lingala are the most commonly spoken national languages, followed by the Kongo (or Kikongo) languages, such as Lari and Teke, and more than forty others, including Pygmy languages, which are not Bantu languages.

MAP OF ADMINISTRATIVE DIVISIONS

The Republic of Congo is divided into 12 departments, which are subdivided into districts or, in the case of Brazzaville and Pointe-Noire, arrondissements:

- Bouenza (12,260 km²), administrative seat Madingou
- Brazzaville, is a department and the City of Brazzaville the administrative seat
- Cuvette (74,850 km²), administrative seat Owando
- Cuvette-Ouest (28,790 km²), administrative seat Ewo
- Kouilou (13,650 km²), administrative seat Loango
- Lékoumou (20,950 km²), administrative seat Sibiti
- Likouala (66,044 km²), administrative seat Impfondo
- Niari (25,925 km2), administrative seat Dolisie
- Plateaux (38,400 km2), administrative seat Djambala
- Pool (33,955 km2), administrative seat Kinkala
- Pointe-Noire, 510 km from Brazzaville, the chef-lieu (chief-town) is Pointe-Noire city (municipality ranked as a department)
- Sangha (55,795 km²), administrative seat Ouesso

THE PRESIDENT

Denis Sassou Nguesso was re-elected President of the Republic of Congo in March 2021. His first term spanned from 1979 to 1992. He was re-elected in 1997 and has won every presidential election since 2002.

INTERNATIONAL COOPERATION

The Republic of Congo is a member of the Economic and Monetary Community of Central Africa (CEMAC), the other members are Cameroon, Central African Republic, Gabon, Equatorial Guinea, and Chad. The CEMAC was created in 1999 and replaced the Central African Customs and Economic Union (CACEU, or UDEAC in French) which was created in 1964. It is also a member of the Economic Community of Central African States (ECCAS), established in 1983 to create a common market and promote the economic, social, and cultural development of its eleven members.

The most ambitious common market endeavour is without a doubt the African Continental Free Trade Area (AfCFTA), which effective in January 2021 and is currently being rolled out. Eventually, it will include all 55 members of the African Union, of which the Republic of Congo is a member. The Republic of Congo also has numerous bilateral and multilateral partners, including China, the European Union, the World Bank, the Agence Française de Développement (AFD), and the African Development Bank Group (AfDB) ■

||||||| Map of Administrative Divisions

MAIN HEALTH AND SOCIAL INDICATORS

The Sustainable Development Goals (SDGs) have not been achieved despite the investments made in health and education in recent years. One of the main objectives of the 2022-2026 National Development Plan (NDP) is a tenfold increase investments.

The Congolese Institut national de la statistique (INS) has significant difficulties fulfilling its mandate as its only source of data is the 2007 general population census which set the number of inhabitants at 3.697 million. The INS uses this figure for its research and forecasts, e.g. in 2021 the country's population was estimated to be 5.657 million.

The INS has planned to conduct general population census in early 2023. The data that will be collected from the census is needed to assess the progress made to achieve of the Sustainable Development Goals (SDGs), particularly those related to health, education, the fight against poverty, and the general well-being of the population. Consequently, and until the census outcomes become available, much of data presented in this section on how Congo is performing with regard to the SDGs are taken from the 2022-2026 NDP. The NDP data indicate insufficient advancement towards the SDGs.

HEALTH

In 2020, the country continued to struggle with high rates of **morbidity** (39.9 ‰) and **mortality** (6.6 ‰).

Life expectancy at birth has improved since the turn of the 21st century. Between 1995 and 2019, life expectancy in Congo rose by 12 years, "which can be interpreted as the result of efforts made in healthcare," according to UNDP (United Nations Development Program) estimates. In 2020, life expectancy stood at 64.3 years, 7 years below the world average and slightly above the Sub-Saharan African average of 60 years.

Between 2005 and 2020, the **maternal mortality rate** dropped from 781 to 378 deaths per 100,000 live births. Although declining, it remains one of the highest in Sub-Saharan Africa, far below the SDG target of fewer than 70 deaths per 100,000 live births.

Other indicators confirm the slow gradual change of public health policies.

The **infant mortality rate** dropped from 116 to 35/1000 live births. The death rate for children under the age of 5 is 48/1000 live births WHO, 2021); the rate peaked at 114 in 2000, but has been decreasing ever since.

In 2020, only 5% of households were covered **social security,** which meant that households bore 52% of healthcare costs (WHO), well above the recommended 15 to 20%, needed to avoid the risk of "catastrophic health spending".

The adoption of measures that made malaria and tuberculosis treatment, and births via caesarean section **free of charge** were aimed at improving access to health services and treatment. Shortfalls in the implementation of the measures have meant that the intended significant and lasting improvements to healthcare access have not been achieved.

State resources allocated to healthcare increased in recent years from 5% of the budget in 2015 to 8.8% in 2019, and 12.9% in 2020. But state funding has not reached the 15% target set in the Abuja Declaration of April 2000. Additionally, resources allocated to healthcare can only be effectively used if they are optimally managed.

EMPLOYMENT

According to the International Labor Organization (ILO, UN), the **labour force** (age 15 and over) in 2020 was estimated at 3,088,000 and composed of equal numbers of women (1,546,000) and men (1,542,000).

The **dependency ratio** rose from 1.75 persons in 2015 to 1.86 person in 2020 (ILO 2021), meaning that, on average, every active member of the workforce had two dependents.

According to the ILO, **unemployment** affected 10.3% of the labour force in 2020, up from 9.6% in 2019, and is increasingly affecting young people ages 15 to 24 (30%, according to the 2015 national survey on young people entering the labour market). The underemployment rate is estimated at 25% to 30%. The COVID-19 health crisis increased unemployment and worker vulnerability, particularly among persons working in the informal sector.

According to ILO data, in 2020 the **employment rate** was 59.5%, 3.4 percentage points below the 2013 rate. Self-employed workers represent the largest share (77%) of the working population. ILO figures indicate that 64.6% of men are in precarious employment. ■■■

OBJECTIFS DE DÉVELOPPEMENT DURABLE

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION

POVERTY AND INEQUALITY

Congo's **poverty rate** rose from 48.5% in 2019 to 52.5% in 2020 (World Bank), due to the economic recession aggravated by the COVID-19 pandemic.

The **Human Development Index** (HDI) was 0.574 in 2019, compared to 0.613 in 2015. Congo ranks 149 and is in the category of countries with medium human development.

EDUCATION

According to the World Bank, the **literacy rate** among young people between the ages of 15 and 24 was 82% in 2021.

The high **enrolment rate** of children in primary education (gross enrolment rate - GER) is over 100% (106.1% for 2019-2020) and reflects the government's efforts to improve access to education. In 2019-2020, the GER was 82.8% for collège (lower secondary) and 49.9% for lycée (upper secondary).

Notwithstanding, the **outcomes are poor** for primary education. According to the latest (2019) PASEC (Programme d'analyse des systèmes éducatifs - Assessment programme for education systems) used by the Conférence des ministres de l'Éducation des États et gouvernements de la francophonie, CONFEMEN (Conference of Ministers of Education of French-speaking States and Governments) 66.6% of pupils are not "sufficiently skilled" in mathematics and 21% are insufficiently skilled in French. There are a number of reasons for the poor performance: a shortage of qualified teachers; massive reliance on volunteer teachers, particularly in rural areas; a high pupil/teacher ratio (45:1 on average), far from the SDG target in the 2030 Agenda; and the shortage of good quality school infrastructure.

These drawbacks are not limited to primary education. In **higher education,** teacher shortages are just as severe, particularly in public schools. Another challenge is the girls to boys ratio. For pre-school and primary schools, at admission, the ratio is virtually 50-50, but it becomes less balanced in secondary schools and even more so in post-secondary education.

ELECTRICITY, WATER, AND SANITATION

In 2019, 48.3% of the population had access to **electricity.** This rate does not reflect, however, the disparities between urban (65.2%) and rural (12.7%) areas (World Development Indicators 2021).

According to UNICEF-Congo, 68% of the population had access to **drinking water** in 2021. But there is a substantial difference between the urban and rural areas (85% vs 56%). Lastly, a quarter of the population has modern private **toilets,** while the rest of the population has to use poorly equipped sanitation facilities ■

Zoom in

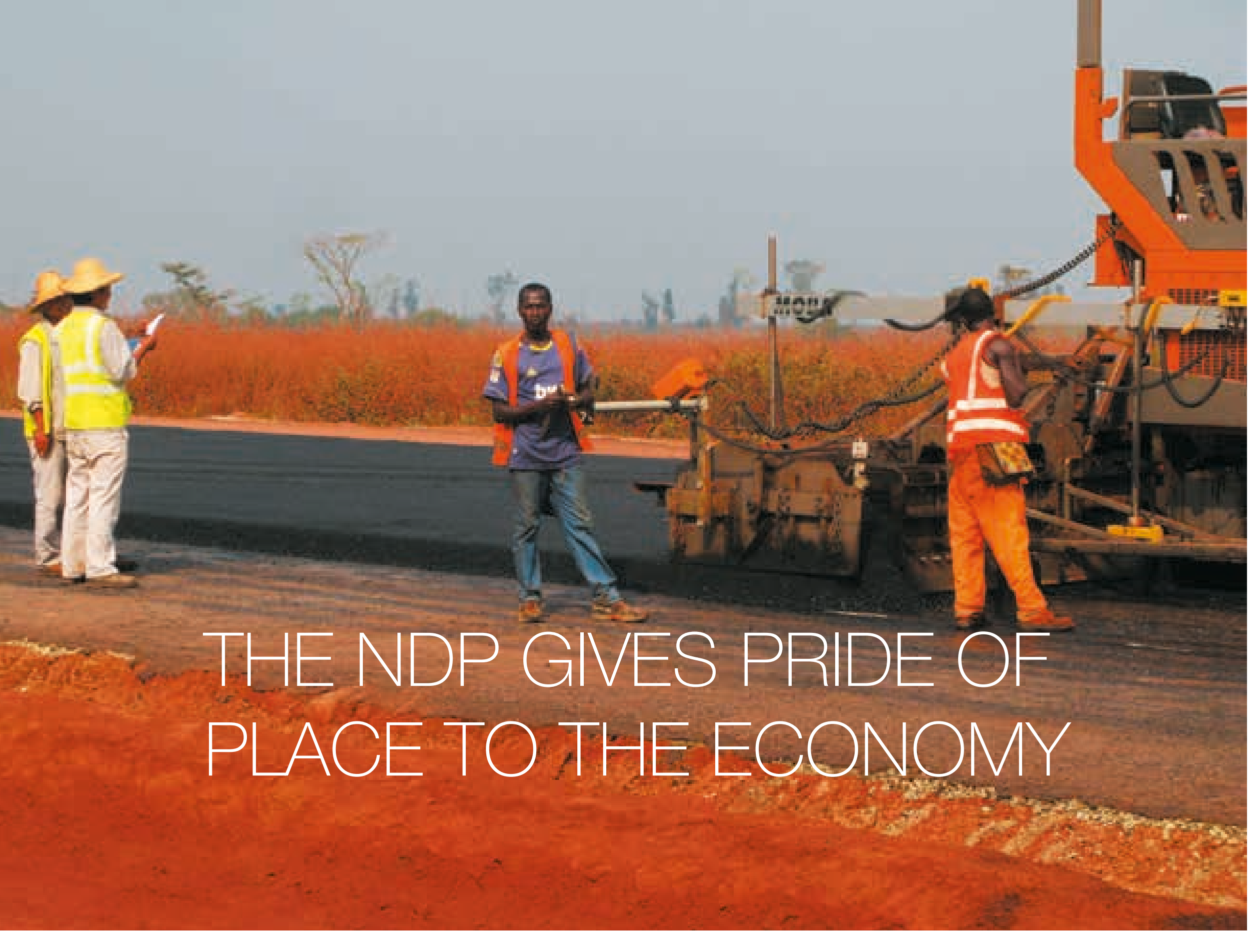
RAPID ACTION NEEDED TO ACHIEVE SDGS

The 2022-2026 NDP indicates that given the level of poverty and the inability of the current the national productive system to create wealth, SDG 1 (end poverty by 2030) may not be achieved, or even approached, unless significant measures are taken very soon. To reach the goal, or come closer to it, Congo will have to quickly implement a series of significant action plans. Despite the inclusion of SDGs in national development strategies, policies, and development plans, achieving the goals remains a great concern.

2021 human development indicators for Congo

	Score/100	Rank/54 countries	Change (%) 2012/2021
Human development	**43.3**	**41**	**-1.2**
Health	**51.4**	**42**	**-1.5**
Access to healthcare	39.4	31	-4
Access to water and sanitation	54.4	17	+4
Control of communicable diseases	53.6	48	-3.9
Control of non-communicable diseases	56.9	43	-1.8
Child & maternal health	68.5	18	+9.8
Compliance with international health regulations (IHR)	35.5	42	-13.2
Education	**39.8**	**40**	**-0.4**
Equality in education	49	26	-8.3
Education enrolment	23	40	-3.1
Education completion	59.4	17	+9.4
Education quality	27.7	42	+0.4
Social protection and welfare	**31**	**44**	**-0.5**
Social safety net	18.5	43	-8.3
Poverty reduction policies	46.7	28	-1.1
Socio-economic inequality mitigation	31	44	+1.8
Decent housing	28	35	+8
Food security	30.9	48	-2.6

SSource: Ibrahim Index of African Governance 2022



THE NDP GIVES PRIDE OF PLACE TO THE ECONOMY

After years of recession due to dependence on hydrocarbons, the Congo is putting in place the means to achieve sustainable and diversified economic growth.

The Republic of Congo had its first decade of growth in the early 2000s. But since 2014 it is one of many countries whose economy has suffered from the world-wide collapse in the price of raw materials, and particularly the drop in oil prices, which the country exports.

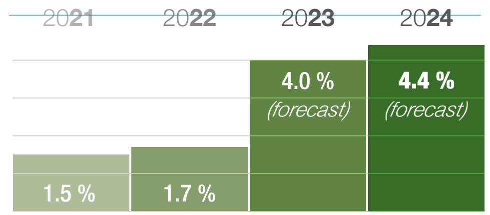
TEN DIFFICULT YEARS

The national economy has undergone major change, which resulted in a sharp reduction in the State budget (reduced by a third between 2015 and 2021) and a sharp rise in debt (from 22% of GDP in 2010 to 116% in 2021, two-thirds of which is foreign debt). Growth in GDP, which was close to 10% early in the 2010s, was negative by 2015. The country was just beginning to recover from years of recession when the Covid-19 global crisis hit and wiped out the authorities' efforts. According to the International Monetary Fund (IMF), the growth rate plummeted to -8.1% in 2020, at the height of the Covid-19 crisis and crept up to -0.1% in 2021. The war in Ukraine caused a global crisis and has also had an impact on the Congolese economy. The war in Ukraine has caused oil prices to rise which is favourable to the Congolese economy, but it has led to the rise in the price of many imported consumer goods.

THE RETURN TO GROWTH IN 2023

the Congolese economy grew by an estimated 1.5% and continued to recover in 2023, boosted by rising oil production and the non-oil sectors, according to the CEMAC Economic Barometer, published in December 2023 by the World Bank. Growth in the oil and non-oil sectors was driven by the manufacturing sector and services (hotels and transport). The increase in private investment and consumption was also driven by agriculture and construction. The Direction Générale de l'Economie, the ministry of finance in Congo, whose figures are similar to those published by the IMF, forecasts a 4% growth in GDP in 2023 and 4.4% in 2024.

GDP growth rate



(Source : Direction générale de l'économie, ministère de l'Economie et des Finances).

Medium-term budget consolidation, combined with strong oil revenues, should lead to increases of 4.7% and 2.9% in GDP in 2022 and 2023 respectively. Public debt should continue to fall slightly and reach 83.6% of GDP in 2023. The current account should remain in surplus, 16.5% and 7.2% of GDP in 2022 and 2023, respectively. Inflation fell from 3.4% in 2022 to 3.1% in 2023.

MANY POTENTIAL RESOURCES

The Congolese economy–although dependent on oil as its only export product– has many untaped natural resources namely mining, agriculture and fishing, which could accelerate the country's economic diversification in the foreseeable future. While there are still have many obstacles to overcome, they can be seen as investment opportunities. The lack of access to water, electricity, the Internet, and transport infrastructure keep the Congolese economy from being competitive and the hinders the progress of many projects, even though some progress has been made in these areas in recent years. Congo's many favourable factors include its geostrategic location at the heart of Central Africa, and its deepwater port at Pointe-Noire which is connected to the capital by a highway that was upgraded in 2016 and by the Congo-Ocean Railway.

THE 2022-2026 NDP – SPOTLIGHT ON ALL THINGS ECONOMIC AND SOCIAL

By focusing on strengths and reducing the impact of shortfalls in the 2022-2026 National Development Plan (See page 24 of this report), government's current compass, it hopes to diversify the country's economy permanently. The concept underpinning the NDP is to create a strong, diversified, inclusive and resilient national economy through diversification and reliance on six strategic pillars: agriculture, industry, special economic zones (ZES), tourism, the digital economy, and property development. In return, the expected growth and wealth should be used to improve the living conditions of the general population. ■■■

IMF SUPPORT

Support from the International Monetary Fund (IMF) adds to the country's attractiveness. A three-year support program was adopted in July 2019, backed by a $448.6 million Extended Credit Facility (ECF) after the signing of an agreement with China in April 2019 and negotiations with the IMF. But, because of insufficient restructuring of the debt held by the oil traders, by April 2021the Extended Credit Facility program was no longer valid.

On 21 June 2021, Congo's President Denis Sassou Nguesso and China's President Xi Jinping agreed to restructure the Congolese debt with China so that negotiations with the IMF could be resumed, once the debt was no longer be classified as "unsustainable".

The improvement in Congo's debt situation led to the approval of a new three-year $445 million ECF program in January 2022. IMF support should allow the government to implement the structural reforms set out in the NDP and the recommendations of the CEMAC economic and financial reform program. The recommended reforms focus on a balanced budget, economic diversification, promotion of regional integration and a better business environment, which is deemed as a prerequisite to Congo's economic development.

GDP growth per sector (%)

Sector	Estimates 2021	Estimates 2022	Forecast 2023
Primary sector	**-10.7**	**1.3**	**8.3**
Agriculture, livestock, hunting and fishery	8.4	5.9	6.7
Forestry, forestry operations	11.5	5.2	4
Mining	-10.7	0.2	8.9
Secondary sector	**9.9**	**-2.6**	**2.3**
Manufacturing	11	-2.2	2
Electricity, gas, water	14.5	-6.5	1.1
Construction	-0.1	1.5	5.2
Tertiary (services) sector	**8.9**	**5.5**	**4.2**
Transport and telecommunications	3.8	1.7	1.4
Trade, restaurants, hotels	9.5	0.5	2.2
Public administration	0.6	1.8	-1.3
Other services	12.9	10.5	7.2
Global GDP	**-1.5**	**2.6**	**6**
Non-oil GDP	4.7	3.9	4.3
Oil GDP	-10.7	0.2	8.9

Source: Comité de cadrage macroéconomique et budgétaire, CCMB, July 2022

ALL IMF REVIEWS APPROVED

Four reviews of the FEC were approved by the IMF in the last two years, resulting in as many disbursements. During the first review, in February 2021, the IMF team welcomed the positive growth in 2022, underlining the importance of the start of trade arrears payments owed by the government to businesses, which undermined business confidence and blocked economic growth. During the review in February 2023, greater concerns were expressed about the debt, deemed 'sustainable', notably because of fuel subsidies which the government has since reduced. The IMF stressed that 'the economic recovery continues despite the deterioration in the international environment', due in particular to the upturn in investment and oil production. The international monetary institution emphasized in July of the same year that the progress achieved on structural reforms should continue with respect to "public finances and debt, governance and transparency (...) to achieve stronger, more resilient, and more inclusive growth." "Economic diversification, which is essential for the country and based on private investment, will (also) depend on the intensification of structural and governance reforms," stressed the IMF last December during the fourth FEC review. The IMF added that economic recovery had accelerated, driven by higher oil revenues and non-oil growth and despite the challenges posed by inflationary pressures and an uncertain global environment ■

THE EXPECTED PAYMENT OF DEBTS TO BUSINESSES

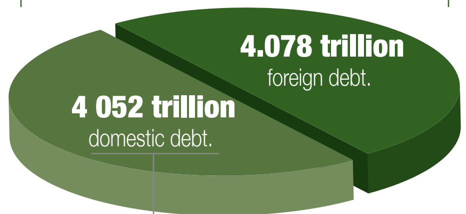
Once the Extended Credit Facility (ECF) program was signed with the IMF, on 25 July 2022, the Ministry of Finance announced the payment of Congo's domestic debt, owed in particular to private businesses. The debts, which undermined all prospects for economic development, had skyrocketed since the 2014 economic crisis.

The Ministry's objective is that the payments will "restore the State's financial credibility, clean up national financial channels, and revive economic activity, particularly in the domestic private sector."

The government decided that the first payments of "audited and validated debts of up to 10 million FCFA" were to start on 1 August 2022, dependent on the "availability of state resources". On 25 August 2022, the Ministry of Finance defined the terms of payment for debts between 10 and 50 million FCFA as follows: "In agreement with the funders who are financing this operation," creditors can either accept a 35% reduction [of the amount owed] and receive payment of their debt in a single instalment, or receive the full amount over a period of five years, once an agreement is signed between the creditors and the Caisse congolaise d'amortissement.

As at 31 December 2021, Congo's public debt, including arrears

Stood at 8.130 trillion FCFA (116.05 % of GPD)



The commercial budget arrears were estimated at 1.216 trillion FCFA.

Source : ministère des Finances

EXPORTS-IMPORTS: THE KEY ROLE OF HYDROCARBONS

Foreign trade in the Republic of Congo is marked by strong dependence on hydrocarbon exports that have skyrocketed since 2022 and their value on the world market.

Congo's hydrocarbon exports represents almost 90% of the country's total exports. Prices have followed a downward trend since the early 2010s, but with peaks linked to world prices in 2017 and 2018. Congo's dependence on hydrocarbons is clearly illustrated in the results obtained in 2021 and 2022, a period during which the value of exports more than trebled, from 1.057 trillion to 4.585 trillion CFA francs.

EXPORTS FELL DURING THE COVID-19 CRISIS, BUT THE TREND HAS REVERSE

Revenue from crude oil exports rose sharply in 2022 to reach 2.451 trillion CFA francs. The , previous year revenue had dropped significantly to 597 billion CFA francs, according to the Institut national des statistiques. In 2021, crude oil accounted for 56.24% of total exports, far below the usual levels. It was followed by petroleum and bituminous minerals (11.36%), rough timber (8.83%) and sawn wood (8.55%). The drop was due to the COVID-19 crisis and the subsequent disruptions in world trade brought about by the pandemic. ■ ■ ■

Crude oil exports (in trillions of CFA francs)

2015	1.624
2016	906
2017	2.116
2018	5.062
2019	2.583
2020	2.016
2021	597
2022	4.150
2023 (as at 30 June)	2.682

Source : Institut national des statistiques du Congo

In 2022, world hydrocarbon prices skyrocketed and pushed up the share of hydrocarbons in Congolese exports in value to more than 95%. Other exports followed way behind: petroleum and bituminous minerals (1.33%), sawn wood (0.94%), rough timber (0.90%), and lastly by cement and sugar. The total revenue from exports in 2022 reached a record 2.367 trillion CFA francs, a level not reached since 2018.

POSITIVE TRADE BALANCE

In 2022, imports totalled 1.696 trillion CFA francs up from the 1.133 trillion CFA francs recorded the previous year. Generally speaking, imports rose between 2014 and 2016, fell between 2017 and 2020, and then rose again in 2021. The trade balance, which had a 76 billion CFA francs deficit in 2021, became largely positive in 2022, totalling 2.889 trillion CFA francs. In 2022 The coverage rate was 315%, compared with 93.27% the previous year.

CHINA, CONGO'S NUMBER ONE PARTNER

The People's Republic of China was Congo's leading import partner in 202, accounting for 29% of imports. France accounted for 10.5%, Belgium for 8.5%, and the United States for 4.8%. In 2022, Asia became the primary region for imports to Congo, followed by Europe, which fell to second place, followed by Africa and the Americas.

Congo's top partner for exports in 2022 was also China. Congo's top ten leading export countries accounted for 90% of the exports. In 2022, Asia, was the leading importer of Congolese exports, followed by Africa and Europe. Since the beginning of 2022 and skyrocketing oil prices, African countries (e.g., Togo, Cote d'Ivoire) which imported crude oil and other products such as vehicles from Congo, ceased to be Congo's leading export partners ■

Foreign trade from 2015 to 2023 (in trillions of FCFA)

	2015	2016	2017	2018	2019	2020	2021	**2022**	2023 (as at June 30)
Exports	1.745	1.038	2.428	5.405	2.904	2.373	1.057	4.585	2.870
Imports	2.422	2.798	1.534	1.198	1.108	905	1.133	1.696	1.166
Trade balance	.-678	-1.760	894	4.207	1.796	1.468	-76	2.889	1.704
Coverage rate (in %)	72	37	158	451	262	262	93	270	246

Source: Institut national des statistiques du Congo

2022-2026: A DECISIVE NATIONAL DEVELOPMENT PLAN (NDP)

The NDP aims to develop a strong, diversified, and resilient economy. The wealth generated should in turn support inclusive growth and irreversible sustainable development.

The current NDP draws lessons from the previous two NDPs (2012-2016 and 2018-2022). It transposes the guidance of the President of the Republic, re-elected on 21 March 2021, as set out in his social project "Ensemble, poursuivons la marche" (Together, let us continued onwards). The fundamental objective of the NDP is to create wealth upstream so as to have the means available downstream to address social, economic, infrastructural, environmental, and cultural issues.

The new development paradigm is, "All things economic for all things social", in the words of s President Denis Sassou Nguesso contained in the preface to the NDP. The preface also reads, "First and foremost, we need to build a solid economy if we want to live up to social expectations as best as possible". To achieve this goal, the government assigned NDP implementation resources to wealth-creating activities able to generate strong, sustainable and, above all, diversified growth. The economy will be stronger, more resilient and better prepared to contend with exogenous and endogenous shocks. The country is exposed to fluctuations in world oil prices, its main source of revenue and main export product. Six strategic pillars have been identified as drivers of economic development suitable for Congo:

- Agriculture, the idea being to make this sector a driver of the structural transformation of the economy, the basis for strong and sustainable growth;
- Industry, to broaden the productive base of the economy and create more jobs;

- Special Economic Zones (ZESs), to strengthen industrialization, attract more foreign and domestic private investors and establish an export base for locally processed products;
- Tourism, to optimize the country's tourism potential;
- The digital economy, to modernize the economy and make it more competitive; and
- Real estate development, to guarantee decent housing for the entire Congolese population and building economic and commercial infrastructure.

SOCIAL STABILITY

The objectives described above cannot be reached and last without peace, national unity, security for all, and stable institutions. Congo has all of these. The general environment, however, is still not conducive to attracting the capital needed to support NDP goals.

ATTRACTING PRIVATE CAPITAL

The country's private sector is small and its capacity to finance production activities limited, which means private foreign capital is needed to bolster the creation of national wealth. Foreign direct investment (FDI) is recognized as playing a key role in reshaping local production systems and developing entrepreneurship, making it a justifiable pathway towards the achievement of a diversified, resilient Congolese economy.

RELYING ON THE PRIVATE SECTOR

The State alone cannot implement all of the NDP programs and projects on its own. The private sector will be needed to strengthen its overall economic competitiveness, especially to improve the business climate, thus enabling the private sector to play a greater role in the structural transformation of the economy. The NDP does not restrict domestic and external financing for the sectors that are not part of the strategic pillars such as health, education, defence, security, and the environment. During the NDP implementation phase, the government will continue working to implement the sectoral strategies that have been adopted.

MORE JOBS, FEWER IMPORTS

The government expects the implementation of the NDP to create a large number of good jobs in production sectors such as agriculture and industry, thereby significantly reducing poverty. The aim is to decrease imports and increase exports.

MORE RESOURCES FOR THE SOCIAL SECTORS

The wealth created each year will be allocated to investment, to funding social sectors such as health, education, and social protection, and to strengthening basic infrastructure. ■

Zoom in

NDP COST AND MONITORING AND EVALUATION

The NDP budget is estimated at more than 8.987 trillion FCFA, of which 2.471 trillion FCFA are, according to the government, currently funded from the State's own resources (58.5%) and from predictable external resources (41.5%).

The monitoring and evaluation system, based on the principles of results-based management (RBM), comprises several strategic governance and validation bodies:

- The Steering Committee (COPIL),
- Economic and Social Policy Task Force,
- Technical Coordination (TC),
- Permanent Technical Secretariat (PTS),
- Operational units;
- Departmental branches.

7 SEVEN REASONS TO INVEST IN CONGO

1/ A deepwater port that benefits the whole sub-region

Located in the heart of Central Africa and crossed by the equator, Congo has an important and natural geostrategic function a as a transit and trans-shipment hub for its neighbouring countries. This function is essentially fulfilled by its deep-water port at Pointe-Noire on the Atlantic coast. Congo also provides access to the sea for two landlocked Central African countries, (Chad and the Central African Republic), as well as for certain northern regions of Gabon and Cameroon.

2/ A regional transportation hub

In addition to its seaport, Congo fulfils its geostrategic role as a transit country by combining several modes of transport. Since 2016 and owing to the work of its Chinese and French partners, a beautifully reconstructed highway now connects Pointe-Noire and Brazzaville, the capital which is connected to Ouesso in the far north of the country by a recently upgraded national road. Further, renovation work is underway on the Congo-Ocean Railway to link the country's two largest cities over a distance of 515 km. All these networks skilfully combine river and air routes. With such abundance of resources, Congo will be able to further benefit from greater regional integration and inclusive development.

3/ Untapped natural resources

Congo is the third biggest oil-producing country in Sub-Saharan Africa. This windfall remains essential to keeping the country afloat, but the authorities are determined to use it to diversify the economy and to use the country's abundance of natural resources. In the mining sector, there are huge reserves of potash, iron, tin, uranium, phosphate, limestone, zinc, for example. Looking elsewhere, there is also an immense untapped potential for agricultural and livestock production with ten million hectares of arable land and numerous fishery resources, and hydroelectric potential estimated at 14,000 MW and many possibilities to develop ecotourism since primary forests, rich in wildlife, cover 65% of the territory.

4/ A potential market of more than a hundred million people

Brazzaville and Kinshasa, separated by the Congo River, are the world's closest capitals, geographically. Plans to build a bridge have been in the offing for several years. In addition to the domestic market, it would provide easier access to a market of over 90 million people living in the Democratic Republic of Congo (DRC). The bridge, moreover, would facilitate access to the markets of two regional economic communities: the Economic and Monetary Community of Central Africa (CEMAC, six member countries) and the Economic Community of Central African States (CEAC, eleven member countries).

5/ A budding business climate

The improvement of the business climate in Congo is a Government Action Program (PAG) priority and has become an irreversible process. The conditions for setting up a business, especially in terms of time and cost, have already improved considerably in recent years.

To end dependency on revenue from hydrocarbons, the government is r its public finance management system, notably by adopting paperless procedures and payment methods, which translates into significant time savings for entrepreneurs. Since 2017 and as the government has recognized the private sector as the driving force of Congo's development, several mechanisms have been created to improve concertation between the public and private sectors.

6/ A non-discriminatory regulatory framework and tax incentives

The Constitution and the Investment Charter of the Republic of Congo provide for the freedom to do business. Any natural or moral person, regardless of nationality, is free to undertake any economic activity, in any and all sectors, and to import or export goods. The Republic of Congo guarantees ownership rights to land, buildings, securities, and intellectual property. It allows for recourse to arbitration and mediation fora, and recourse through sub-regional conventions for protection and investment disputes settlement. Both domestic and foreign companies are entitled to the three-system tax benefits set out in the Investment Charter.

7/ Arise IIP joins the ZES programme

Congo has an ambitious program for the creation of special economic zones (ZES) throughout the country based on regional resources and wealth. In November 2022, President Denis Sassou Nguesso launched the creation of the Pointe-Noire Special Economic Zone (ZES) which is being built in partnership with the Arise Integrated Industrial Platforms (Arise IIP) group. Arise IIP has created ZES elsewhere in Africa; the efficiency of the one in Congo's neighbouring country Gabon has earned worldwide recognition. The operator is also committed to building a second ZES in Ouesso, in the far north of Congo. ■

THE BUSINESS ENVIRONMENT: API, A PARTNER OF REFERENCE

THE INVESTMENT PROMOTION AGENCY (API)

The Investment Promotion Agency *(Agence pour l a promotion des investissements, API)* is the primary interlocutor for entrepreneurs interested in investing in Congo. It provides support from the project design phase to project implementation.

API, a public institution officially created in 2012, started its work as a financially autonomous legal entity in 2014 and since then has grown into one of Congo's leading support services for the development of the national non-oil economic sector, in other words, working towards the economic diversification targeted in the 2022-2026 NDP. It has three main objectives:

- Implement the government's investment policy by facilitating private investment
- Contribute to improving the business climate
- Promote the country's brand image.

API is working on its own capacity-building, all the while focusing its activities on promoting the "Congo" as a destination and facilitating investment.

API PROVIDES VARIOUS SERVICES:

- Welcoming, informing, assisting and supporting national and foreign investors in establishing their projects;
- Assistance to entrepreneurs, especially in obtaining the visas needed for foreign personnel to reside and work in Congo, and the authorizations required to implement investment programs;
- Support for the development of partnerships between Congolese and foreign companies;
- Supporting Congolese companies in expanding their activities;
- Capacity-building for companies (seminars, training courses, etc.);
- Assistance for foreign investors in their search for and development of growth drivers in Congo;
- Organization of economic and trade events;
- Providing investors with economic, commercial and technical information, as well as information on investment opportunities in Congo; and
- Assistance with the identification, feasibility, monitoring and evaluation of investment projects.

An investment support tool tailored to the needs and profile of each company, API provides information on markets, sectors, projects, calls for tender and national regulations, as well as helping with prospecting the market, organizing forums and B-to-B meetings ■

Zoom in

NATIONAL STRATEGY FOR INVESTMENT PROMOTION

The Republic of Congo has suffered from oil price fluctuations for decades. Since it has a relatively monolithic economy and moderate growth rate, the government has been working to diversify the national economy for the last few years to lessen the impact of sudden drops in oil prices, provide more job opportunities for the population, and achieve its development objectives.

With this in mind, in December 2020 Congo adopted a new investment promotion strategy aimed at attracting the foreign capital essential to its economic growth. This strategy sets out a clear vision for 2025: the emergence of a high-performance investment promotion system that encourages private investment in a favourable business environment and is based on four essential pillars and a multi-year action plan:

- *a national brand identity,*
- *an investment generation strategy,*
- *an investment facilitation and retention strategy,*
- *a political advocacy strategy.*

This new strategy highlights the potential of sectors such as agriculture, fishery, forestry, tourism, hydrocarbons, mining, transitional economy, institutional and human resources, and the government's efforts to improve the business climate.
It is financed by the African Development Bank and the World Bank, via the Projet d'appui pour le développement des entreprises et la compétitivité (PADEC, support project for business development and competitiveness) and the Projet d'appui au climat des investissements et à la gouvernance sectorielle Forêt/Bois (PACIGOF, support project for forestry/timber investments and governance).

Annick Patricia Mongo,
Director General of API

Interview

Improving the business climate in the Congo is an irreversible process

'What are the main reforms carried out in recent years to improve the business environment?

Improving the business climate in the Congo is an irreversible process that is currently being revitalised. It is based on the fulfilment of commitments made by the Prime Minister, Anatole Collinet Makosso, under the Government Action Programme (PAG), which makes the business climate a key priority. A number of reforms have been introduced in recent years, and others are currently being implemented. It now takes only 48 hours to set up a new business, which is a significant step forward, as is the reform that now allows businesses to be set up online, while the reform relating to the form of by-laws and the provision of capital for limited liability companies (SARLs) removes the obligation to have a minimum amount of capital to set up a SARL.

The creation and operation of an Interministerial Committee for the Improvement of the Business Climate (28 March 2017) and the National Committee for Consultation between the Private Sector and Public Administrations (27 August 2018) are among the changes aimed at improving the business environment.

With Decree 2023-1542 dated 13 September 2023, the government created the commission for the reform of inspections or controls carried out by the public administration on private companies. One of its key missions is to improve the coordination and effectiveness of inspections and controls. The Congo has also set up two mediation and arbitration centres in Brazzaville and Pointe Noire, where economic operators can obtain swift justice at an appropriate cost.

In addition, several institutions, including the High Authority for the Fight against Corruption and the Ministry in charge of State Reform, have been set up to implement a number of measures to improve the business environment. The 2023 Finance Bill includes the abolition of no fewer than twenty-four customs duties and taxes that do not comply with the laws and regulations in force in Congo. These measures, which are designed to combat illegal parafiscal levies, will consolidate the existing package of measures designed to optimise the country's ability to improve the business environment.

Can you give us some examples of the non-compliant levies abolished by the 2023 Finance Act?

The provision of the Finance Act stipulates that, in the customs import-export circuit, levies carried out before, during or after import and export operations are prohibited for the gendarmerie, the national navy, the national police and the land surveillance directorate, the health services, the forestry economy services, delivery charges in urban areas, unloading charges, customs surveillance brigade inspection charges, etc. The list refers to a total of 24 specific situations of this type.

Has the National Consultative Committee improved dialogue between the public authorities and private sector representatives?

Certainly, the committee had already organised several meetings with the private sector before its inaugural session. This took place on 7 June 2023 under the high authority of the Prime Minister. During this inaugural session, around a hundred recommendations were made aimed at improving the business climate. The committee held a number of consultation meetings, including a meeting with traders from foreign communities who had grievances to submit to the government; a meeting with the private sector to facilitate the settlement of commercial and social debt; and several meetings with the private sector, which were grouped into technical and sectoral committees.

In fact, a number of companies have informed us that they have received tax adjustments that they consider to be disproportionate.

Complaints from businesses about tax adjustments and other repeated checks were raised at the 1st 'Investors Breakfast' on 25 February 2023. The Prime Minister's approach is to set up a commission tasked with rationalising and reducing tax audits, examining and settling ongoing disputes, and creating a taxpayer charter.

What other urgent reforms are still needed in the short and medium term to improve the business environment?

The reforms already underway are fairly extensive and multidisciplinary in terms of improving the business environment in the broadest sense. It aims to go beyond the World Bank's Doing Business indicators. In the immediate term, the aim is to see these reforms through to the end by boosting their implementation, including by relying on an effective system for monitoring and evaluating public policies. Investors based in the Congo recognise that significant progress has been made in improving the business environment. Among the support measures to be considered and/or further disseminated, they are calling for greater access to financing for investment projects.

How are certain Sustainable Development Goals (SDGs), particularly those relating to the environment and social responsibility, taken into consideration by your interlocutors?

The Congo is concerned about achieving the SDGs, particularly those relating to social issues and the environment. The objectives of the National Development Plan 2022-2026 are aligned, to a certain extent, with the SDGs. It is envisaged that 70% of the NDP will be financed by the private sector. This implies that appropriate measures should be taken to mobilise more private investment. It is in this context that investors will be inclined to adhere to the pursuit of the SDGs, in particular following the commitments made in connection with corporate social and environmental responsibility and addressing of the gender issue among their staff ■

API CONGO
AGENCY FOR THE PROMOTION OF INVESTMENTS

"Investors' Breakfast"

"INVESTORS' BREAKFAST"

An opportunity to overcome the obstacles faced by businesses

The government listens to and takes stock of business owners' complaints of tax harassment, judicial insecurity, domestic debt, etc.

Every company we met when preparing this guide spoke of tormenting problems, such as repeated, harassing tax adjustments involving exhausting procedures that can last more than five years with exorbitant sums demanded in the beginning and then substantially reduced, before finally a "settlement" is reached. Many companies make their own audits in an effort to reduce "surprises", to seek an accurate fair price and to take the wind out of the sails of subordinate inspectors, and thus avoid multiple audits.

AN OBSTACLE TO BROADENING THE TAX BASE

What business leaders see as tax harassment might seem like a fool's game if it didn't regularly drive companies out of business, a situation that is not good for the companies nor for the State in its efforts to increase tax revenue, in particular by broadening the national tax base.

Michel Djombo Balombelly, President of the Union patronale et interprofessionnelle du Congo (Unicongo), said the following in an interview with .makanisi.org: "Tax pressure is a subject for debate, not because of its regulations, but because it is applied in a somewhat perverted way. The state has set up mechanisms to pay auditors, which has led to a one-upmanship competition to see who can impose the highest fine on taxable companies. In some cases," he said regretfully, "the aim is more to negotiate a bribe than to fill the State's coffers."

API BUSINESS CLIMATE SURVEY

On 25 February 2022 business leaders had the opportunity to complain about these abuses directly to the Prime Minister, Mr. Anatole Collinet Makosso, during the first of regular "Investors Breakfast" meetings that bring the government and investors closer together. Some one hundred national and international business leaders came to discuss an API survey on the perception of the business climate that was commissioned by the government.

The API survey refers to the tax harassment which companies complained about. It also raises other problems such as judicial insecurity, payment of the domestic public debt, the toll charged on RN1 (National Road 1), the deterioration of RN2 (National Road 2), and the challenges to establishing a universal health insurance fund.

For the first time in the Congo's history, the NDP recognized business companies as the driver of national development. The Prime Minister took note of investors' grievances and promised to work with them from now on to find appropriate solutions. After recalling the progress already made, notably in the payment of domestic debt, he indicated his intention to "fight together against corruption, bribery and kickbacks, all of which have been denounced by business people."

PROGRESS ON DOMESTIC DEBT PAYMENTS

The Prime Minister encouraged business companies to use the institutions at their service and added: "I urge them to denounce behaviour which tarnishes the image of the Republic of Congo. In order to put an end to this abnormal behaviour, we are going to set up a judicial watch unit in the courts and tribunals."

These comments echo what the Minister of Cooperation, Denis Chrystel Sassou Nguesso, said before Parliament in December 2022, in his presentation of the Public-Private Partnerships (PPP) draft bill,

"If we don't improve the business climate, investors' money will go elsewhere. It's up to us to change our mental software, to put an end to the habit of keeping an investor waiting because he can't get an appointment with the minister who needs to deal with the case , or because some shady 'citizen', wants to get a commission so decides to 'sit' on the case" ■

Zoom in

CEMACO, A NEW TOOL FOR ALTERNATIVE JUSTICE

Lack of legal certainty was one of the complaints the business leaders made in the API business climate survey. Several companies reported "totally unfair court rulings" against them, including exorbitant fines.

The Centre de Médiation et d'Arbitrage du Congo (Cemaco), officially launched in October 2020, has a solution. After a year of preparation and training for "arbitrators", it now offers two procedures: arbitration and mediation. Cemaco was created subsequent to a reform that was based on the treaty of the Organization for the Harmonization of Business Law in Africa (Ohada), the purpose of which is to improve the business environment and safety.

SAVE TIME AND MONEY

Cemaco operates under the Pointe-Noire Chamber of Commerce, Industry, Agriculture and Trade. Wherever courts of this kind are set up on the African continent, business companies have been able to accelerate proceedings that were previously time consuming and costly.

However, Cemaco is not readily solicited. One entrepreneur said that when he suggested to take a case against another company to Cemaco, the other company refused, no doubt because it felt better protected by a commercial court. The entrepreneur believes that businesses should act responsibly and recognize that an institution like Cemaco can benefit the national economy and improve the business climate.

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A digital tax administration

A DIGITAL TAX ADMINISTRATION

To avoid continuing Congo's excessive dependence on hydrocarbon revenue, the government is reforming the tax and customs management system, in particular through digitization.

The reforms currently underway aims to further develop strategy to mobilize and secure tax and customs revenue in order to reduce dependence on hydrocarbons and provide more regular funding for government expenditure. Paperless procedures and means of payment is one of the tools that will enable Congo to achieve its self-sufficiency goal, in other words, have sufficient national resources to cover current expenditure. An overview.

THE UIN, UNIQUE IDENTIFICATION NUMBER

The UIN is a taxpayer registration (for individuals and legal entities) created in 2004 by the Direction Générale des Impôts et des Domaines and is compulsory for all financial transactions. The "new" 2020 version of the UIN was produced by the Direction des systèmes d'information (DSI, information systems department) of the Ministry of Finance and Budget. It includes fingerprints, iris scans and a QR code. These elements complete the old UIN and adds security to its text data and photo. A web application allows public institutions to check the validity of the UIN when presented, thus limiting the need for multiple identifiers, and providing a solution to the lack of interconnection between the many different agencies, which made it difficult to identify and trace users/taxpayers and their transactions. The UIN was designed to become the real identifier for the Treasury and other government departments, and the pivotal tool for the interconnection of all the management systems (régies) via the e-douanes, e-tax and SIGFIP (Système intégré de gestion des finances publiques) applications.

E-TAX

The E-tax management application is ushering in a new era in tax management, declaration and payment. It is an integrated, centralized, reliable and secure system used by the Direction Générale des Impôts et des Domaines (DGID and should eliminate the defects of the old SYSTAF computerized system, the cumbersome manual processing of files, and the decentralization of databases that complicated user follow-up. E-tax can be accessed on the Internet via impots.gouv.cg. Information is processed more easily and analysed automatically, with improved sharing and interaction with other applications such as UIN, Sydonia, SIGFIP and Syspace. In addition to declaring and paying their taxes, professionals can declare their VAT and excise duties on a monthly basis, and better manage their agents.

ONE-STOP PAYMENT

The one-stop payment system (Guichet unique de paiement, GUP) is not for online payments, but for payments by check or cash. It was instituted by the 2021 Finance Act for the payment of all taxes, fees, duties, and customs taxes and duties, regardless of the taxpayer's tax residence It is a mechanism for centralizing and securing revenue via the Banque postale, a platform to collect payments relating to tax and customs declarations; and then transfer them to the Treasury which continues to play its role as accountant by issuing receipts for each payment and keeping track of payments by government services and the money collected by the Banque postale.

TAX STAMPS

The paperless tax stamp replaces the physical tax stamp. This solution has many advantages. It allows users to pay taxes online (passport applications, residence permits, legal fees, contracts, invoices, etc.) and provides unlimited availability of «stock», secure revenue management from beginning to end, and interaction and information exchange with other Treasury systems (e-tax, SIGFIP in particular). The tax server is administered by the Ministry of Finance and Budget, the electronic stock is managed by the Treasury, while the stamp is sold by the tax authorities. The stamp is issued by a machine, the CS-200, which uses a 2D bar code to make each document secure and unique. The machine is technologically flexible enough to be compatible with all system environments, notably those of the e-tax and SIGFIP applications.

SYSPACE

SYSPACE (Système de suivi des paiements des créances de l'État) a web platform, is designed for a specific audience. It stems from a reform in the Ministry of Finance and Budget's information system and enables companies working on natural resources (timber, mining and oil) to register their periodic declarations online. By automating administrative tasks it ensures greater revenue security and better tracking of payments to the State. Syspace is a consequence of the reform of the Ministry of Finance and of the Budget information system.

Those who use SYSPACE are also involved in monitoring natural resource activity, namely that of oil and mining companies involved in exploration, development, and production, forestry companies, the Ministry of Finance and Budget, the Ministry of Mines and Geology, the Ministry of Hydrocarbons, and the Ministry of Forest Economy. The SYSPACE platform saves valuable company time when it comes to declaring production and making payments and is used for controlling the production and trade of natural resources, ensuring the reliability of the rights calculations and distribution provided for in agreements and is also used to monitor rights-related payments ■

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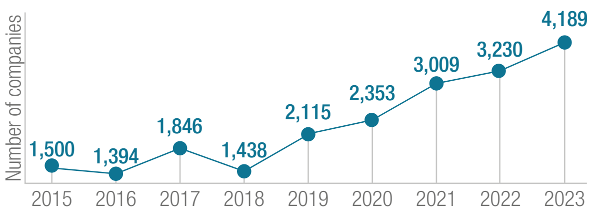
SETTING UP A BUSINESS IN CONGO

Who is starting a business in Congo, where and in what sectors? ACPCE answers these questions in its overview.

The Agence congolaise pour la création des entreprises (ACPCE) is a public agency created in 2017 that replaced the Centre de formalités administratives des entreprises (CFE). It is one-stop-shop for businesses and provides statistics on business creators, by age, gender, and nationality. The data is used to create an inventory of Congo's business ecosystem.

Number of companies created between 2015 and 2021



Source : ACPCE

0% IN BRAZZAVILLE AND POINTE-NOIRE

In Congo, between 2015 and 2023 the cities of Brazzaville and Pointe-Noire recorded the highest number of new businesses, 48.2% and 43.4% respectively; with an average of 1143 and 929 businesses opened per year. In 2023, in Brazzaville, 2,286 businesses were opened, 54.5% of all new businesses; while in the port city of Pointe-Noire those figures stand at 1,571 and 37.5%.

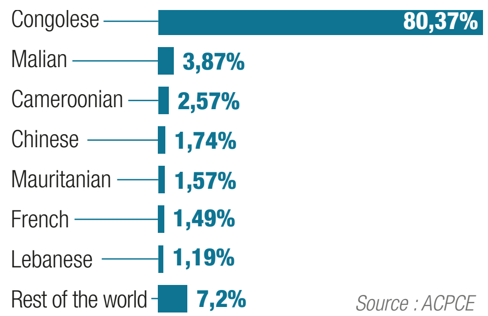
THE HIGHLY ATTRACTIVE TERTIARY SECTOR

Between 2015 and 2023, the services sector attracted the greatest number, accounting for 81% of new businesses. Most new businesses are involved in "trade" (48.46%), namely in business services (7.4%), followed by information and communication, accommodations, and transport (5.34%). The secondary sector accounts for 12.5% of new companies listed, notably in construction (7%). The primary sector accounted for only 3.65% of new businesses, mainly in the agriculture, livestock production, and fisheries, and more recently extractive activities.

LEGAL STRUCTURES

Consistently, between 2015 and 2023, 74% of the entrepreneurs chosen to opened their businesses through a sole proprietorship, followed by partnerships (23%) and limited liability companies (3%).

Business companies created between 2015 and 2021 by nationality



Source : ACPCE

AGE GROUPS

Between 2015 and 2023 the average age of persons starting a business was 41.8 years, 73.55 % were men, 26.45 % were women ■

Zoom in

ONLINE BUSINESS PRE-REGISTRATION

ACPCE website - www.acpce.cg - was created in 2019 to establish businesses online in record time and at minimum cost. This reflects the government's commitment to making administrative procedures secure and faster for business people. The agency provides users with certificates covering formalities, i n compliance with the texts in force. The security of these documents is ensured by an electronic signature. The national strategy to develop the digital economy includes three pillars, namely, e-commerce, e-government and e-citizenship.

Mo Ibrahim Index: "the foundation of economic opportunities" in 2021

	Score %/100	Classification out of 54 countries	2012/2021
Basis for economic opportunities	**35.2/100**	**47**	**+0.5%**
Public administration	**34.9**	**46**	**-2.8**
Civil registry	37.5	48	-12.5
Capacity of the statistical system	25.6	48	-4.1
Tax revenue utilization	32.3	41	+1.8
Budgetary and financial management	42.9	31	+0
Government effectiveness	36	39	+0.8
Business and labour environment	**23.6**	**51**	**-12.9**
Regional integration	15.2	46	-12.7
Economic diversification	45.6	43	+7.8
Business and competition regulations	21.4	49	-7.2
Access to banking services	36.6	14	+1.7
Labor relations	0	50	-50
Secure employment opportunities	22.7	43	-16.9
Infrastructures	**27.3**	**38**	**+7.7**
Transport network	4	50	-0.7
Access to energy	41.4	25	+11.5
Mobile communications	62.2	31	+27.7
Internet & computers	3.9	47	+2.1
Shipping & postal network	24.8	23	-2.5
Rural economy	**55.2**	**34**	**+10.3**
Rural land & water access	60.8	21	+8.5
Rural market access	56.7	26	-8.4
Rural economy support	44.9	38	+12.1
Rural representation & participation	58.3	34	+29

Source: Mo Ibrahim Index 2022 (January 2023)

Ludovic ITOUA,
Director General
of the General Directorate
of Taxes and
and Domains (DGID)

Interview

Digitalisation of the Congolese tax system Real time savings for users and a net improvement in tax revenues.

The digitisation of the Congolese tax and customs system, which includes the dematerialisation of procedures and means of payment, is a major undertaking for the tax Directorate. What are the main objectives?

This operation has several purposes. In general, it aims to modernise tax administration, and in particular to facilitate and simplify tax declaration and payment obligations. It will also help to secure tax revenues and step up the fight against tax fraud.

Which of the transactions are already paperless? Which will be in the short or medium term?

Tax declarations and payments are already handled by the E-tax software. All the steps using the Unique Identification Number (NIU) are operational, as are those relating to the paperless tax stamp. In the short term, we are going to improve and consolidate electronic procedures (declaration and electronic payment) and interlink the NIU and E-tax applications. We will also be integrating the rest of the taxes in Volume 1 into the E-tax application and improving information flow for the one-stop payment system (Guichet unique de paiement - GUP). In the medium term, we hope to interconnect the customs and forestry tax application modules and integrate all the tax functions into the E-tax application, making all tax procedures paperless (audits, litigation, VAT credit refunds, rebates, etc.).
Eventually, E-tax will handle the taxes, duties and levies in Volume 2 of the General Tax Code (CGI), and we will make the E-tax user guide available.

Are users responding favourably to digitalisation? Does it improve the procedures for users and the mobilisation of revenue for the DGID?

We are seeing a reduction in workload and administrative tasks for tax agents, who can devote their time to high value-added activities. We're already seeing a net improvement in tax revenues as a result of more frequent and efficient use of automated tax collection. Users, for their part, are benefiting from genuine time savings ■

THE DGID AT THE SERVICE OF ECONOMIC GROWTH

The Direction Générale des Impôts et des Domaines (DGID) is the technical body whose main mission is to assist the Ministry of the Economy and Finance in the exercise of its authority in tax matters.

DUTIES AND EXPERTISE :

The DGID's main responsibilities are:
- *To implement the Government's tax policy;*
- *To elaborate preliminary drafts of laws and regulations and draft international tax agreements;*
- *To determine the tax base and ensure the assessment and control of direct and indirect taxes, registration fees, stamp duties, land registration fees and similar taxes;*
- *Knowledge of tax and tax-related disputes;*
- *To investigate and sanction omissions, concealments, deficiencies, and tax offences in general;*
- *To participate in the creation and management of the State's movable and immovable assets;*
- *To manage the disposal of State-owned movable and immovable assets;*
- *To manage guardianship, probate, vacant assets, and assets placed in receivership;*
- *To litigate on behalf of the State in tax matters;*
- *To maintain, in collaboration with partner administrations, the State's national land tenure register; and*
- *To ensure, in conjunction with partner government departments, compliance with property registration legislation.*

STRUCTURE

The Directorate General of Taxes and Estates is headed and led by a Director General. Mr Ludovic Itoua has been Director General since 2019, with a mandate to maximise tax revenue and improve trust between taxpayers and tax authorities. In addition to the executive secretariat, which is responsible for receiving mail, and the IT department, which is responsible for operating and maintaining IT applications, there are ten operational departments with national competence:
- *the Administrative and Financial Affairs Department*
- *the Service Control Department*
- *the Regulatory and Litigation Department;*
- *the Registration, Land and State Taxation Department; and*
- *the Large Business Taxation Division ;*
- *the Small and Medium-Sized Businesses Tax Department;*
- *the Individual Taxation Department*
- *the Oil Taxation Department;*
- *Research and Forecasting Department;*
- *General Audits and Research Department* ■

MAKING DEVELOPMENT COMPATIBLE WITH SOCIAL AND ENVIRONMENTAL PROTECTION

Companies operating in Congo must respect environmental protection and social responsibility obligations before starting their projects.

Through the 2022-2026 NDP, the public authorities describe protecting the environment and improving people's quality of life as major concerns. Most of the SMEs interviewed by DBI Congo admit that they don't pay much attention to these texts, since they know that mechanisms for state control are weak, and, in any case, many of them comply with the national regulations on their own. Large national companies with significant financial resources are expected to serve as examples and be more careful. The major oil and shipping companies have sophisticated social and environmental responsibility (SER) policies that are primarily dictated by the groups they are part of which are monitored by international NGOs.

A number of plans, programs and strategies aimed at using natural resources in a more sustainable manner could contribute to improving how economic activities are conducted in Congo. These mechanisms are often elaborated with the aim of transposing into national law Congo's international commitments. Some of the main mechanisms are listed hereunder.

THE NATIONAL ENVIRONMENTAL ACTION PLAN (NEAP)

The National Environmental Action Plan (NEAP/PNAE) was approved by the government in 1996 and reflects Congo's environmental policy. The NEAP meets a requirement of the 1992 Rio Summit and supports the implementation of Law no. 003/91 of 23 April 1991 on environmental protection. As a cross-cutting framework, it provides guidelines to ensure the viability and sustainability of the development planning process.

Its overall aim is to:

- Reduce the degradation of natural ecosystems
- Improve the living environment
- Ensure sustainable and rational use of natural resources
- Improve the health of the population
- Enhance green heritage
- Reduce urban and marine pollution.

The NEAP was revised between June 2020 and December 2021 to better fit in with the socio-economic developments and recent issues arising from the Paris Agreement, COP22 recommendations and the Sustainable Development Goals (SDGs). In December 2021 UNDP, that had been helping Congo in this work, stated that the "The revised NEAP is aiming to better structure and guide the government 's interventions, and its bilateral and multilateral partners and non-governmental conservation organizations engaged in environmental protection."

The NEAP is composed of three volumes: Vol. 1 presents the national context, current situation, and assessment, Vol. 2 describes the national environmental strategy, and Vol. 3 expands on the 23 project factsheets and their investment plan.

NATIONAL SUSTAINABLE DEVELOPMENT STRATEGY (NSDS)

The purpose of the NSDS/SNDD, drafted in 2013, lays the groundwork for sustained growth based on the sound management of the Congo's abundant natural resources with a view to diversify the economy and improve governance. Not all the objectives have been achieved. The NSDS Executive Summary reads: "By 2025, the Republic of Congo will have laid the foundations for sustainable development through the sound management of natural resources, improved governance, the development and modernization of infrastructure and basic social services, and economic diversification." As part of this prospective outlook the NSDS accommodates the needs expressed in various social, economic and environmental sectors, to achieve SDGs. It addresses major development issues through four strategic areas:

- Sound management of natural resources
- Sustainable improvement of governance
- Sustainable development and modernization of infrastructure and basic social services
- Sustainable economic diversification.

The NSDS identifies several areas of intervention for each of the strategic areas. Strategic axis 1 covers sound management of natural resources for which the NSDS recognizes four areas:
a) flora and fauna;
b) soil, agriculture, livestock and fishery resources;
c) mining, hydrocarbons, and hydrology; and d) tourism and protected areas.

Each area of intervention includes fundamental overarching principles of the NSDS. For example, the aims of the mining, hydrocarbon, and hydrology sectors include institutional and legal capacity-building, resource development, capacity-building for stakeholders, and research, as well as training and awareness-raising.

NATIONAL REDD+ STRATEGY

The NDP cites "the continuation of efforts undertaken since 2006 to lay the foundations for a green economy within the framework of the national REDD+ strategy" as one of the actions that will enable the country to meet its environmental commitments. REDD+ is focused mainly on forest protection. It was created in response to the growing awareness of the importance of land-use change, and in particular the shrinking forests, and of climate change. In 2005 a group of tropical forest countries proposed that the United Nations Framework Convention on Climate Change (UNFCCC) include an agreement on a mechanism for reducing emissions from deforestation and forest degradation (REDD).

The initial proposal was expanded at subsequent UNFCCC meetings to include conservation and enhancement of forest carbon stocks and sustainable forest management, giving rise to the acronym REDD+ The basic principle of REDD+ is financial compensation that developed countries pay to developing countries to help the latter reduce their sources of emissions. The formal global mechanism is still under negotiation within the UNFCCC process, but several "early action" and "fast start" initiatives are already underway. These initiatives are based on a system of positive incentives to reduce emissions from deforestation and degradation and to help conserve and increase existing forest carbon stocks, manage forests sustainably and increase forest carbon stocks. In Congo, the national REDD+ strategy has been validated for the years from 2018 to 2030. The national strategy is based on five goals:

- Strengthening governance and implementing sustainable financing mechanisms;
- Sustainable management and development of forest resources;
- Improving agricultural systems;
- Rationalization of wood/energy production and use, and promotion of clean energies; and
- Developing a green mining sector, so as to keep the impact of mining on the forest to a minimum

Zoom in

THE NATIONAL GENDER POLICY AND THE INDIGENOUS PEOPLES' PROTECTION POLICY

The National Gender Policy follows the guidelines set out in the Congolese Constitution and Congo's international commitments (Universal Declaration of Human Rights, Convention on the Elimination of All Forms of Discrimination against Women, etc.). This policy aims to achieve gender equality and the social, economic and political independence of women and girls by including a gender integration plan in the national development process. One of its five strategic areas concerns strengthening the role and position of women in the economy and the labour market.

The policy for the protection of indigenous peoples is based on Law no. 5-2011 on the advancement of indigenous peoples which provides the legal basis for indigenous peoples to assert their rights, to protect their civil and political rights, their culture and livelihoods, and to obtain access to basic social services. The rights provided for also include guidelines for the free, prior, and informed and consultation of indigenous peoples in socio-economic projects.

THE TOOLS OF SUSTAINABLE DEVELOPMENT: THE BLUE FUND, GLOBAL FUNDS AND CARBON CREDITS

To finance its NDP, Congo is counting on several mechanisms directly linked to environmental protection.

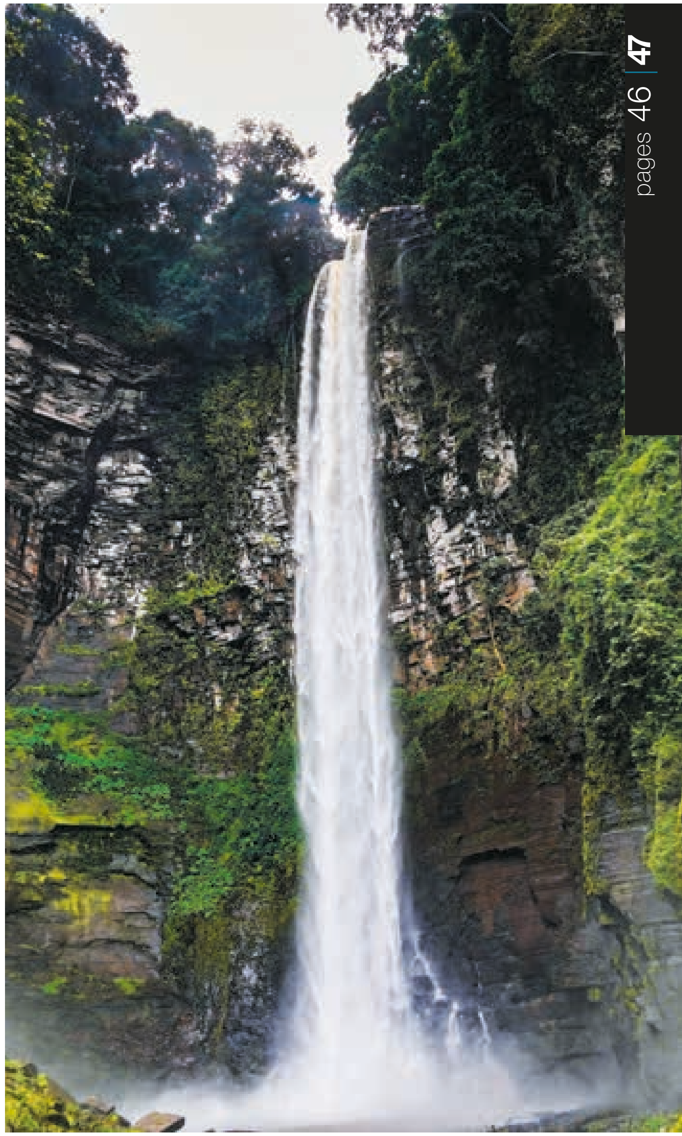
To meet its sustainable development objectives, Congo receives substantial resources from the global environmental funds created by the international community in recent years. These funds are intended to support efforts to protect the planet, particularly in developing countries. The NDP reads, "Congo, thanks to the Congo Basin, has an opportunity to mobilize resources from global climate funds that fit in with its sustainable development program", and then lists the main resources "that can be tapped in the near future":

- The Green Climate Fund
- The Climate Investment Fund (CIF)
- The Special Climate Change Fund (SCCF)
- The African Climate Change Fund (ACCF)
- The Global Environment Facility (GEF)
- The Central African Forest Investment (CAFI)
- The Adaptation Fund.

THE BLUE FUND: AN AFRICAN INITIATIVE

On 9 March 2017, in Oyo, Republic of Congo, 12 countries from Central Africa and the Great Lakes region (There are now 17) signed the agreement creating the Fonds Bleus for the Congo Basin (F2BC). This African initiative, involving mainly African expertise, finances projects based on the principles of the green economy in each of the countries involved with the Fund's governance. The Blue Fund is co-financed by member countries and is managed by experts from around the continent and the rest of the world, the goal being to create a sustainable economic, social and environmental model for Africa.

A continent-wide bank, the Development Bank of the Central African States (BDEAC), was chosen in September 2021 by the Heads of State and Government at a Congo Basin Climate Commission (CCBC) meeting to manage the Blue Fund's expected ten billion dollars. The governments adopted 24 sectoral programs to promote climate and economic transition that are underpinned by two performance levers: technical capacity-building and financial capacity-building using both private and public funding.



CARBON-CREDIT FINANCING

Congo has numerous projects that include the modernization of the national waterways transport agency (Société congolaise de transport fluvial), agroforestry, market gardening, and forestry, the restoration of degraded forest areas, and the construction of a waste recycling plant in Brazzaville. The NDP has identified the sale of carbon credits as another source of funding, especially in connection with the Reducing Emissions from Deforestation and Forest Degradation (REDD+) mechanism. NDP asserts that, "this is a potential source of revenue to support sustainable development in Congo, and, besides that, the recently discovered peatlands, which sequester more than thirty billion tons of carbon, are an additional asset.» ■

#3

PUBLIC-PRIVATE PARTNERSHIP (PPP), THE TAX SYSTEM AND PRODUCTION FACTOR COSTS

THE REPUBLIC OF CONGO ADOPTS A LAW ON PUBLIC-PRIVATE PARTNERSHIPS

Formerly, Congo financed infrastructure directly or through bilateral partnerships but now it is setting the rules for PPPs, thereby, contributing to making the private sector the driving force of the economy.

On 12 January 2023 in Brazzaville, the Head of State, Denis Sassou N'Guesso, promulgated a law setting out the procedures and conditions for the private sector to work on projects with the State. The draft bill had been adopted by parliament on 20 December 2022. It was introduced by the Minister of International Cooperation and Public-Private Partnership, Denis Christel Sassou N'Guesso whose ministry was created in July 2021.

DEVELOPING THE PRIVATE SECTOR AND REDUCING PUBLIC DEBT

The PPP strategy is a tool designed to help achieve the government's major objectives, starting with those related to the economic diversification policy that counts on a strong private sector with, hopefully, an attractive business environment fostered by the 2022-2026 National Development Plan. The PPP strategy should also contribute to reducing the

national debt, given that much of the infrastructure built in recent years, was completely or partly funded by the State. The government and the private sector have been working together for several years through concession contracts on, for instance, RN1 (National Road 1) road rehabilitation and the construction of several hydroelectric power plants. There is an international agreement (ratified by the law of 21 January 2021) for the road-rail bridge over the Congo River that also involves a PPP. This is the first time that a law has provided the country's private partners with a general legal framework.

A SPECIFIC, BUT NOT EXCLUSIVE REGIME

Article 1 of the law sets out the legal and institutional framework for PPP contracts and lays down: the fundamental principles; the preparation and award procedures; implementation, control, and dispute settlement procedures, as well as the financial, tax, customs, foreign exchange, land, and property regimes. The law applies to agreements concluded between a public entity and a private partner in the form of a public-private partnership.

DEFINITION OF A PUBLIC-PRIVATE PARTNERSHIP (PPP) CONTRACT

The law defines a PPP contract as "an administrative contract by which the State, a local authority, a public establishment or a company where the State is the majority shareholder, entrusts to a private-sector legal entity or a group of private-sector legal entities, for a specified period, all or part of the design, construction, financing, transformation, operation, management, maintenance, rehabilitation or upkeep of a public-sector asset, equipment, infrastructure or public service". Its sixty-five articles are grouped into eight titles which define:

- General provisions of PPP contracts;
- Procurement rules and award criteria;
- Mandatory clauses and information;
- Terms and conditions of execution (rights and obligations of the parties, termination, control, and audit);
- Financial, tax and customs regimes;
- Land and property tenure;
- Dispute settlement; and
- Transitional and miscellaneous provisions.

PROMOTING SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

The law provides for two types of PPP contracts: 'user-pay' contracts and 'public-payment' contracts (Article 4). In the former case, revenue for the private partner comes essentially from the operation of the project or from fees for the provision of a public service, whereas in the latter the source of revenue are the payments made by the public entity. Article 14 of the law stipulates that "in their environmental, economic and social provisions (good governance, respect for human rights, decent working conditions, [for example]), PPP contracts shall take into account the objectives of sustainable development by requiring local content in the contracts." In addition, the private company that enters into a PPP contract must set up a project-based company under Congolese law specifically for the project covered by the PPP contract ■■■

FOUR TYPES OF AWARD PROCEDURES

The new text defines four types of procurement procedure (Article 21). Depending on the purpose, nature and context of the contract procedures can be: call for tender, a competitive dialogue procedure, an unsolicited bid, or a private contract. The use of private contracts (without competitive bidding) may be authorized after a no-objection opinion from the technical committee. This may be the case "if the project relates to a strategic urgency linked to national security; if the private partner has already carried out similar projects on behalf of the public entity;" or "if the private partner has unique experience in the project area." PPP contracts are subject to prior advertising, competitive bidding rules and a feasibility study, and must meet a need defined in advance by the public authority.

AWARD CRITERIA: SOCIETY, ENVIRONMENT AND LOCAL CONTENT

The award criteria (article 22) include the overall cost of the bid, and the performance objectives defined according to the purpose of the contract, particularly in terms of sustainable development and the implementation of social clauses. Paraphrasing article 14, the law specifies that "the part of the contract that the candidate promises to entrust to companies incorporated under Congolese law and majority-owned by Congolese nationals, and the environmental, social and governance criteria that may also be taken into account." Article 20 states that "PPP contract projects whose overall value before taxes, below a threshold to be defined by decree in the Council of Ministers, are reserved for companies controlled by nationals."

WHICH TAX AND CUSTOMS REGIMES APPLY?

Article 55 of the law states that "the tax and customs regime of a PPP contract is specific" and "its provisions derogate from ordinary law". This regime will be stable, and contracts concluded in accordance with the new law will not be subject to subsequent provisions. Article 57 stresses that "tax and customs advantages are fixed in each contract, according to its purpose and term and conditions. These advantages must be compliant with those contained in laws that derogate from ordinary law in force". For exceptional cases, the Minister of Finance may grant additional benefits.

OPERATIONAL ASPECTS

The contract must include clauses on financing, remuneration of the private partner, risk sharing, and local supply of goods and services. Causes for contract termination must be provided for, particularly if the public entity were to reassess the financial conditions of the contract. In such cases, the private partner may claim compensation once the contract is terminated. Disputes relating to the award, interpretation or performance of PPP contracts shall be settled amicably. If this is not possible, the dispute shall be settled by arbitration or the courts, in accordance with the terms of the contract.

FIVE GOVERNANCE BODIES

There are five governance bodies that oversee the execution of PPP contracts.

- The National PPP Committee reports to the Prime Minister and is responsible for drawing up an annual multi-sector portfolio of PPP projects in line with the NDP priorities.
- The PPP Technical Committee is responsible for approving and implementing the PPP projects. PPP projects and their term extensions are approved by the Minister in charge of PPPs, the Prime Minister, and the President of the Republic, after consultation with the National PPP Committee.
- The Permanent PPP Secretariat reports to the Minister in charge of the PPP and is responsible for publishing and updating the portfolio of PPP projects, project evaluation and monitoring.
- The PPP Contract Award Commission is responsible for implementing the appropriate award procedure.
- The PPP Control Commission oversees the execution of contracts.

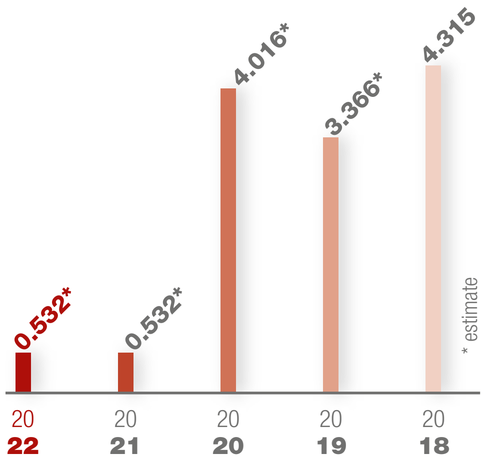
The Court of Auditors and Budgetary Discipline, the High Authority for Combating Corruption, independent auditors, and other authorized bodies provided for in laws and regulations also monitor PPP contracts ■

Zoom in

PPP: THE SEARCH FOR A COMMUNITY STRATEGY

The CEMAC Commission is developing a strategy and a regional legal and institutional framework for PPPs. Congo is working with the Commission and has taken the lead in filling the legal vacuum in this area. Gabon and Cameroon also have PPP laws.

Foreign direct investment (FDI) in Congo (in billions of dollars)



FDI 2022:
34.026 billion dollars

Source : UNCTAD World Investment Report 2023

Bourgelie AMPION, Esq.
Managing Partner

TRIBUNE

LEXA International

TAX INCENTIVES FOR NEWLY CREATED BUSINESSES AND AGRICULTURAL BUSINESSES

Lexa International is a legal and tax consultancy firm specialized in business law and serving companies in Congo and the French-speaking sub-region. Its founder, Bourgelie Ampion, describes here the recent measures created to stimulate the national economy.

In the Republic of Congo there are many business opportunities in many sectors. The state used to monopolize the economic sector, but now it seeks to mobilise the private sector. With this in mind, the government has set up a tax incentive framework for newly created businesses and agricultural businesses.

NEWLY CREATED BUSINESSES

To encourage entrepreneurship, stimulate activity and create an appealing business environment, the government has introduced incentives for newly created businesses. Under the terms of Article 169 of the 2023 Finance Act, new companies are exempt from the special corporate tax for their first fiscal year. Further, companies that qualify for preferential support schemes for large-scale enterprises benefit from favourable tax and customs conditions from the time they are set up until they become operational. This includes tax breaks and exemptions such as:

- Application of the CEMAC Customs Code;
- temporary waiver of customs duties or duty-free entry;
- 50% reduction in registration fees for new businesses, share capital increases, and mergers.

For the first three years of operation:

- Total exemption from corporation taxes (IS) and personal income tax (IRPP);
- Authorization to use declining-balance or accelerated depreciation;
- Authorization to carry forward negative financial results over the following three consecutive years;
- Zero VAT rate on exports.

AGRICULTURAL BUSINESSES

In its for food self-sufficiency, Congo is encouraging investment in the agricultural sector in order to increase the production of organic, low-cost food. To this end, Article 36 B (2012 Finance Act) of the General Tax Code states that, "Income from agricultural, agro-pastoral, fish farming and continental fishing operations shall be tax-free." Article 107 A.16 of the 2023 Finance Law stipulates that, "Profits made by farming entities in the broadest sense are exempt from the corporate taxation." As for the special corporate tax, Article 169 stipulates that, "Farming entities in the broadest sense are exempt from the special corporate tax." Lastly, according to Article 314 of the 2023 Finance Act, the local business tax is 10,000 CFA francs, this is a flat-rate for businesses with a turnover under 1,000,000 CFA francs, and is also applied to farming companies in the broadest sense of the term ■

LEXA INTERNATIONAL

Elanga Bertrand, Esq.
Barrister and Senior Partner.

Interview

A digitalized tax and customs system: "An ally against corruption."

Mongo & Kengolet, a law firm founded in 2012, advises and represents companies in Congo. It is specialized in corporate and contract law, mining law, labour law, and public procurement.

What is the government doing to cut taxes and duties to stimulate the economy and at the same time increase the accounts of the Treasury?
The government is trying to create a more formal structure for the informal sector so as to broaden the tax base and bring in more revenue. But it is also providing tax incentives. The 30% corporate income tax rate has not changed in recent years, in fact it has gone down and currently stands at 28% for certain business sectors, in particular mining and real estate development. The corporate tax rate for microfinance and private education is 25%, and businesses working in agriculture, livestock farming, fishing, and fish farming are exempt from corporate tax for the first year of business.

The Ministry of the Economy and Finance is about to digitalise the tax and customs system. What advantages does this create for businesses?
Their [business] forms and applications will be processed faster. Above all, digitalization will help businesses fight corruption, which is very important. From now on, tax and customs documents can be processed without having to go through a tax or customs official.

Does the new law on public-private partnerships create new opportunities for Mongo & Kengolet?
The new law provides our lawyers with the opportunity to assist our clients with tendering and competitive dialogue procedures, unsolicited bidding, and in some cases with private contracts. We will play a decisive role in the drafting of PPP and subcontracting agreements.

With what issues do investors most often seek advice from Mongo & Kengolet?
Our firm is contacted by investors who want to do business in Congo and want to know what is needed to open a company: which type of business structure is best suited to their needs, conditions for doing business, and, as a general rule, all aspects of OHADA (Organization for the Harmonization of Business Law in Africa). Clients also ask us to carry out due diligence studies for possible partnerships with Congo-based companies. They want to be sure that they are complying with the law. They consult us on various aspects of the labour law such as working conditions for foreigners, drafting employment contracts, letters of suspension and individual or collective dismissals. Of course, we also assist and represent our clients before the courts in civil, labour, commercial, and criminal cases ■

CORPORATE TAX REGIMES IN CONGO

The Congolese tax system comprises several tax regimes. The common law system operates in parallel withten specific regimes that provide a range of advantages for domestic and foreign capital investors, and guarantee a better return on investment.

THE SYSTEM UNDER ORDINARY LAW

Corporate taxation is characterized by :

- Full exemption for agricultural businesses in the broad sense of the term (agriculture, inland fishing, livestock farming).
- A full exemption from the special corporate tax (taxe spéciale sur les sociétés - TSS) for the first fiscal year of new companies and for farming businesses in the broad sense of the term (agriculture, inland fishing, livestock farming).
- A reduction in the corporate taxation rate from 30% to 28% by 2020, with the objective of being to reduce it to 25%.

Income tax on revenue from securities (l'impôt sur le revenu des valeurs mobilières IRVM) has been 15% since the adoption of 2015 Finance Act.
Full exemption from registration duty (droits d'enregistrement - DE) and stamp duty are granted when a new business is set up.
Tax on international funds transfers (taxe sur les transferts de fonds TTF) is waived when the funds are used to repay loans contracted abroad.

Value-added tax (VAT) rates are structured according to the type of commercial activity:

- The general VAT rate is 18%, applicable to all goods and services.
- The reduced VAT rate is 5% for everyday consumer goods, and diesel oil and lubricants imported by forestry companies operating in the Congo from countries sharing a border with Congo.
- The VAT rate is 0% for exports, international transport, and accessories, local sales of lumber, butane gas imports, locally produced cement, and glass products manufactured in Congo.

The single payroll tax (TUS) payable by employers is 7.5% (general rate) of gross salary. This rate has been 2.5% of gross salary for oil companies since the Finance Act for 2021.

TEN SPECIFIC TAX REGIMES

One of the main tax regimes, the flat-rate corporation tax (impôt sur les sociétés forfaitaire-ISF), applies to foreign moral persons engaged in industrial, commercial, and other business operations in the Republic of Congo. The tax rate has been 33% since 2020.

The nine other specific regimes are

- The tax regime for special economic zones;
- The tax regime for industrial zones;
- The tax regime for health free zones;
- The tax regime for holding companies;
- The tax consolidation regime;
- Tax regime for micro-finance institutions;
- Tax regime for private schools;
- The tax regime for agricultural, agropastoral, fish farming, and fishing businesses; and
- Preferred regimes under the investment charter.

THE PREFERRED REGIMES UNDER THE INVESTMENT CHARTER

To encourage long-term investment, Congolese lawmakers have introduced support schemes for companies of all sizes, regardless of citizenship.
Congo's 18 January 2003 Investment Charter provides for two investment regimes
Regime G applies to large companies investing 100 million CFA francs or more.
Regime S applies to small and medium businesses investing 30 million to 100 million CFA francs.

To be eligible for these preferred regimes businesses must:

- be entered in the commercial register;
- create permanent jobs with at least 280 working days per year;
- have share capital equal to at least 20% of the investment;
- in the case of manufacturing companies, give priority to the use of local raw materials for finished or semi-finished products, on equal terms regarding price, quality and delivery times, over foreign suppliers;
- in the case of service companies, give priority to local companies, on equal terms as regards quality, price and delivery time, over foreign companies;
- be registered with the national social security system;
- hold an account with a local bank or any other financial, savings and credit institution duly established in the country; and
- give priority to local labour, given equal skills, over foreign labour.

■ ■ ■

Benefits of investment plans

Type of regime	Share capital threshold	Setting-up period and first three years
Regime **G**	Over 100 million CFA francs	• Advantages provided by the CEMAC Customs Code relating to inward processing mechanisms for export-oriented activities. • Suspension of customs duties in the form of temporary entry or duty-free entry for natural resource research activities. • 50% reduction in registration fees for new businesses, share capital increases, mergers, and transfers of shares. • Full exemption from tax, either on company profits or on personal income. • Authorisation to use declining balance or accelerated depreciation. • Authorisation to carry over negative results for the next three fiscal years. • Application of zero rate VAT on exported products.
Regime **S**	Over or equal to 30 million and under 100 million CFA francs	In addition to the advantages of regime G, reduced registration fees for new businesses, share capital increases, mergers, and transfers of shares.
Preferred **development zone regime**	Exporting company	The establishment, structure, and operation of the preferential development zone are set out in a specific text.

Zoom in

LIZIBA, FOR UP-TO-DATE INFORMATION ON BUSINESSES' OBLIGATIONS

In recent years, the Congolese Ministry of Finance has made a number of changes to corporate customs and tax obligations namely easing and aligning them with its social and other objectives. Recognising that the international economy was disrupted by the COVID-19 pandemic, in May 2021 the government adopted an amended finance law to reduce the rate of corporation tax under the ordinary law regime from 30% to 28%. This measure will be maintained in the next version of the law. The special 2% corporate tax was abolished.

To help entrepreneurs keep abreast of such changes, the Liziba online platform collects, produces, and provides information to its users on economic, commercial, administrative, regulatory, legal, and tax matters. <www.liziba.cg>

Liziba's 'entrepreneur toolbox' provides comprehensive information on how to set up and register a business, current legal statutes, support and dispute management bodies, and import and export procedures. It also provides information on the costs of factors of production. (See following section of this guide).

In the platform's "legal and regulatory framework" section, Liziba has published Congolese collective bargaining agreements, the tax calendar, and useful legislation for all sectors, in particular finance laws dating back to 2004. It also has a directory of companies and development bodies, and regional economic data. Liziba was created under the Commercial and Entrepreneurial Capacity-Building Program (PRCCE II) when the lack of constructive collaboration among information-producing public services and agencies became clear. The platform has an in-person reception centre at the Pointe-Noire Chamber of Commerce, Industry, Agriculture, and Trade that provides advisory and support services. ■

Patrick Gamassa,
Managing Partner of KPMG Congo

Interview

Electronic invoicing will reduce opportunities for fraudsters.

Why is the Congolese government introducing electronic invoicing?

Invoices contain basic financial information. Invoices are generally issued when a good or service has been sold. Invoices are regulated in Congolese commercial regulations and by the Organisation for the Harmonisation of Business Law in Africa (OHADA), as well as by tax legislation. In the Congo, VAT is one of the main sources of public revenue. Taxpayers often fail to declare their turnover or under-report it in order to avoid VAT. Current practices have proved to have their limitations and do not allow the State to optimise revenues or extend the taxpayer base, particularly because informal sector commercial transactions are not controlled. Moreover, controlling these transactions requires a significant mobilisation of human resources. In short, these are all difficulties that come on top of the fight for fair competition, the strengthening of business competitiveness through paperless processes, and the necessary simplification of reporting obligations.

Does electronic invoicing address some of the key issues facing Congolese businesses?

The State must protect all taxpayers by subjecting them to the same requirements when collecting taxes. But when it comes to businesses there are two distinct possibilities: honest taxpayers and rogue taxpayers. For businesses operating in the formal sector, electronic invoicing will make it possible to set up a reliable database, thereby broadening the tax base and, in the long term, perhaps reducing the tax burden. What's more, tax returns will be protected from human manipulation, fostering a healthier relationship with the authorities. For tax evaders and those operating in the informal sector, this is unwelcome news, as electronic invoicing will reduce the opportunities to commit fraud.

How far have we got in implementing electronic invoicing?

It is being introduced gradually, in keeping with the economic and social realities of each country. As part of the drive to improve tax revenues, the Congolese government initiated an initial reform in 2012 by providing for secure manual invoicing for businesses and cash registers for small retailers in the Finance Act. Unfortunately, these two projects did not produce the expected results for the reasons given above. The government's intention is to institute electronic invoicing is reflected in the 2023 Finance Act.

Are the government and businesses ready?

There is nothing to suggest that the actual implementation will take place in 2024. For the implementation of the project, the State has chosen two partners who will be responsible for the regulation and the IT solution, respectively. If we are optimistic, electronic invoicing could become a reality by the beginning of 2025 for the State. For businesses, the major imperative is to train accountants and possibly acquire the equipment. At this stage, there is no indication that they will be ready before the project begins ■

KPMG

COST OF PRODUCTION FACTORS IN CONGO

DBI Congo compiles data from Congolese institutions, international organizations, and the information platform for entrepreneurs, Liziba.

LABOUR COSTS

A December 2008 national decree set the national minimum wage (salaire minimum interprofession-nel garanti - Smig), for all sectors at 50,400 CFA francs per working month. However, between 2011 and 2017 the increase in salary index points for civil servants rose from 160 to 300 and led to a pay increases; consequently by 2015 the lowest salary was 120,000 CFA francs. This was followed by pay increases in 2016 and 2017. In December 2022, Firmin Ayessa, Minister of State of Civil Service, Labor and Social Security, defended the need to increase the minimum wage (Smig) and adapt it to social reality. According to the International Labor Organization's (ILO) Global Wage Report 2020-2021, minimum wage in the public and private sectors was 90,000 CFA francs in 2019.

In the 2016 ILO study Transition vers le marché du travail des jeunes femmes et hommes en République du Congo (Transition to the labour market for young women and men in Republic of Congo), the average monthly salary of young workers with a level of education below primary school was between 42,522 CFA francs, and at least 181,398 CFA francs for a university graduate. The average was 64,931 CFA francs, with minor difference between men and women. In the same study, 40,625 unemployed young people claimed to have turned down a job offer, 37% stated that low wages as the main reason.

ACCESS TO WATER AND ELECTRICITY

|||||||| Access to water: billing categories

Consumer category	Consumption tranche	Rate per m³ (in CFA francs)
Individuals/households	0 to 55m³ (single tranche) Greater than 55m³	130.00 151.80
Government services (category 1)	Single tranche	300.00
Large consumers (categories 2, 3, 4, 5, 6,7)	Single tranche	300.00
Industrial consumers (category 8)	Single tranche	400.00

Source : API Congo

|||||||| Access to electricity: Low voltage subscription rates in Brazzaville

Single-phase installation	Circuit breaker load	Circuit breaker amperage	Subscribed power	Subscription price (in CFA francs)	Flat-rate (in CFA francs) - different Liziba
2 wires	5/15A	10	3	26,440	15,817
2 wires	10/30A	20	5	50,440	23,743
4 wires	10/30A	10	5	50,440	23,743
4 wires	10/30A	15	9	75,440	41,164
4 wires	10/30A	20	12	100,440	41,520
4 wires	10/30A	25	15	124,440	111,575
4 wires	30/60A	30	18	151,440	112,575
4 wires	30/60A	45	24	200,440	113,817
4 wires	30/60A	60	32,9	248,440	118,167

Source : API Congo

Rates for low voltage subscriptions

Rates	Subscription (kwh)	Type of meter	Price per kwh (in CFA francs, excluding tax) different Liziba
T3	3	Single phase	49.80
T4	5		44.64
T5	9		43.56
T6	11.5		31.20
T7-1	12	3-phase	31.20

Source : API Congo

TIC

	Weighted 3G rates (CFA francs/Mo)	Weighted 4G/LTE rates (CFA francs/Mo
July 2022	1.18	1.18
July 2017	5.58	2.02

	Weighted outgoing on-net rates, voice (FCFA)	Weighted outgoing off-net rates, voice (FCFA)	Weighted outgoing international rates, voice (FCFA)
July 2022	20	13	221
July 2027	31	77	188

Source : ARPCE

Congo Telecom Internet plans: installation and monthly plans
For "Speed 60, 100 or 220" plans: *60*, 100 or 220 MBPS, installation and monthly fee are respectively 25.00, 35.00 or 45,000.00 CFA francs/month.*

** For the "Speed 60" offer only, installation costs 5,000 CFA francs.*

Internet connection rates for businesses (in CFA francs)

SHARED SPEED	1 Meg	2 Meg	4 Meg	6 Meg	8 Meg
Monthly rate in CFA francs, all taxes incl.	35,000	65,000	106,030	199,187	319,059
Connection costs	Minimum quote 40,240 CFA francs				
Equipment	150,000 CFA francs				
DEDICATED ACCESS	**1 Meg**	**2 Meg**	**4 Meg**	**6 Meg**	**8 Meg**
Monthly rate in CFA francs, all taxes incl.	150,000	300,000	600,000	900,000	1,200,000
Connection costs	Minimum quote 40,240.00 CFA francs				
Equipment	150,000.00 CFA francs				

Source : API Congo

BANKS AND FINANCE: BANKS BENEFIT FROM REPAYMENT OF DOMESTIC DEBT

Banks also suffered from the 2014 economic crisis but for the last three years the sector has grown, accumulated liquidity and increased lending, an areas where it has come a long way.

One of the major vulnerabilities of the Congolese banking sector began to be reduced in October 2020. It concerns part of the State's domestic commercial and social debt accumulated since the economic crisis that began in 2014, following the fall in world oil prices. The debt had reduced the financial capacity of Congo, a major customer for Congolese companies, be they SMEs or large corporations, and weakened the country's entire business ecosystem.

2020, YEAR OF THE FIRST DOMESTIC DEBT REPAYMENT PLAN

In October 2020, the Club de Brazzaville, an economic interest (GIE) composed of the BGFI Bank, the Sino-Congolese Bank for Africa (BSCA), La Congolaise de banque (LCB) and Ecobank raised 300 million CFA francs. Debt payments were first made to the banks, to strengthen their position, and then to the large companies thereby making it possible to resume work on the State's major projects. The effects on the national economy were quickly felt, according to the first review of the three-year agreement under the August 2022 IMF Extended Credit Facility.

The IMF explained that "the non-performing loan ratio remained around 17% in 2021 after falling sharply in 2020, since the effect of repayments of the domestic arrears was greater than that of the shrinking economic activity", due to the COVID-19 pandemic. The other reason for the stagnation of this ratio was "the temporary relaxation of prudential rules by the Central African Banking Commission (COBAC)." Loans to the private sector rose from 4% at the end of 2020 to 10% at the end of 2021, partly because of greater liquidity and the gradual increase in bank deposits.

THE SECOND PLAN IN 2022

«The National Development Plan stipulated, "This financing made it possible to increase credit to the State and at the same time to restore the corporate debt capacity. As of 30 April 2021, gross lending to customers (1,373.5 billion CFA francs of which 1,231.9 billion in domestic loans) was 16.7% higher than in 2020. The private sector took the lion's share of bank financing (994.3 billion CFA francs). The State borrowed 159.9 billion, while state-owned companies were able to borrow 77.7 billion."

In July 2022, the Ministry of Economy and Finance announced a new plan to clear domestic arrears. The goal was to continue to "restore the State's financial credibility, clean up domestic financial circuits and support the resumption of economic activities, particularly in the domestic private sector" and thus promote financial stability and facilitate further reductions in non-performing loans. The risks affecting the domestic financing system essentially stemmed from sudden and sharp drops in oil prices.

REDUCED SYSTEMIC RISKS

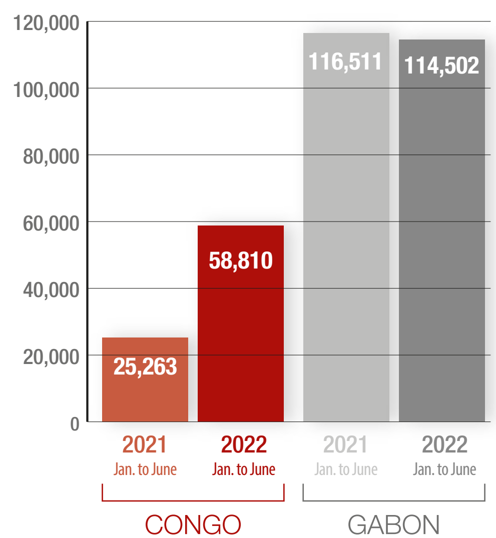
The IMF feels that the risks for the domestic financial system are limited and stem from oil price shocks that are mitigated by the fact that repayments to the country's main external trade partners are linked to hydrocarbon prices, which have been high since the end of the COVID-19 pandemic. They are also mitigated by "a gradual increase in government deposits with the Bank of Central African States (BEAC) and by the availability of financing on Congolese financial markets, where banks have ample liquidity."

LENDING AS LIMITED AS EVER

The repayment of arrears and the increased deposits have certainly contributed to bank liquidity. Credit to the private sector has improved somewhat, but the starting point was very low. In a May 2022 report, the IMF said that the rate was not expected to grow more than 0.6% year-on-year in 2021 because of the low demand for loans. In an interview with DBI, the head of an international bank in Congo said that Congo, "is one of the few African countries where I cannot use my SME lending envelope because demand is so low.

According to our calculations using CEMAC figures, between January and June 2022, with equivalent interest rates, short-term loans to SMEs were half as high in Congo as in Gabon, a country with a similar economic and demographic profile where financial intermediation is also a problem. The previous year there were four times fewer short-term loans, yet these are the most popular loans granted by banks to the private sector. Congo catches up with its neighbour when it comes to medium-term loans to SMEs, and issues more medium-term loans to large companies than Gabon.

Short-term loans to SMEs (in millions of CFA francs)



Source: Bulletin des statistiques sur les coûts et conditions du crédit dans la CEMAC nos. 10, 11, and 12

IMPROVING ACCESS TO CREDIT

In consideration of the above, NDP objectives now include the creation of an investment and development bank for SMEs. The NDP notes that "banks have little capacity to grant real estate loans," despite the fact that the construction of housing is ranked as a national priority. Other solutions include authorizing official bodies to assist and support to businesses and entrepreneurs: specific agencies for employment, financial guarantees, and SME-SMI development, inter alia. The PND believes that this would "facilitate recourse to bank financing thanks to a risk-sharing mechanism with banks and microfinance entities and would improve access to credit and promote market access."

Calixte Médard TABANGOLI
General Manager
Banque postale du Congo

Interview

Banque postale du Congo, aiming to become one of the top five Congolese banks.

Banque postale du Congo (BPC) is a recently established financial institution. The Congolese postal and savings and loan company, Société des postes et de l'épargne du Congo (Sopeco) owns a 20% share and is a strategic partner for the Banque postale because of its foothold in this sector.

How is the BP governance structured? La Postale du Congo began operations in January 2013. The BPC is structured as per the requirements of banking regulations. Its main governing bodies are the general meeting of shareholders, the board of directors (deliberative body), and general management (executive body). BPC Statutory Auditors, whose main responsibility is the closing of annual accounts, also contribute to governance.

BPC was created to meet two of the main challenges facing the Congolese economy: low financial inclusion and lack of financing.
How is it addressing these major challenges?
After 10 years of existence, BPC has 34 branches, the most extensive banking network in the country. It has introduced a number of products tailored to the specific nature of its main customer base. In addition to traditional financing methods, BPC is committed to supporting SMEs by providing alternative financing mechanisms such as factoring and, in the very near future, leasing.

Environmental protection and energy transition have again been included in the NDP 2022-2026. Does this affect how BPC finances the economy?
BPC is working closely with the Ministry of the Environment, Sustainable Development, and the Congo Basin to secure a significant place for itself among the banks leading innovation in environmental protection and the energy transition. The Blue Fund for the Congo Basin and the Green Climate Fund are examples of our efforts to develop appropriate products and services.

The authorities have chosen BPC to operate the one-stop payment system, Guichet unique de paiement (GUP) for the Treasury. What is it doing to fulfilling this mandate?
This is a sensitive and highly strategic mandate that the authorities have entrusted to BPC. BPC has modified its organization chart; with the creation of a department whose main task is to ensure the efficient operation of the GUP. The new risks generated by this service have also led the internal controls department to adapt their verifications and create a risk mapping system.

What is your vision for the BPC in 2030?
BPC already surprises people today, but it will surprise them even more in 2030! Our ambition is to rank among the top 5 Congolese banks. To this end, we are preparing ourselves to respond appropriately to market evolutions. Our strategic plan for 2023-2025 already lays the groundwork for BPC to structure its services for factoring and leasing activities, as well as bancassurance, which is due to begin in early 2024. BPC's ambition is to become a banking group by 2030. ■

MICROFINANCE INSTITUTIONS: DEPOSITS AND LOANS ON THE RISE

As in most African countries many businesses are turning to microfinance to avoid the difficulties of traditional banks in satisfying credit requests from VSEs and SMEs, caused especially by the lack of understanding between applicants and lenders. By 2021, 47 microfinancing institutions had been licensed in the Republic of Congo. By the end of September of 2021, 695 billion CFA francs had been distributed as gross loans in the CEMAC zone, 22% of which went to institutions in the Republic of Congo. This is the same percentage of outstanding loans held by Congolese institutions in that zone, (114 billion CFA francs). According to figures from the Directorate of National Finance Institutions (Direction générale des institutions financières nationales - DGIFN), deposits in microfinance structures rose from 153 to 184 billion CFA francs between 2017 and 2020, while the value of the loans granted increased from 84 to 116 billion CFA francs.

Banks' market share in Congo in July 2021 (in billions of CFA francs and as percentages)

	Deposits	Loans	Loans to the State
BGFI Congo	304.1 (17.97)	347.2 (30.23)	56.5 (11.14)
Sino-Congolese Bank for Africa (BSCA)	278 (16.44)	105.7 (9.21)	140.2 (27.62)
Crédit du Congo	181.6 (10.73)	111.9 (9.75)	88.8 (17.5)
Ecobank	176.9 (10.45)	106.4 (9.26)	34.2 (6.7)
Société Générale Congo	170.8 (10.09)	106 (9.23)	14 (2.77)
La Congolaise des banques	164.4 (9.71)	109.1 (9.5)	47.1 (9.28)
United Bank for Africa	147.6 (8.72)	59.4 (5.17)	93.8 (18.48)
Banque commerciale internationale	130 (7.68)	97.8 (8.52)	17.2 (3.39)
Banque postale Congo	78 (4.61)	54.6 (4.75)	14.5 (2.87)
Banque congolaise de l'habitat	57.3 (3.39)	43.9 (3.82)	0.9 (0.18)
Banque Espirito santo Congo	3.4 (0.2)	6.4 (0.55)	0.17 (0.03)

Source: National economic and financial committee, financial reports provided to the Central African Banking Commission (COBAC)

Zoom in

BORROWERS AND INTEREST RATES

In a competitive market, most business loans in Congo are short-term loans granted to large companies. The interest rate for both SMEs and large companies can double over the course of a year.

The Bank of Central African States (BEAC) considers the Congolese credit market to be "highly competitive," as "no single bank really permanently dominates the market." The latest BEAC documents on this subject covering the first 3 quarters of 2022 indicate that the market was dominated by BGFI, Ecobank and Société Générale Congo. In addition to these three establishments, 4 other banks (Sino-Congolese Bank for Africa, La Congolaise des banques, Crédit du Congo and Banque Postale) had a market share of over 8% in at least one of those three quarters.

BGFI TAKES OVER SOCIÉTÉ GÉNÉRALE'S ASSETS

Since this 2022, a period for which public data are available, Société Générale has been in the process of withdrawing from several African countries. In June 2023, Société Générale announced the sale of its local subsidiary to the Pan-African group Vista. The Congolese government, which held a 6.53% stake in the bank, exercised its right of pre-emption over the sale. The government explained that it wanted to find a new, solid banking partner committed to the development of the national economy. After taking over the French group's entire stake in July 2023, it announced in October that it had found a buyer for BGFI Bank Congo.

LOAN VALUES

In Q1 2022, Congolese banks granted 6,216 new loans, 6,016 in Q2, and 9,964 in Q3. In value terms, new loans amounted to 214.41 billion CFA francs in Q1 and 151.34 billion CFA francs in Q2. Despite the sharp increase in the number of loans in Q3, their value was only 163.37 billion CFA francs.

Loans: market share by bank in Congo (in %)

	Q1 2022	Q2 2022	Q3 2022
BGFI Congo	35.12	6.66	11.47
Sino-Congolese Bank for Africa	12.03	13.35	3.25
Crédit du Congo	4.65	8.83	3.93
Ecobank	5.12	32.62	2.54
Société Générale Congo	15.72	16.31	37.23
La Congolaise des banques	5.78	3.37	13.32
United Bank for Africa	3.2	0.66	6.58
Banque commerciale internationale	11	6.19	7.36
Banque postale Congo	6.33	8.76	9.11
Banque congolaise de l'habitat	1.04	3.24	5.22

Source: Bank of Central African (BEAC), Direction générale des études, finances et relations Internationales, "Évolution des taux débiteurs pratiques par les établissements de Crédit dans la CEMAC," Fluctuations in lending rates for credit institutions in CEMAC region.

Hocine BENKHALED,
Deputy General Manager,
International Commercial Bank

Interview

Since 2019, Banque Commerciale Internationale (BCI) has been a subsidiary of Banque Centrale Populaire (BCP), the 6th largest pan-African banking group in terms of assets.

What is your strategic roadmap?

The BCI validated its strategic roadmap in 2020, which was translated into a medium-term plan for the period 2021 - 2024. The plan's ambition is to emphasize the concept of a universal bank equally positioned on the corporate and retail markets, while opening up to new segments: young people, professionals, very small businesses, associations, and institutional clients. The plan is aimed at repositioning BCI as a key player among the top five banks in the Congolese banking sector. To achieve this, BCI is focusing on three key areas: strengthening its expertise through a service model with a proactive approach, a personalized relationship and proven advice for customers' "complex" operations; optimizing service quality for customers, in terms of responsiveness at commercial level and reliability at operational level; and lastly, providing comprehensive products ranges that cover all customers' banking needs, thereby becoming the forerunners of future new products and services in the Congo, through support of the BCP Group.

To achieve this, our growth strategy aims to act on the major levers of NBI growth by introducing a new customer approach, enriching our range of products and services, and accelerating our digital transformation. Numerous cross-functional projects have also been launched to improve processes, organization, the distribution network, information systems, risk management, customer satisfaction, and targeted communication.

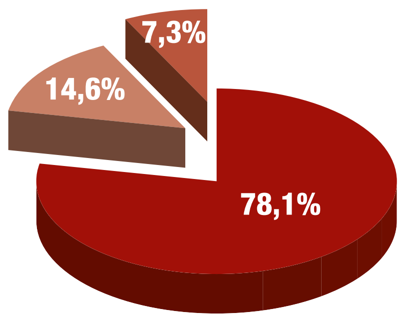
What services do you offer companies?

BCI has changed to better support its customers with new, high-quality services and more innovative products. As far as corporate banking is concerned, our offer focuses mainly on loans, deposit collection, investments, digital products, trade finance, cash management, cash advances and international trade operations. Innovations include BCINET, BCI Scan, partnerships with mobile telephony providers, and the agency banking concept organized as a franchised network, extended banking services franchises to high-potential areas not served by banks. In conjunction with the BCP Group's specialized subsidiaries, we offer our institutional and corporate customers financial trading rooms, as well as syndicated financing nationally and regionally.

How does BCI support growth in the Republic of Congo?

Financing the economy is a noble mandate for credit institutions. Supporting the economy means setting up mechanisms to help people become financially independent. In terms of market share, BCI is well positioned in terms of lending, with a proven record in financing private individuals, SMEs, and large public and private companies. In addition, BCI is strongly committed to financing structuring projects within the framework of PPPs. Against this backdrop, BCI is one of the key players in financing the economy, as set out in the President's vision for society, and implemented as part of the 2022-2026 NDP ■

Breakdown of new loans (Jan. to Sept. 2022)



- **Short-term loans:** 78,1 %
- **Medium-term loans:** 14,6 %
- **Long-term loans:** 7,3 %

Source: Bank of Central African (BEAC), Direction générale des études, finances et relations Internationales, "Évolution des taux débiteurs pratiques par les établissements de Crédit dans la CEMAC," Fluctuations in lending rates for credit institutions in CEMAC region.

LARGE COMPANIES ARE THE LARGEST CONSUMERS OF SHORT-TERM LOANS

Like the rest of the CEMAC zone, large companies are by far the biggest consumer of bank loans. In the first three quarters of 2022, they had acquired 74.7%, 65%, and 63.8% of all loans, corresponding to 160. 98, and 104 billion CFA francs, respectively. Over the same three-quarter period loans to SMEs accounted for 26, 21.9, and 28.4 billion CFA francs. According to the BEAC, as with other CEMAC countries, in Congo most loans are short-term and are used either for the cashflow needs of manufacturers or as household consumer loans. Short-term loans represent 79.2%, 79.05%, and 75.93% of all loans approved during the first three quarters of 2022. Medium and long-term financing of business investment needs, on average, corresponded to 14.6% and 7.3%, respectively, of loans issued during the first three quarters of 2022.

INTEREST RATES

Interest rates on loans vary considerably over time and according to loan maturity. They fell from 10.27% in Q12022 to 9.43% in Q2 and 9.02% in Q3. In 2022 rates were lower than in 2021 which at one point was as high as 13.93. Interest rates are particularly volatile and high for SMEs: 14.39% in the first quarter of 2022, almost five points higher than the previous quarter, but then dropped in the following two quarters to 9.31% and 8.27%, respectively. Interests rates were more stable in 2022; the rates for large companies was 8.83% in Q1, 8.49% in Q2 and 7.17% in Q3. In Q2 2021, however, they had reached 16.21%. According to the BEAC, in 2022 roller-coaster fluctuations in average lending rates were applied to government agencies and local authorities: 10.29% in Q1, 0.51% in Q2, and 11.42% in Q3

ENVIRONMENT AND HYDROCARBONS THE CREATION OF AN AFRICAN ENERGY TRANSITION BANK

European banks are pulling out of hydrocarbon financing, but African oil-producing countries are creating a bank so they can continue extract oil without harming the environment.

According to a study by the British ShareAction association published in February 2022, the top twenty-five European banks financed the global oil and gas sector: $406 billion, between 2017 and 2021 and showed no sign of slowing down. Twenty-four of these banks are members of the NetZero Banking Alliance, a network of banks under the ægis of the United Nations, committed to aligning their practices and portfolios to achieve carbon neutrality by 2050.

PRESSURE FROM NGOS AND THE COURTS

In recent months, many banks are working to better fulfil their commitments. Last May, BNP Paribas announced that it would, "no longer finance the development of new oil or gas fields, regardless of the financing terms." BNP management admitted that it was under pressure from the courts, following a complaint filed by NGOs. BNP finance the oil and gas sector ($46 billion),was one of three French banks in ShareAction's top five, also on the list are Crédit Agricole ($35 billion) and Société Générale ($34 billion). The British bank HSBC, which ranked first ($59 billion), announced at the end of December 2022 that it would stop financing new oil and gas fields projects. Spain's BBVA, the Netherlands' ING, the UK's Lloyds, and Italy's UniCredit have already limited financing to this sector. Crédit Agricole stated at the end of 2022 that it would no longer finance "any new oil extraction projects".

How have the African oil-producing countries reacted to the news? They recognize what is at stake in terms of the environment, after all climate-related disasters are seriously affecting the continent. These countries, however, depend on their underground natural resources to generate the income needed for development. The answer may well be found through the African Energy Transition Bank, which the African Export-Import Bank (Afreximbank) and the African Petroleum Producers Organization (APPO) want to set up as per the Memorandum of Understanding they signed in May 2022.

FORESEEABLE CAPITAL ALLOCATION TO FOSSIL FUELS AND RENEWABLE ENERGIES

The African Energy Transition Bank would open the way for the concomitant development of hydrocarbons and the fulfilment of the Sustainable Development Goals (SDGs), especially the SDG environmental targets. The APPO member states would invest in this new bank, with the Afreximbank as a co-investor and advisor on the establishment and implementation process. When signing the MoU, Professor Benedict Oramah, Afreximbank Chairman spoke of the need to "strike the right balance between the demands of climate change mitigation and the pressing need to avoid social upheaval caused by the increasingly difficult economic and financial conditions in Africa." He added, "Supporting the emergence of the African Energy Transition Bank, will allow more efficient and predictable allocation of capital for fossil fuels and renewable sources of energy." Maixent Raoul Ominga, Managing Director of SNPC stated, "We hope that other financial institutions will join Afreximbank to ensure that the African Energy Transition Bank has sufficient resources to support the sector through its transformation phase as well as the development of its resources." ■

Omar Farouk Ibrahim,
Secretary General,
African Petroleum Producers
Organization (APPO)

Interview

"Energy transition advocacy conducted by developed countries is hypocritical."

How was the idea for the African Energy Transition Bank born?

In 1992, five years after the creation of the African Petroleum Producers Association (APPA later became APPO), the Cotonou-based APPA Fund was created to finance research, training, and technological cooperation in the oil and gas industry. During the restructuring of APPA into APPO, between 2015 and 2019, it became clear that the implementation of the 2015 Paris Agreement would seriously challenge our industry, particularly in Africa, because of the coming withdrawal of Western banks from the hydrocarbon sector. Consequently, the Council of Ministers decided to restructure the APPA Fund by increasing its capital from five million to one billion dollars and expanding its mandate to include the financing of the oil and gas industry in Africa. The Fund was renamed the Africa Energy Investment Corporation (AEI Corp)

Why call on Afreximbank?

To help us get started and raise the capital we needed. That was the beginning of the African Energy Transition Bank (AEB) project. APPO and Afreximbank signed a Memorandum of Understanding on 16 May 2022 in Luanda. Since then, we have held several meetings to define the contents of the agreement that would establish the bank, the legal form and governance structure, shared ownership conditions, etc.

Why this project is so important?

In Africa, approximately 600 million people do not have access to electricity, and 900 million do not have access to any form of modern household energy for cooking and heating. Yet we are told that we must give up the source of energy we now have for something we hope we will get. The crisis in Russia and Ukraine has revealed the hypocrisy of the developed world's advocacy for energy transition. The owners of oil and gas, and even coal, which is known to be the worst energy in terms of emissions, have indicated that they will not stop investing in these sources. But they are not prepared to invest in fossil fuels in Africa. The AEB will invest in any fuel that can help reduce energy poverty on the continent ■

INSURANCE: A SECTOR READY FOR GROWTH AND INVESTMENT

The insurance market is dominated by non-life products. The Market penetration rate is very low, which means that the Congolese insurance market offers a myriad of opportunities.

The insurance sector is completely open to investment in Congo where the government has authorized 100% foreign direct investment (FDI). Under a treaty signed by 14 French-speaking African states, a company established in any member state of the Inter-African Conference on Insurance Markets (CIMA) is authorized to operate in any other member state, e.g. the Republic of Congo, without having to acquire a licence.

EIGHT INSURERS ON THE MARKET

There are eight companies in Congo, six in the non-life, or health, property and casualty segment and two operating in the life segment. The market is dominated by Assurances et réassurances du Congo (ARC). The market has stayed much the same over the past five years, despite the arrival of Africaine des assurances Congo in December 2018. In early 2021, the South African insurer Saham became Sanlam, and by September they had sold shares to NSIA Assurances. By the end of 2021, the eight companies had combined sales of 70.48 billion CFA francs: 81.8% was generated by the non-life segment and 18.2% by the life segment, according to figures from the Insurance Department of the Congo Ministry of Economy and Finance. Brokers and other intermediaries generated over 70% of sales.

OPERATING INCOME AND SOLVENCY RATIO

General expenses for property and casualty insurers and, to a substantial extent the value of claims paid, have gone down significantly, from 26.249 billion CFA francs in 2017 to 12.953 billion in 2021. In the same year, operating income from the non-life segment stood at 4.165 billion CFA francs and the solvency ratio at 9.271 billion, a solvency margin of 215%. The best performing sub-segments of the non-life segment were civil liability, fire and property damage, motor vehicles, and personal injury. ■■■

THE PREDOMINANCE OF THE OIL MARKET

According to the Direction des assurances of the Ministry of Economy and Finance, the predominance of the non-life segment is essentially due to the compulsory insurance for motor vehicle insurance, all-risks construction insurance (TRC), school insurance, and oil and gas insurance. The weight of the oil industry is impressive: of the 57.6 billion CFA francs in non-life policy sales, almost half was generated by insurance policies for gas and oil (27.652 billion CFA francs).

LOW MARKET PENETRATION

The insurance market has been generating increasingly higher levels of sales and opportunities, but despite this market penetration is low. In Congo, in 2021, market penetration for non-life insurance was a mere 0.46% for the non-life segment and 0.1% for the life segment. Opportunities are logically correlated with the degree of risk and the need for innovation. To increase insurance sales rate in the country, the Ministry of Economy and Finance recommends more and better communication on the importance of insurance. It also recommends creating new products tailored to specific needs and increasing the insurance premium base by making certain types of insurance coverage are compulsory, e.g. fire insurance for buildings valued at over 50 million CFA francs, service stations, bakeries, and industrial premises, and civil liability for the maritime transport of passengers and goods.

MICROINSURANCE

The increased use of the Internet and technological improvements used to sell policies online could increase demand for microinsurance. Microinsurance companies' portfolios of are mainly composed of life insurance products, particularly borrower insurance and term life insurance.

OPPORTUNITIES IN AGRICULTURE INSURANCE AND RETIREMENT PLANS

If the insurance sector succeeds in reducing risks through innovation, they could create products for a sector that holds promise, namely agricultural insurance. In recent years, Congo has suffered from the vagaries of climate and natural disasters, which have caused considerable damage, particularly to crop and livestock production. Parametric insurance to cover the financial consequences of these types of events is a possible solution. Only 3% of farmers have insurance policies. There is also room for growth in the life insurance and retirement segments. According to the World Bank, in Congo social protection policies are unusual and essentially cover government employees ■

Six non-life insurance companies and two life insurance companies
(Sales, in billions of CFA francs)

	2021	2017
Assurances et réassurances du Congo (ARC)	33.664	27.065
Nouvelle société interafricaine d'assurances (NSIA)	5.737	8.618
Assurances générales du Congo (AGC)	4.961	8.610
Allianz Congo assurances	4.564	6.716
Africaine des assurances Congo (AAC)	3.241	/
Saham Assurances Congo	5.481	4.387
Total non-life sector	**57.650 (81.80%)**	**55.396 (92.32%)**
Assurances générales du Congo (AGC Vie)	3.147	3.001
Nouvelle société interafricaine d'assurances (NSIA Congo Vie)	9.683	1.6
Total Life sector	**12.831 (18.20%)**	**4.601 (7.68%)**
TOTAL	**70.481**	**60**

Source: Congo Ministry of Economy and Finance, Direction générale des institutions financières, direction des assurances

Mwandza Ibata,
Deputy General Manager of Assurance Générale du Congo, (AGC) and Vice President of the Association Professionnelle des Sociétés d'Assurances du Congo.

Interview

"COMPULSORY INSURANCE MUST REALLY BE MADE COMPULSORY!"

AGC recently moved to its new headquarters in Brazzaville and is back on track after experiencing cash flow problems that resulted from heavy investment. The company is using determination and know-how to recover its position as a major player on the national scene.

Which branches of insurance are doing best in Congo?

Out of some 70 billion CFA francs in sales, at least 30 billion come from oil industry premiums which, as we know, are nearly all "fronted" and therefore do not remain on the Congolese market. "Fronting" is a risk transfer mechanism used when risks are too big to handle, as in the oil industry. It entails transferring risks outside the country, mainly in London and Paris. The fronting system is justified, but it pays commissions that are too low to contribute to strengthening the local insurance companies. Higher commissions, – like the ones paid in Angola, – would help these companies grow. It is also important to make them involved enough to learn fronting policy risk management and then in the near future the related end-to-end management.

On increasing the insurance penetration rate in Congo

First of all, I think that we need to make sure that compulsory insurance is really compulsory! This applies, for example, to civil liability insurance, fire insurance, all-risk construction insurance, imports insurance. The state plays an essential role in this process. At AGC we also try to fight car insurance fraud but unfortunately, we are the only ones to do this. The market and decision makers don't understand the extent of the problem.

How important is climate change for insurance companies?

This issue most seriously affects agriculture, prone as it is to the vagaries of climate. That is why it is very difficult to find the right solutions. Much thought and discussion is going on in Congo-Brazzaville, at the Federation of African National Insurance Companies (FANAF) and elsewhere in the world. Solutions are still slow in coming, but history shows that reality often forces us to act.

Do small businesses stimulate the development of insurance companies?

The few large companies that operate in Congo all insure their staff and their business activities, and even provide life insurance. It is more difficult for the small and medium-size enterprises, but insurance does indeed stimulate development. In general, SMEs only take out compulsory insurance, e.g. as sub-contractors to large firms. It is our role, and that of our middlemen, brokers and agents, to explain the benefits of insurance to them. We have not yet been able to introduce multiprocessing but the Association professionnelle des sociétés d'assurances du Congo (Apsaco) is working on it. The micro-businesses and informal entities see insurance as an obstacle to development, which is a big mistake.

What changes is AGC making to maintain its position as a major insurer?

We keep track of changes in our companies, particularly the arrival of new technologies, all the while measuring the risks. Insurers and mobile operators are beginning to form partnerships; we won't just stand by and watch. Rather like bank-insurance, business is developing through partnerships, although banks and mobile operators may soon become competitors ■

AGC SA

#4

CONGO SHOWCASES ITS STRENGTHS: TIMBER, AGRICULTURE, INDUSTRY, SEZS, AND TOURISM

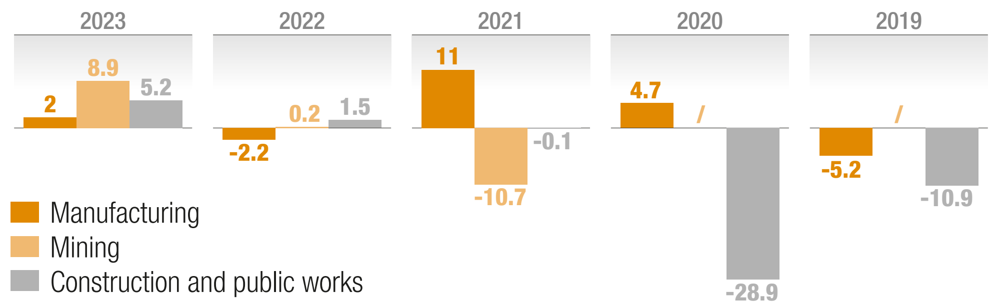
INDUSTRY: THE PROMISING FUTURE OF A STRATEGIC SECTOR FOR THE CONGOLESE ECONOMY

By processing natural resources locally and creating special economic zones, the 2022-2026 National Development Plan seeks to produce the results not yet achieved by the Government's efforts to develop the industry.

Congolese authorities have been pursuing a proactive policy to develop the country's industry for years now, but without results. The 2022-2026 NDP states that "except for the oil industry, the industrial sector is underdeveloped and contributes little to wealth creation. Manufacturing contributes 10% to GDP, forestry 6% and mining (solid mines) 0.71%."

However, it is not all negative. For the 2018-2020 period, the manufacturing industry recorded an average growth of 4.2% although the NDP had predicted 3.3%. . Furthermore, the food, chemical and non-metallic mineral industries are also maintaining positive growth due to increases in domestic demand. Other industries recorded negative growth rates. All in all, results are still too little and too inconsistent.

||||||| Industrial growth (in %)



Source: Comité de cadrage macroéconomique et budgétaire - 2023 forecasts; 2022 and 2021 estimates

WOOD AND AGRICULTURE: NATURAL RESOURCES LOCALLY PROCESSED

Out of the NDP's six strategic pillars, two of them include industry through the creation of special economic zones. The NDP lists several obstacles to the development of this sector such as insufficient energy infrastructure, a shortage of skilled labour and funding, and an unattractive business environment. Several strategic measures have already been taken to remedy this situation and "create a dense, dynamic and competitive industrial fabric".

The ban on exporting logs, which was adopted in January 2023, is very important for the development of local log processing. Similarly, the government is also strongly supporting the local processing of agricultural products. The new PPP law is another important measure since the NDP will be introducing special financial mechanisms(See page 92).

More broadly, authorities intend: to strengthen business support systems, particularly for small informal businesses that are joining the formal sector; to improve kills for workers; and to develop industrial zones, free trade zones, and duty-free points -an initiative well underway, notably in Pointe-Noire and Ignié, near Brazzaville.

BOOSTING THE MINING SECTOR

The government's definition of "natural resources" includes the country's fossil fuels, liquid and gas resources, which could be exploited to improve national access to energy and also to increase exports. With this in mind, the government is determined to build the country's second refinery, a liquefied natural gas (LNG) extraction plant and a urea production unit.

Similarly, the NDP lists several projects that could enable the mining sector to increase its contribution to GDP, namely. the re-structuring of small-scale (artisanal) mining and the building two production units for iron, copper, gold and zinc ingots. There are also plans to build and equip a ceramics factory in Makoua and a cement plant in Louvakou ■

AN ENVIRONMENTALLY FRIENDLY INDUSTRIAL SECTOR

Protecting the environment in industrial parks is one of the objectives of the NDP that will require several measures such as stronger pollution and nuisance legislation, a new national hazardous waste management plan, and monitoring mechanisms for human and plant health and the environment. The NDP also includes the procurement of air, water and soil quality monitoring equipment and, more specifically, a system to monitor, control and obtain information on risks of pollution from hydrocarbons and mining.

Maître Mathias ESSEREKE
Member of the Pointe-Noire Bar Association

TRIBUNE

LAW OFFICES
in Congo-Brazzaville
MATHIAS ESSEREKE

LAND USE LEGISLATION AND MINING COMPANIES

The Mining Code provides for mechanisms to allow investors to use the land necessary for their operations, this includes land belonging to a private owner, whose rights are also considered.

Authorization for mining operations is provided through mining licenses issued by the State, because minerals contained in the surfaces and sub-surfaces of the Republic of Congo are national mining heritage. Mining operators, however, also require land around the well for structures and installations.

Law 26-2004 of 26 March 2004, on the general principles applicable to land and property tenure, stipulates that for mining purposes the national lands are composed of lands belonging to public entities and lands belonging to private owners.

THE MINING CODE SETTLES PROBLEM OF COMPETING RIGHTS

Land use is not a problem when the title holder is a public entity. When the land is owned by private individuals, mining operators are often accused of dispossessing the landowners, forcing whole villages to relocate, and participating in the destruction of customs and traditions.

By establishing the distinction between land tenure rights and mining rights
the 2005 Mining Code firmly ascertains that mining licenses are not to be confused with land tenure rights in mining areas. What is perceived as competing rights causes practical problems. Legal conflicts arising from such situations disrupt the mining operations which have to be suspended until the case is settled.

The Mining Code is intended to reassure potential mining sector investors. It provides for mechanisms that allow mining operators to occupy land or have the land requires for their operations made available, e while giving due attention to the interests of the resident populations and surface owners. The Code provides for three ways land can be used or withdrawn

. 1) LAND USE

Pursuant to Articles 104 to 108 of the Mining Code, occupancy easements are granted to operators of mineral or fossil substances and to the holder of an exploration permit. Here's a look at the prerogatives associated with easements, the land they apply to and how they are established.

Land use prerogatives

According to Article 104 of the Mining Code, easements may be authorized for the operators of mineral or fossil substances, and entail the possibility of using the land required for their production and for the installations essential to such production, including:

- emergency facilities such as shafts and adits to facilitate ventilation and water drainage;
- workshops for the preparation, washing and concentration of fuels and ores extracted from the mines;
- facilities for storing and depositing products and waste resulting from the aforementioned activities; and
- canals, roads, railroads and all surface structures used to transport the products and waste referred to above, or products used for the mine.

Land use rights

Operators may be granted land use permits for surfaces inside or outside the mining area. But said rights cannot be granted for land adjoining dwellings or enclosed by walls or similar enclosures.

Issuance of land use rights

Land use rights can be granted by prefectural decree or by a declaration of public interest.

By prefectural decree

Under Articles 104 and 105 of the 2005 Mining Code, land use rights are granted by prefectural decree. However, Decree No. 2007-274 dated 21 May 2007 provides for the exploration and extraction of minerals and the exercise of administrative oversight and Article 75 gives jurisdiction to an authority other than the one designated by the law itself, the Minister in charge of Mines. We believe that the Mining Code currently being drafted will eliminate this contradiction.

By declaration of public interest

According to Article 114 of the Mining Code, a declaration of public interest may be issued for surfaces or parts of surfaces to be used for staff housing, carbonization, smelting, and gasification plants, and power stations, sub-stations, and the facilities and installations needed conduct operations fully. The Mining Code does not provide for the public declaration procedure but does stipulate that such declarations must be made in accordance with the law.

2) EASEMENTS

Under Article 109 of the Mining Code, easements, inside and outside the mining areas may be granted to mining permit holders.

The rights of permit holders

Easements rights give mining permit holders the possibility of using a five-metre-wide strip of land, the limits of which have been established by prefectural decree or an official act declaring the land to be in the public interest. Easements are used to:

- permanently install, at a minimum height of 4.75 meters above the ground, cables, pipes or transport equipment as well as the pylons and masts required to support them;
- bury cables or pipes at a depth of at least 0.50 meters and build facilities for the cables or pipes on a land area under 4 square meters , as well as the demarcation signs;
- clear the ground of all trees, shrubs and other obstacles.

It should be noted that on forested land, land clearing is allowed up to 15 meters.

Easements also provide the possibility, to have access to a 15-meter land strip known as the «wide strip», which includes the 5-meter strip of land, for the passage of persons responsible for installing, monitoring, maintaining, repairing or removing materials, and the passage of machinery.

The procedure for the issuance of easements rights

Easement for land within the mining area can be granted by prefectural order. If the easement is for land outside the mining area, it can be declared to be in the public interest.

Specifically, Article 114 of the Mining Code provides for the issuance of rights through a declaration of public interest for surfaces or parts of surfaces required for:

- pipelines and installations for the transport of mining products to the processing, major consumption and export areas and their storage;
- electrical lines, including installations for the transport, storage or disposal of products or waste resulting from plant operations.

The communication routes, pipelines and structures declared to be in the public interest may be subject to public service obligations, under the conditions stipulated in the technical specifications.

3) EXPROPRIATION IN THE PUBLIC INTEREST

Through the expropriation procedure, the state may take over land belonging to a private individual or a group of people for reasons of "public interest" In the case of mining, property required for essential mining works and installations may be expropriated in the public interest, both inside and outside the area covered by the mining permit.

The expropriation procedure is provided for in Law No. 11-2004 dated 26 March 2004 on expropriation procedures in the public interest, and is implemented in two phases, an administrative phase which includes a preliminary enquiry to inform the public about the project likely to give rise to expropriation and a public interest declaration.

4) ACCOMMODATING THE INTERESTS OF THE POPULATIONS AND OWNERS OF LANDS SUBJECT TO EASEMENTS OR EXPROPRIATION

The current Mining Code shows that mining operators can only occupy surfaces after having paid a land use fee and by respecting certain of the surface owner's rights.

Payment of the land use FEE

Under Article 108, paragraph 2 of the Mining Code, the land use rights holder may only occupy the land area covered by a prefectural authorization once they have presented proof of payment of the land use fee to the government mining authority. In cases where the landowner is deprived of the use of the premises, the mining operator is obliged to pay him compensation, unless such deprivation exceeds one year. Using the land as access does not entitle the owner to compensation if no damage is caused. However, repeated passage that causes inconvenience, damage, or disrupts the owner's use of the land is subject to fair compensation.

Rights of surface owners

Article 101 of the Mining Code stipulates that mining contractors shall exercise the rights conferred on them showing due respect for the rights and interests of the surface landowners.

The Code identifies the right to be consulted and to give consent, the right to compensation on the basis of damage suffered and other rights that may be qualified as residual.

The right to be consulted and give consent

Under Article 108 of the Mining Code, the issuance of land use permits is subject to prior consultation with landowners and, where applicable, with the persons working the land in question.

If, however, the land is owned or used by indigenous populations, their consent may be required in application of Article 38 of Law No. 2011 dated 25 February 2011 on the promotion and protection of the rights of indigenous populations, «indigenous populations shall be consulted prior to the formulation or implementation of any project affecting the lands and resources that they traditionally own or use».

The right to compensation

With regard to the recipients of compensation, Article 113 of the Mining Code stipulates that: «[…] land use and easement permits issued for the activities referred to in Articles 102 and 103 and in application of Articles 104 to 112 give rise to a right to compensation for the landowner, his successors, and in particular, the persons working the land, in the case of losses". This means that anyone claiming to possess customary land rights, without having such rights recognized in accordance with the procedure established for this purpose by Law No. 21-218 dated 13 June 2018 stipulating the rules for land use and tenure, will not be recognized as the owner.

Residual rights of landowners

In addition to the right to compensation for being deprived of the use of the land, the landowner subjected to the land use and easements conditions described in Articles 104 and 105 discussed above, will, in accordance with the provisions of Articles 106, 108 paragraph 3 and 110 of the 2005 Mining Code, have the right to demand the purchase or expropriation of the land; the right to demand that the land use permit holder acquire all or part of the land, and the right to demand the removal of any existing obstacles.

The existence of legal mechanisms that allow mining operators to occupy land or have it withdrawn, and consequently to prevail over landowners resisting or tempted to oppose mining companies using their land, attests to the pre-eminence of mining rights over customary land rights. Mining law, however, law does not disregard the interests of the surface owners.

Cabinet Mathias Essereke
Avocat au Congo Brazzaville

ARISE IIP: DEVELOPING BRAZZAVILLE'S SPECIAL ECONOMIZONES

To increase its exports and diversify its economy Congo is building more SEZs and working faster with the help of the Arise IIP group and the Rwandan holding company Crystal Ventures..

For the industrial sector, promoted to Pillar No. 3 level, one of the main objectives for the NDP is to build more special economic zones. However, the government for years has been encountering many difficulties: securing funds to develop the SEZs, structuring SMEs and SMIs that might become partners and sub-contractors and finding skilled labour. But the main challenge when drafting the 2022-2026 PND was to find a developer who could also manage the four SEZs that were planned for Pointe-Noire, Oyo-Ollombo, Ouesso and Ignié.

THE ARISE IIP / CONGO PPP

This challenge was partly addressed in June 2022 when the Ministry of International Cooperation and Promotion of Public-Private Partnership signed a memorandum of understanding with Arise Integrated Industrial Platforms (Arise IIP) for the creation of SEZs in Pointe-Noire and Ouesso. The agreement created the Plateformes Industrielles du Congo (PIC), which is owned by Arise IIP (70%) and the government of the Republic of Congo (30%).

The results achieved by the industrial infrastructure specialist Arise IIP in neighbouring Gabon, in the Nkok SEZ near Libreville, partly reserved for wood processing, shows that Brazzaville couldn't have found a better partner. Arise IIP is owned by Singapore's Olam and the Africa Finance Corporation (AFC), an African multilateral financial institution. It is working in nine African countries, including Côte d'Ivoire, Togo and Rwanda. In Gabon, Arise IIP contributed to the success of the GSEZ (Gabon Special Economic Zone) by attracting business activities and thereby allowing hundreds of wood processing companies from Asia to benefit from the advantageous investment conditions offered in the SEZs.

PLANS FOR THE WOOD AND AGRICULTURE AND LIGHT INDUSTRY

The Ouesso SEZ , to be built in the far north of Congo, will be the main agroforestry production zone focusing on primary processing of forest products, i.e. those with the lowest added value. In 2022 the vast Pointe-Noire port handled the exportation of 415,000 m^{W} of logs, and will be focusing on processing in the forestry, agriculture and light industry sectors. The memorandum of understanding that was signed provides for the creation of a 2,700-ha industrial zone connected to a brand-new mineral port.

ONE BILLION DOLLARS IN FDI EXPECTED

According to the videos regularly posted on social networks by the Ministry of SEZ and Economic Diversification, the enormous work underway on the Pointe-Noire SEZ is progressing well. On November 12, 2022, the President of the Republic, Denis Sassou Nguesso, officially launched the project in Loango, just southwest of the economic capital. In its first phase, the SEZ is expected to generate 8,000 direct jobs and 16,000 indirect jobs. Arise Congo, an Arise IIP subsidiary, aims to attract approx. $1 billion in Foreign Direct Investment (FDI), including $150 million for the development of the SEZ's industrial ecosystem.

FIRST RESIDENT COMPANIES IDENTIFIED

On November 17, 2022, the Ministry of SEZ signed three contracts for the construction of factories based in the Pointe-Noire SEZ. According to the Ministry's Facebook page, the contracts are for factories that manufacture copper cathodes (Société AVM Copper Congo SA), candles (Société Bougie du Congo SARL), and wood veneer (Evergreen Congo SARL). In December 2022, the CEO of Eni Congo was invited to the Ministry to discuss plans to build a biofuel production plant in the Pointe-Noire SEZ.

■ ■ ■

GABON AS AN EXAMPLE

Between 2011 and 2019, 16,000 jobs were created in the 1,126-ha Gabon Special Economic Zone (GSEZ) and 120 foreign investors contributed $1.7 billion (€1.58 billion) in FDI. Gabon, Africa's leading exporter of logs until the 2009 ban, has become the world's second-largest producer of wood veneer. GSEZ has been ranked as the world's best SEZ in the timber sector (2020 FDI ranking, Foreign Direct Investment Intelligence).

Zoom in

THE REVIVAL OF THE MALOUKOU INDUSTRIAL AND BUSINESS PARK

The Maloukou Special Economic Zone project is located some 60 km from Brazzaville in the Ignié district, Pool Department. It was launched in 2012 to contribute to the development of Congo's industrial production and help diversify the country's economy and fiscal resources. This 16-plant industrial complex was built by the Brazilian company Asperbras and SGE-C Congo and housed factories that supplied the country with materials such as galvanized sheet metal, fired bricks, tiles, PVC tubes and pipes, and plastic tanks used in the construction of infrastructure (hospitals, housing, cisterns for the "Water for All" program, etc.). The site included a large 5,600 m2 cold storage room and four multi-purpose warehouses. The zone's water needs were met by four tankers, each with a capacity of 2.5 million litres. The Maloukou complex used to run on expensive generators but is now connected to a high-voltage power line. Unfortunately, the 2015 economic crisis curtailed site development forcing some of the factories to go out of business.

In April 2022, the Minister of International Cooperation and Promotion of Public-Private-Partnerships decided to partner with the Rwandan holding company, Crystal Ventures Ltd. Denis-Christel Sassou Nguesso and Jack Kayonga, CEO of Crystal Ventures Group signed a PPP concession contract for the rehabilitation and management of the Maloukou SEZ. In October 2021, during a site visit Dr. Kayonga spoke of a 200-million-dollar investment to rehabilitate the site. In April 2023, Jean-Marc Thystère-Tchicaya, Minister for SEZs, took part in the reception of the agricultural tractor assembly plant at the Maloukou industrial and commercial park, now part of the Ignié SEZ. The rapprochement between Rwanda and Congo led to a framework agreement on economic partnership and investment promotion and protection, as well as a memorandum of understanding for the development of castor bean production and the design, construction and operation of the Dolisie dry port

WOOD: CONGO GOES FROM EXPORTING UNPROCESSED WOOD TO EXPORTING PROCESSED WOOD

Congo's ban on the export of unprocessed logs came into force on 1 January 2023, thus opening up major investment opportunities in the processing of the country's second most exported product.

In 2021, unprocessed wood exports still accounted for 8.8% of exports, second only to petroleum, petroleum oils and bituminous residues. Sawn timber, the first stage in wood processing, accounted for 8.6%, a number of such significance that the authorities long hesitated to ban the export of logs. The ban established by the 2020 Forestry Code (Law no. 33-2020 of 8 July 2020, applicable on 1 January 2023) was an iteration of a law dating back to 2000 (Law no. 016-2000 of 20 November 2000).

Rosalie Matondo, Minister of Forest Economy, referred to this earlier date, the year 2000, when, in January 2023, logging companies affiliated to the Uni Congo and Uni Bois employers' organizations asked the government to postpone implementation of the ban by six months. Business leaders spoke of the difficulties they had because of the international situation, marked by the war in Ukraine and late harvests in 2022.

Wood: Congo goes from exporting unprocessed wood to exporting processed wood

CREATION OF A VERITABLE WOOD INDUSTRY

The main reason for neighbouring Gabon to adopt this ban as of 2009 was clearly to oblige players in the sector to process timber locally and thus create a wood industry whose value added would turn forestry into a source of growth and job creation. For the countries of the Congo Basin, the sustainable wood industrialization strategy is of such importance that it has been adopted by CEMAC institutions (except in the DRC which has not accepted the 1 January 2023 date), in particular by the Steering Committee of the Regional committee for the sustainable industrialisation of the wood industry in the Congo Basin (Comité régional de l'industrialisation durable de la filière bois dans le Bassin du Congo - CRIB). Congo's Minister of Forest Economy said: "All our partners (logging companies) have been in business for at least fifteen or twenty years, and some even for forty years. Now we want them to understand that the Congolese policy is to have timber processed within the country."

GABON, AS AN EXAMPLE

The CEMAC member countries no doubt have Gabon's success in mind. As early as 2009, both the forest operators and the government (whose revenue had dropped) suffered from lower production and exports of raw wood. But once the conditions had been created for the expansion of the wood industry, notably within the Nkok SEZ, production rose and processed wood, with higher value added was exported, mainly to Asian markets. Between 2010 and 2019 processed wood rose from 603 to over 1,100 thousand m3 and the sector grew three times more than Gabon's GDP. In Congo, on the other hand, figures from the Ministry of Finance show a drastic fall in exports in the first quarter of 2023. It will be some time before processed wood exports increase.

Log exports (in thousands of m³)

First quarter 2022 **127.1**

First quarter 2023 **9.8**

Source: DGE (Business survey, April 2023)

Production and export trends for the wood processing industries (in thousands of m³)

	Q1 2023		Q1 2022	
	Production	Exportation	Production	Exportation
Sawn wood	67.9	65.7	84.3	74.6
Peeled veneer	2.4	2.3	6.3	6.9
Plywood	2.6	/	3.8	/
Finished products	2.8	3.1	1.17	1.7

Source: DGE (Business survey, April 2023)

To remedy the situation, in September 2022, the government announced that it had entered into a partnership with Arise Integrated Industrial Platforms (SEE PAGE XXX), the company that had ensured Gabon's success and was also working in Benin and Togo. There are plans to build up two economic zones specifically for this industry, one in Ouesso, in the heart of the Congolese forest, and the other in Pointe-Noire, a major port for national exports (415,000 m3 of logs in 2022). As part of the NDP, the program to promote industrialization by upscaling natural resources aims to support primary, secondary and tertiary wood processing units, as well as the exploitation of their residues. Another important objective is to install a computerized system to verify the legality and traceability of the wood.

SHARING PRODUCTION

Rosalie Matondo wants to add an unprecedented objective to her focus on local processing, namely, "The sharing of production between the State (owner of the forests) and the concession-holder who manages the forest. By sharing logs, we integrate a market, or a central purchasing unit set up in the special economic zone". How production is divided remains to be decided and implementation is slow because of the complexity of the system. Congolese authorities have commissioned Forêts ressources management ingénierie (FRMI), to study the new system and consult stakeholders, including parliamentarians, technical and financial partners, the private sector, and civil society. In Gabon, FRMI is heading the wood traceability process at the Nkok SEZ. By initiating forestry production sharing, the Congolese government hopes to increase the sector's contribution to the GDP, which is barely 5%. Forestry taxation has been increased with the introduction of two new taxes, a land use tax and a waste tax, as part of the government's effort to increase revenues from the forestry-wood industry. This policy is underpinned by the idea of developing a wood industry capable of meeting the needs of the national market ■

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AGRICULTURE FOOD SOVEREIGNTY: INCREASE PRODUCTION AND PROCESSING

This is undoubtedly one of the sectors with the most investment opportunities in Congo. The government has set high goals for this sector and plans to invest directly in its infrastructure.

The Republic of Congo has ten million hectares of arable land but only farms around 2%. Poultry and cereals come from Europe, Latin America and Asia, beef from Chad and fruits and vegetables from neighbouring Cameroon and DRC, at a cost of 700 billion CFA francs (1 billion euros) per year in recent years, well over 25% of the national budget. The sector has been a government priority for several decades, but growth has been slow and agriculture only contributes to 4% to the GDP, despite diversification and stimulation plans. Agriculture provides over 30% of the jobs in rural areas where extreme poverty exceeds 70%, compared to the national average of 52%.

||||||| 10 million hectares of arable land

10 million hectares of arable land

2% of arable land is used for production

30% of national employment

4% of GDP

80% of food is imported

THE SECOND MOST NDP-FUNDED SECTOR

The authorities have not given up. In the 2022-2026 NDP, the agriculture, livestock production and fish farming sector is still one of the six NDP pillars for the acceleration economic diversification. This multi-faceted sector has been assigned 12% of public investment program (PIP) funds, or 1.036 trillion CFA francs for 90 projects that together account for 26% of NDP projects. As further proof of the government's support, in the 2023 Finance Act, the Ministry of Agriculture, Livestock and Fisheries has been granted an investment budget of 26.6 billion CFA francs. Only regional planning, transport and health have been received more.

FOOD SOVEREIGNTY

It would have been hard to do less. Food sovereignty has become an even more sensitive issue since the COVID-19 pandemic and the outbreak of the war in Ukraine. Congo has had to face the problems of closed borders, supply-chain difficulties, and rising costs for staples. As Paul Valentin Ngobo, Minister of Agriculture, Livestock and Fisheries, told the monthly magazine Jeune Afrique in June 2023, "Everyone realized that not controlling supplies could create problems."

This explains why the government has made considerable efforts in recent years to increase agricultural production, combat food insecurity and reduce dependence on foreign suppliers. In 2022, land reform facilitated access to arable land. Minister Ngobo also told Jeune Afrique, that "In Congo, access to land is not a problem. The main obstacle to development is the risk inherent to agriculture."

■ ■ ■

Agriculture - Food sovereignty: increase production and processing

A STIMULATING BUSINESS ENVIRONMENT

The government wants to generate jobs in agriculture, to that end it has created a fiscally incentive framework, through measures such as tax exemptions for farm revenue, agro-pastoral activities, fish farming, and inland fishing. Under the 2023 Finance Act, farming entities "in the broadest sense of the term" are not subject to corporate income taxes (SEE PAGE 55).

The government has also improved conditions for agricultural loans, built infrastructure and rehabilitated rural trails, created new farming villages, and supported mechanization, training and research. Moreover, the Ministry of Agriculture has created ZAPs (protected agricultural zones).

In addition to opportunities specific to agricultural production, the NDP also includes measures that ensure a decisive position for the private sector, e.g. the construction of infrastructure for the slaughter, conservation and processing of pastoral products, and the acquisition of equipment for the conservation and processing of fishery and aqua-cultural products ■

Increase in Congolese agricultural production (in tonnes)

	2021	2016
Fresh cassava	1,624,900,	1,527,213
Palm nuts and oil	153,910,	151,144
Cassava leaves	86,574,	83,516
Bananas	86,244,	85,764
Mangoes, mangosteens and guavas	34,905,	36,378
Unshelled groundnuts	26,365,	26,325
Yams	15,698,	15,316
Cocoa beans	18,000,	3,800
Maize	13,000,	11,888
Sweet potatoes	9,001,	8,953

Source : FAOSTAT

Zoom in

ZAPS: LAND, TRAINING, PRODUCTION, SALES

On 1 October 2023, Paul Valentin Ngobo, Minister of Agriculture, Livestock and Fisheries, inaugurated the 100-ha Dzogo protected agricultural zone (ZAP) in the Cuvette-Ouest department managed by twenty cooperatives. The main crops grown in this ZAP are maize, soya and cassava, essential components of the cattle feed whose short supply has prevented the development of livestock production throughout the country.

Since September 2021, to create the ZAPs, the government has been taking uncultivated hectares of arable land from landowners to create ten-hectares lots.

This has led to significant economies of scale in terms of water, electrification, inputs and farm equipment. As in the case of the Dzogo ZAP, the government provides land and agricultural equipment to spare local farmers from land-related problems.

For these model farms and their output, the State is also providing training in organization, management and marketing. The State actually buys the produce and puts it on the local market, but the aim is to make each group more independent and able to shoulder responsibility for its own production from start to finish.

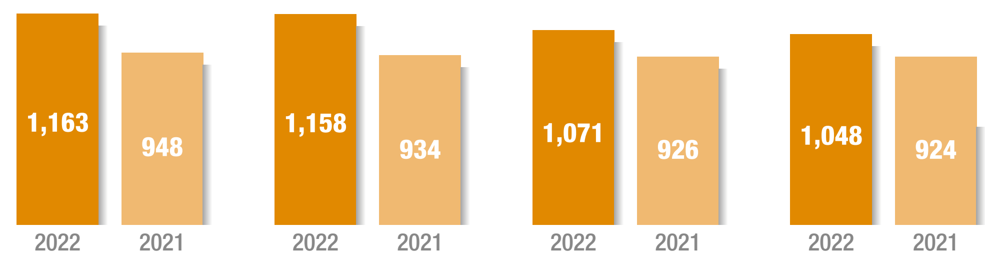
LIVESTOCK ZAPS

By October 2023 about 20 of the 100 or so ZAPs to be created by 2026 already existed. In September a 200-ha ZAP was inaugurated in Ossio, Plateaux department, the first one to be mainly used for sheep and goat farming; 130 ha will be used for crop and livestock production. The rest will be for a training centre for livestock producers.

Some ZAPs have achieved spectacular results, notably for yellow maize to feed the cattle.

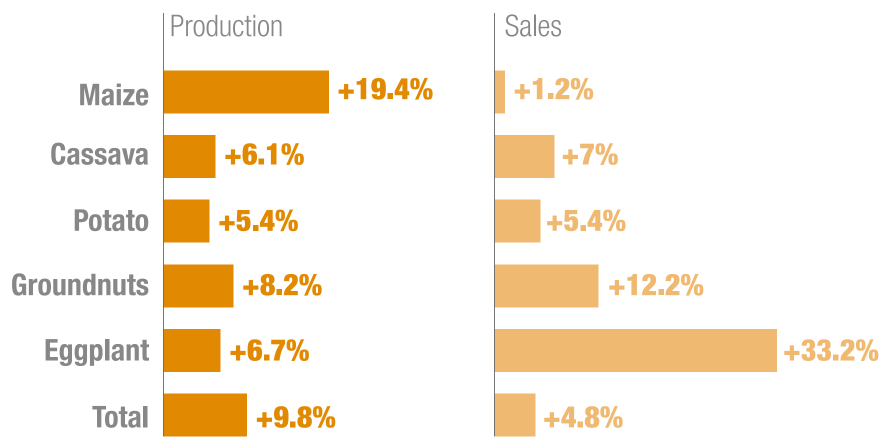
Large areas are also being devoted to growing cassava which is a staple in the local diet. Processing cassava into bread flour is encouraged to reduce wheat imports. Because the growing cycle for maize is three months and that of cassava is between six and nine months, some ZAPs are able to grow both crops in the same year, which is more profitable.

Land used between 2021 and 2022 (in hectares)



Source DGE, survey based on interviews with cooperatives and farmers.

Agricultural production and sales in 2022-2021



Source: DGE, survey based on interviews with cooperatives and farmers.

TOURISM: CONGO WANTS TO SHOW-CASE AND SHARING TS WONDERS

Congo's exceptional natural environment holds great promise for tourism, but developing this sector will require tremendous efforts and many-sided consultations.

In an interview with DBI Congo, Gilles Mpion, co-founder of the tourism agency Lawanda Tours and Adventure, explained that some of the tourists only come to Congo "for a cruise on the Congo River" or "to spend an afternoon with the Bakongo dandies."

A STRONG INTERNATIONAL IMAGE

Congo is well known worldwide for its gorillas, flora and wildlife, even without financial efforts to promote Congo as a destination for tourists. The 2022-2026 NDP explains that: "Our country's rich biodiversity makes it a vast, relatively unspoiled natural garden."

Congo is aiming to increase the contribution of the tourism sector to the GDP from under 5% to 10% by 2026. This will require an immense amount of work for the government. Tourism involves close coordination between very different ministries, (transport, education, interior, infrastructure, health, foreign affairs and telecommunications) that will have to find a balance between the need to lower travel costs (airfare, hotels, transport, etc.) to attract more tourists, and the need to protect unique places that are not compatible with large-scale tourism.

A DESTINATION NOT YET PROMOTED

In assessing tourism, the PND reads: "In Congo, tourism has not yet been promoted enough to achieve significant development. This explains its low contribution to the economy in terms of employment and wealth creation. The number of tourists fell from 229,000 in 2014 to 158,000 in 2018. And between 2014 and 2018, hotel occupancies fell from 460,811 to 236,147. The number of hotel facilities decreased from 1,381 to 969, while the number of restaurants dropped from 718 to 594. Furthermore, urban areas had too little to offer by way of well-developed amusement and exhibition parks, monuments, historical sites, etc."

ONE OF THE PILLARS OF THE NDP

By making tourism one of the NDP pillars, the government has accepted three major challenges, namely, developing touristic and entertainment areas, capacity building, and improving legislation and regulations. To improve and diversify the tourism offer, the NDP lists numerous actions to be implemented with public and private partners. The first concern is basic infrastructure to improve or construct telecommunications, electricity and water systems to serve the country's major sites, namely the Loufoulakari waterfalls, Lac Bleu, Loango Bay, the Djoué waterfall, the Mont Fouari reserve, Lakes Télé and Nanga, and the coastline. With this in mind, authorities intend to establish access routes to the national parks of Conkouati-Douli, (Kouilou department), and Odzala-Kokoua and Nouabalé-Ndoki, (Sangha and Cuvette-Ouest departments).

TRAINING PROGRAMMES AND FACILITIES

The excellent program for the “construction and equipping of tourism and entertainment infrastructures” includes the creation of a zoo-botanical park and two amusement parks on the outskirts of Brazzaville, two water parks in Pointe-Noire and Brazzaville, and the renovation of the Grand Hotel in Dolisie. The task is immense, and the government will need all the support it can get. Since it will need reliable, qualified human resources, the NDP is giving priority to the development of a training policy for tourism professionals. This will involve the construction of the Institut Supérieur de l’Environnement et du Tourisme in Impfondo, (Likouala department), the creation of a national tourism and hotel school in Brazzaville and a tourism training institute in Pointe-Noire ■

Zoom in

TOURISM: THE NEED TO IMPROVE REGULATIONS

The NDP intends to introduce changes that will attract investment to the tourism sector. Several laws have recently been passed, but have not been followed by application texts, e.g. the statutes of the Office de promotion de l’industrie touristique, the Société Congolaise d’Ingénierie Touristique, and the One-Stop Tourism Window (Guichet Unique du Tourisme).

The government will also have to draft laws on the Fonds de développement des loisirs, and on the reorganization of the Fonds de développement touristique and will need to update the texts that created the Conseil supérieur du tourisme (CST).

Gilles Mpion,
co-founder of Lawanda Tours & Adventure

Interview

> *"To develop tourism, the role of the State is essential."*

The success of Lawanda Tours & Adventure, a tourism agency founded in 2020 that specializes in tailor-made tours of Congo, is proof of the country's appeal to tourists from all over the world.

The government has high ambitions for tourism, in particular to increase the sector's contribution to the GDP from under 5% to 10% by 2026. Do you think this is possible?
That is a very ambitious goal indeed. Nothing is impossible, but much remains to be done. Since we started our agency, the number of tourists coming for excursions has gone up. But tourists arriving from abroad are often delayed by airport officers who don't understand that people can come to Congo just to visit the country. There's a huge communications job to be done to have the government's instructions carried out.

So border police are accustomed to controlling oil tankers, people travelling for business, dual nationals… but not everyday tourists?
That's exactly right! And yet, Congo has a lot to offer in terms of biodiversity with its gorillas, elephants, the Congo River, primary forests and much more.

What are the major obstacles to the development of tourism?
The need to raise awareness and the serious shortage basic infrastructure in areas that appeal to the tourists come first. Furthermore, even tourists from neighbouring countries sometimes have trouble obtaining visas, which can considerably increase the cost of their trip. All this suggests that developing tourism will take quite some time, because children need to learn about it in primary and secondary school, where, at present, they learn more about the history and culture of other countries than about their own. We have a YouTube channel that shows videos of our excursions. Our own people are surprised by what they discover, which means that they really lack knowledge.

What can be done about it?
Next year, we're thinking of launching the first green classes in schools. We want to discuss this with the French lycée and the American school before launching it in our public schools. This is not something that we can do alone. We started promoting the idea already in France and here in Brazzaville. Our aim is to show our leaders that something can be done, but that our capacity to do it is limited, and that the role of the state is essential. In 2022, we organized a vacation in Congo for our Prime Minister, Mr. Anatole Collinet Makosso, and his wife. The tour lasted around twelve days, with about one activity per region. This helped them to see the real situation and share it with the Congolese people.

■■■

■■■

Who are your customers?

At first, our customers were mainly expatriates living in Congo, but more and more Congolese have been contacting us, and since the beginning of this year we've noticed a growing number of tourists visiting from abroad.

As far as domestic tourism is concerned, only the wealthier elite can afford our services. We would like to serve as many Congolese as possible, but there are many costly structural problems which means that our costs are too high for many a pocketbook. The tour we sell most is the excursion to see the gorillas. It starts in Brazzaville and costs at least 250,000 CFA francs. That's the monthly salary of a senior executive!

Where are most of your customers from?

From everywhere. Most are American, followed by the French. There are also Italians, and people from the Gulf states.

What do they want most?

The main attractions are, first the gorillas, second, a trip on the Congo River and third, the Bacongo dandies! Our excursions last between one and around fourteen days. Some tourists come just for a trip on the Congo River, mainly to see the fishermen's islands, the sandbanks, the sandy cliffs of Manguenguengue and such. Others come just to spend an afternoon with the dandies. Most of the people who contact us know what they want. They have planned their trip and want to know how to carry it out.

Reviews in Tripadvisor praise your agency. Why?

My partner and I are entrepreneurs. We own several companies. One of our principles is to let our work speak for itself. We want to promote our whole country. To do this we have to be demanding. We travel all over the world, and we know how important it is to satisfy people who pay for our services. With this in mind, we give priority to understanding and satisfying the customer's needs. We do what is needed to give the customer a great experience, which includes settling problems as they crop up. Comments posted on the internet are not just about Lawanda but about the whole country.

Is there a lot of competition?

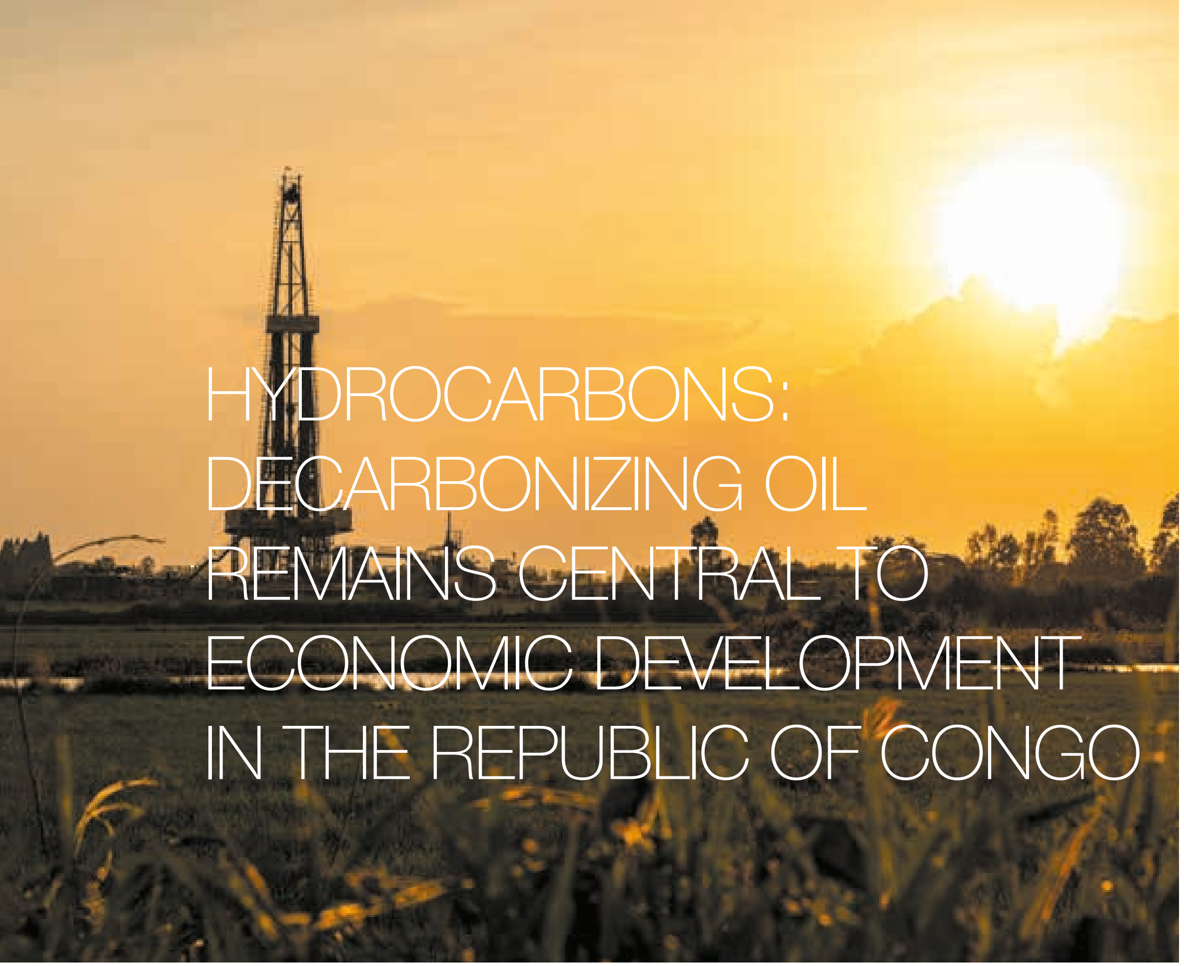
A lot of people put their trust in us. Sometimes they contact us after having tried other operators who they think are not transparent enough. For the rest, although new things happen almost every day, most of the time they are "copy-paste" activities from our model, without any real innovations. I don't consider the other tour operators as competitors. We inspire them, and they seem to be doing well. ■

||||||| Development of Lawanda Tours & Adventure activities from 2020 through 2022

	Oct. 2023*	2022	2021	2020
Tours completed	93	154	92	28
Excursions (days)	/	266	165	54
Number of participants	363	912	667	393

Source: 2022 and 2021 Lawanda Tours & Adventure annual reports. The drop in numbers is due to the fact that in 2023, Lawanda discontinued the "general public" programs (17 excursions in 2022 and 16 in 2021), to focus on personal tours, promoting domestic tourism.

THE ECONOMY, DEVELOPMENT, AND THE ENVIRONMENT: HYDROCARBONS REMAIN KEY



HYDROCARBONS: DECARBONIZING OIL REMAINS CENTRAL TO ECONOMIC DEVELOPMENT IN THE REPUBLIC OF CONGO

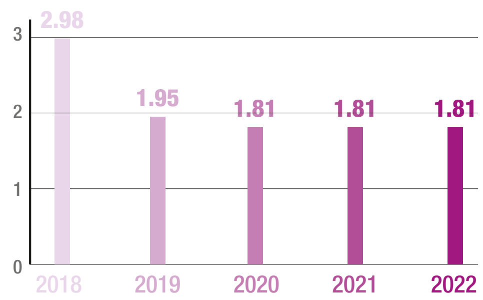
The government wants to make the hydrocarbons, a sector that will remain strategic in the medium term, more efficient.Oil revenues should serve to finance economic diversification and lead the way to energy transition in Congo.

Congo joined the Organization of the Petroleum Exporting Countries (OPEC) in 2018 and is the third-largest oil producer in sub-Saharan Africa, behind Nigeria and Angola. The country's oil industry has been the central to the Congolese economy and may well remain so. By 2022, the sector generated more than 52% of the national budget and 90% of the country's exports, a situation that, under the present operating conditions, could continue for another quarter of a century.

GREATER EFFICIENCY

Fifteen exploration licenses were being considered for approval in the spring of 2021, and 38 oilfields are in the production phase. The government has recently signed a number of exploration and production contracts with major and junior oil companies. New fields, and particularly deep sea oil fields, could serve to drive growth towards the end of the 2020s.

Proved crude oil reserves in Congo
(in billions of barrels)



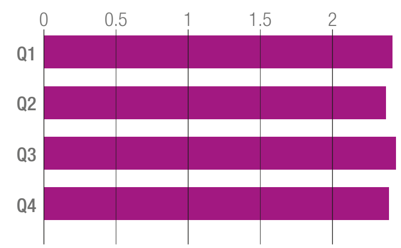
Source: OPEP

In addition to exploration, the companies already in Congo are working upstream to increase production from the wells they already operate. Studies carried out in 2018 and 2019 to reassess the potential of the MKB (Mengo-Kundji-Bindi) II permit have enabled Société nationale des pétroles du Congo (SNPC) to improve its oil recovery factor by identifying new potential.

A DOMINANT FLUCTUATING SECTOR

Although oil and gas resources are subject to fluctuation due to unpredictable world prices on the one hand, and on a downward trend in domestic production on the other, they dominate all other sectors of the economy.

Quarterly Crude oil production in 2022
(in millions of barrels)



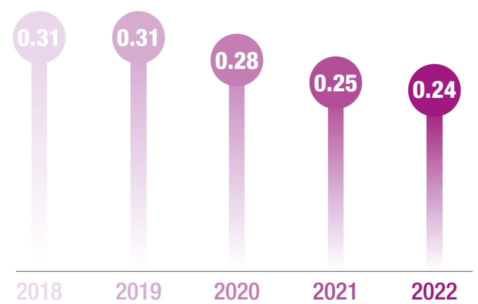
Source: Analysis, (Notes de conjoncture) Congo Ministry of Finance, Q1, Q2, Q3, Q4 2022.

Oil revenues as a percentage of state revenues fell from 37.5% of GDP in 2014 to 15.3% GDP on average in the years between 2014 and 2019 as a result of the collapse of oil prices in mid-2014. This figure fell to 12.3% in 2020, at the height of the COVID-19 crisis, but then rose.

INDISPENSABLE EXPORT PRODUCT

Average oil exports account for almost 90% of the country's total exports in value but the value of these exports fluctuates markedly as mentioned above. There were peaks in 2017 and 2018 and declines in 2020 and 2021, and followed by record-breaking figures since early 2022.

Exportation de pétrole brut au Congo
(en millions de barils par jour)



Source: OPEP

Total exports fell from 2,373.194 billion CFA francs in 2020 to 1,056.553 billion CFA francs in 2021, according to the National Statistics Institute (Institut national des statistiques du Congo - INS). Due to the COVID-19 crisis and the ensuing slowdown of the global economy, in 2021 crude oil accounted for an unusually low 56.22% of total exports (594 billion CFA francs).

STIMULATING ECONOMIC DIVERSITY

As of the second quarter of 2022, the sharp rise in world oil prices boosted the value of oil in Congolese exports to 95.40%, or 2.258 trillion CFA francs. Export revenues in the second quarter of 2022 reached a record high of 2,367 billion CFA francs, levels not reached since 2018. Considering that Congo will remain dependent on oil for the several years required for the current economic diversification policy to take hold, the authorities want to invest revenues from this resource more productively, in particular by earmarking it for projects that will help diversify the economy and build up national savings.

ON INCREASED PRODUCTION OF GAS AND LIQUID HYDROCARBONS

As part of a program to promote industrialization through the development of natural resources, Congo intends to increase the production of gas and liquid hydrocarbons for export and local processing.

Priority projects include a second refinery and an LNG extraction unit.

Increasing production will require several projects, not only the construction of a second refinery, a liquefied natural gas (LNG) extraction unit, and strategic, safe storage deposits for petroleum products, as well as a technical urea production unit, a gas-fired power plant and more geo-scientific infrastructure.

PROTECTING THE ENVIRONMENT

All these projects need to be fully implemented but should not jeopardize environmental protection, the development of product quality and standards, and the fight against pollution and climate change. The authorities are committed to strengthening the sector's legal framework and setting up a pollution and nuisance monitoring system. They will also need to acquire air, water, and soil quality control equipment; set up a national hazardous waste management plan; and develop health (including plant health) and environmental monitoring mechanisms. ■

OIL PRODUCTION AND REVENUES

According to NDP forecasts, oil production and revenues are expected to continue rising until 2024, and then drop to 930 billion CFA francs in 2026 with declines in production aligned accordingly as follows:
111.7 million barrels in 2023
124.6 million barrels in 2024
121.6 million barrels in 2025
113.0 million barrels in 2026
Source: 2022-2026 NDP

Zoom in

1/ THE CONGOLESE OIL INDUSTRY

By the spring of 2021, Congo's three major commercial crude oil blends (Djeno, Nkossa and Yombo) were being extracted by nine oil companies: Africa Oil & Gas Corporation, Congo (AOGC), Congorep (Perenco-SNPC joint venture), Eni Congo (Italy), Mercuria (Switzerland), Pelfaco (Nigeria), Perenco (Franco-British), SNPC (Congo), Total E&P Congo (France) and Wing Wah (China). These nine companies operate some thirty oil fields, mainly offshore. Total, a French company is Congo's lead operator and operates the Moho Bilondo field, which has been on stream since March 2017 and accounts for half of the production. Italy's Eni is second. In addition to these nine companies, there are several companies with minority shares in entities with licenses, including Petro Congo (Congo), Esso (Great Britain), Chevron (USA), Lukoil (Russia) and Orion Oil (Congo).

Djeno: congo's flagship terminal

Virtually all the production from the oil sites transits through the Djeno terminal that Total built south of Pointe-Noire in 1972. Total then owned 63% of the shares and Eni (Italy) 37%. The concession agreement expired in November 2020 but was renewed for 20 years with Total as the main operator, working with other companies and the Congolese State.

2/ SNPC: REPRESENTATIVE OF THE STATE AND PARTNER TO THE OPERATORS

Société nationale des pétroles du Congo (SNPC) is a state-owned oil company founded in 1998. Under the supervision of the Ministry of Hydrocarbons, SNPC aims to contribute to the development and management of the country's oil industry through partnerships for exploration, extraction, refining and transportation.

A 20% share of Congo's production

The SNPC group generates most of the country's export revenues and accounts for over 70% of the national budget. Under the Hydrocarbons Code, SNCF, either alone or together with another national company, is entitled to at least 15% of the value of all oil contracts. According to its own figures, out of a national production of 255,130 barrels/day (as at 30 October 2022) SNCF's share was 51,599 barrels/day.

The SNPC group is present throughout the entire oil and gas industry through six subsidiaries: Société nationale de recherche et de production (Sonarep), Integrated Logistics Services (Ilogs) in charge of oil logistics, Société des forage pétroliers (SFP), Congolaise de raffinage (Coraf), SNPC Distribution, and SNPC trading.

"Performance 2025"

The Performance 2025 program (2022-2025), has enabled SNPC to accelerate its restructuring which is based on a business project supported by four "pillars" which are designed to: 1) increase revenues, 2) control costs, 3) contribute to government action, and 4) modernize internal practices. One of the company's major projects is the construction of the Pointe-Noire to Brazzaville to Oyo to Ouesso oil pipeline that will contribute to the country's energy access network and the building of a second refinery.

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USING NATURAL GAS AS A STEP TOWARDS ENERGY TRANSITION

Congo's energy transition involves better use of natural gas, more efficient and productive national refinery, and cleaner environmental solutions such as the use of natural hydrogen.

Congo, to become part of the world's movement to achieve clean energy, intends to give natural gas a more prominent place in its energy mix. The Ministry of Hydrocarbons has elaborated a Gas Master Plan, which aims to use gas recovery techniques to eliminate harmful flaring that generates greenhouse gases.

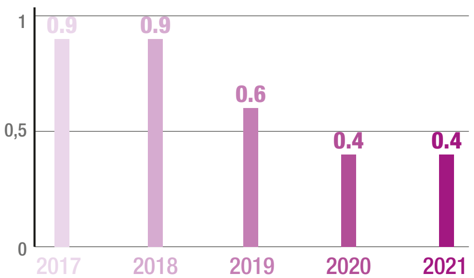
GAS: A HIGH POTENTIAL RESOURCE

The Gas Master Plan which was elaborated with the Wood Mackenzie firm, recognises s on the existence of high potential, the need for specific regulatory framework, and a new gas code (currently being drafted). The aim is to use gas for the production of fertilizer, petrochemicals and, of course, energy. Many Western countries are wondering whether natural gas should be considered 'greener' than oil. Raoul Maixent Ominga, CEO of Société nationale des pétroles du Congo (SNPC), explains his position.

"NATURAL GAS IS PART OF THE ENERGY TRANSITION."

At the 5th International Conference and Exhibition on Hydrocarbons in Congo (CIECH) in December 2022, Raoul Maixent Ominga, CEO of Société nationale des pétroles du Congo (SNPC), explained that "[…]the energy transition is inevitable. However, it will not be achieved at the same pace or in the same way in all countries. For the producing countries that are members of the African Petroleum Producers Organization (APPO), oil and gas investments are still, and will continue to be, the backbone of economic growth, better living conditions and the well-being of the people." In an interview with the business news website Financial Afrik, he asserted that "[…] the development of natural gas projects is one of the steps towards energy transition." »

||||||| Marketed production of natural gas (in billion m^3)



Source: OPEP

ENTE NAZIONALE IDROCARBURI (ENI), STILL VITAL IN THE NATURAL GAS MARKET

Natural gas reserves are estimated at around 100 billion m3, ranking the country fifth in terms of proved reserves in sub-Saharan Africa. Most of the Eni Congo gas comes from its Mboundi field, acquired in 2007, and its Marine XII field. Eni (an Italian company) launched an integrated energy access project to build the Centrale électrique du Djeno (CED) and the Centrale électrique du Congo (CEC, 20% owned by Eni), fired by the gas from Eni's fields.

ENI has upgraded the energy transport infrastructure between Pointe-Noire and Brazzaville and expanded the electricity distribution network. With the opening of its third gas turbine and an increase in capacity to 484 MW, CEC generated approximately 70% of the electricity distributed throughout the country.

INCREASING GAS EXPORTS TO EUROPE

In September 2022, the President of the Republic, Denis Sassou Nguesso, met with Eni CEO Claudio Descalzi. Just six months after the Italian group had signed a framework agreement with Brazzaville to expand joint exploration and production operations and increase natural gas exports to Europe, which is made possible by a liquefied natural gas (LNG) project.

A floating LNG unit will be able Congo to export one billion m3 of gas in the winter of 2023-2024, and up to 4.5 billion m3 per year as of the winter of 2024-2025. To make this possible, in August 2022 Eni acquired Export LNG Ltd., owner of the Tango FLNG floating liquefaction facility. Following the meeting with the Head of State, in January 2023 Eni announced the launch of a second FLNG facility to further increase LNG production and exports.

THE PATH TO NATURAL HYDROGEN

The energy transition involves more than natural gas and SNPC wants its renewable energy sector to contribute to the reduction of greenhouse gas emissions. Congo is taking a stand by promoting projects that develop cleaner gas resources, namely through the construction of mini hydroelectric dams, investment in off-grid solar power for isolated communities, and the exploration and extraction of hydrogen in the Congo basin inland water bodies.
Recent studies have provided natural hydrogen indices. In addition to reducing greenhouse gas emissions natural hydrogen is financially significant resource. SNPC is working with international partners to assess and possibly use this resource.

MODERNIZING CORAF TO MEET ENVIRONMENTAL REQUIREMENTS

SNPC plans to invest substantially in modernizing the refinery of its subsidiary, Congolaise de raffinage (CORAF), and upgrading facilities to meet environmental norms. This will mean reducing gas flaring, improving water treatment systems, and installing clean-combustion power plants.
The CORAF refinery, which processes crude oil from the Djeno oil terminal via a 25 km pipeline, has a theoretical annual capacity of 1.2 million tons. It supplies up to 70% of the national market for finished petroleum products: butane gas, premium fuel, kerosene, light diesel, and heavy fuel. To comply with the strategic orientations of the Performance 2025 program, SNPC investments should also enable the refinery to meet 85% of Congo's market requirements.

To this end, in February 2021, the Congolese government began the construction of a second refinery with an estimated refining capacity of 2.5 million tons per year. To finance the refinery, estimated at $600 million, the Congolese government entered into an investment agreement with Chinese company Beijing Fortune Dingheng ■

ENERGY EFFICIENCY AND TRANSITION: THE STRUCTURING OF THE MINISTRY OF HYDROCARBONS

A decree dated 8 August 2022 divided the Hydrocarbons Directorate (Direction générale des hydrocarbures) into five sections: 1) General Inspection of Hydrocarbons (Inspection générale des hydrocarbures), 2) General Directorate of Upstream Oil (Direction générale de l'amont pétrolier), 3) General Directorate of Downstream Oil (Direction générale de l'aval pétrolier), 4) General Directorate Of Gas Production (Direction générale de la valorisation du gaz), and 5) General Directorate of Economy, Audit and Oil Trading (Direction générale de l'économie, de l'audit et du trading pétrolier).
Restructuring had been planned years and the objective is to adapt government structures so that they can address issues such as energy transition and the development of natural gas. Each new entity will be able to develop its own expertise and focus on its specific objectives, from supplying energy to the local market to the exploration and transport of gas resources.

Using natural gas as a step towards energy transition

Zoom in

THE NEW HYDROCARBONS CODE PRIORITISES LOCAL CONTENT

The revised Hydrocarbons Code, which has regulated Congo's oil sector since October 2016, introduced new measures to give the SNPC greater authority and to prioritize 'local content' by encouraging international companies to work more with Congolese SMEs.
In all oil contracts the SNPC is an ex-officio partner, with a minimum share of 15%. Furthermore, unless waived by the Minister of Hydrocarbons, each contract must include at least one private national company that holds a minimum share of 15%, in the case of new permits, or 25%, for mature fields.
The contracting party, its subcontractors, service providers, and suppliers must give priority to hiring Congolese personnel. Similarly, priority must be given to the use of goods and services from national companies if the quality of the offer is equivalent to that of other companies. This is an obligation even if the local commercial offer is more expensive, up to 10% higher.
The revised Hydrocarbons Code introduces a new type of service contract and a production-sharing contract. The new type of agreement between the State and oil companies allows the State to transfer certain responsibilities to an operator in exchange for renumeration. It also provides for new environmental protection and community development measures.

OBJECTIVE: CARBON NEUTRALITY BY 2050

Subject to close scrutiny, oil companies have been adopting 'climate plans' in recent years aimed at achieving carbon neutrality by 2050. These plans have been transposed to Congo, namely to the agricultural and energy sectors.

Civil society, the judiciary and the investors are all keeping a close watch over international oil companies whose reactions, in some cases, go as far as adopting internal policies to combat climate change that are stricter than those imposed by the national regulations.

TOTALENERGIES

The 's' added to TotalEnergies in 2021 reflects the goals of the climate strategy adopted in May 2022. After being criticized by some environmental NGOs for being too slow, TotalEnergies revised its strategy and raised its 'scope 3' oil emissions reductions goal for petroleum products.

The company's aim is to make its oil emissions 40% lower by 2030 versus levels in 2015 and 30% lower by 2025. The group has also raised its target for reducing the carbon intensity of the energy mix sold to its customers (20 to 25% lower in 2030 than in 2015, with a 15% reduction by 2025, rather than the initial 10%)

MORE MONEY FOR LOW CARBON ENERGY SOURCES

The group has given priority to several low carbon energy plans.

The Moho Nord project will include the construction of an all-electric Floating Production Unit (FPU), the first of its kind in Congo. The FPU does away with the continuous flaring of associated gases and does not discharge process waters into the sea. Around 2030, the group plans to invest between US$14 and $18 billion per year as follows: one-third in low-carbon energy sources, 30% in the development of new oil and gas projects, and the rest in other hydrocarbon projects.

A NEW 40,000-HA TOTALENERGIES FOREST

In addition to the emissions reduction efforts described above, TotalEnergies is starting programs designed to contribute to the world's 2022biodiversity goals: restoring at least 30% of degraded ecosystems, protecting 30% of land and 30% of sea areas... In Congo, these programs apply to the Batéké plateaus. In March 2021 TotalEnergies signed a partnership agreement with the State and the group Forêt Ressources Management (FRM) to plant a 40,000-ha. forest. The plan is to plant 40 million trees over the next ten years and ensure their upkeep for 35 years. The ultimate goal is to use the forest as a carbon sink which in 20 years will sequester more than ten million tons of CO_2 that will be certified as compliant with international standards.

TotalEnergies will finance the project which is to include agroforestry for sustainable agriculture and firewood production developed in conjunction with the local population. By 2040, wood harvesting should stimulate the natural regeneration of local species and provide Brazzaville and Kinshasa with sawn timber and plywood. This ambitious project is part of PRONAR, the National Afforestation and Reforestation Program (Programme national d'afforestation et de reboisement) launched in 2011 to increase the national forest area and create new activities to diversify the economy.

ENI AND THE LOUDIMA AGRI-HUB

In October 2021, the Italian company Eni, Congo's second-largest oil producer signed a memorandum of understanding with the State for the production of agrofuels. The agreement defines the context for castor oil production to provide feedstock for Eni Congo's biorefinery system through a project which will be implemented on marginal and abandoned agricultural land to avoid taking over any lands intended for food production.

Eni chose Loudima, in the Bouenza department as the location for its first agri-hub which is comprised of a seed-to-oil processing plant, with an initial output of 30,000 tons per year, and a multifunction centre that will provide training and technical support for the farmers.

Several other platforms will also be built. By 2026 Eni hopes to be producing 150,000 tons of biofuel a year. According to Eni projections, these activities could generate income for almost 5,000 households in 2023 and up to 100,000 by 2030. Eni Congo's new business will contribute to the country's economic diversification and the decarbonization of the energy mix ■

Zoom in

EITI: GUARANTEEING GOOD GOVERNANCE

The Extractive Industries Transparency Initiative (EITI) is a voluntary entity whose aim is to strengthen good governance of public revenues from extractive industries. The Republic of Congo joined in June 2004, was admitted as a candidate country in 2007 and was given "compliant" status in February 2013.
EITI member countries must prove regularly that their practices comply with a given standard. In 2017, Congo was validated against the 2016 EITI standard and in June 2018, the EITI International Board recognized the Republic of Congo's "meaningful progress" in implementing the standard.

Besides 'validations,' which are essential major steps forward, EITI publishes annual reports. EITI's job is to detect discrepancies by reconciling payment flows declared by extractive companies with the revenues declared by the state. The latest report, which covered 2020, was published in June 2022. Revenues generated by the hydrocarbon, forestry and mining sectors, amounting to 716 million CFA francs, were analysed; hydrocarbons generated the most revenue (97.32%) EITI reconciliation of payment streams, concluded that "the overall residual unreconciled discrepancy amounts to 6.424 million CFA francs, or 1.28% of total revenues declared by the state after adjustments. This is below the threshold set by the EITI-Congo National Committee at 5%." EITI's conclusion is that extractive sector revenues data provided in Congo's report are exhaustive and reliable, "given the high quality of the data provided by companies and government agencies."

INFRASTRUCTURE: THE RETURN OF PRIVATE INVESTMENT

WATER AND ELECTRICITY: PROGRESS TO BE CONFIRMED

In Congo, access to water and electricity improved steadily until 2015 when the country was struck by an economic crisis that halted investment. The 2022-2026 National Development Plan encouraged the return of private sector investment.

The 2012-2016 NDP improved access to water and electricity. During that period, installed power generation capacity more than doubled, from 1,054 MWh in 2011 to more than 2,512 MWh in 2016 and transmission lines covered 1,500 kilometres, doubling 2002 coverage.

From 2012 through 2016, access to potable water in urban areas rose from 45% to 66%, although below the NDP target of 90%. Progress was greater in rural and semi-urban areas, where access to potable water rose from 6.8% in 2011 to 47% in 2016, although short of the targeted 75%. These results were obtained with the successful implementation of the “Water for All” program, executed by Brazilian company Asperbras. The program included the drilling of thousands of community water boreholes in rural areas.

A DECADE OF RECORD PUBLIC INVESTMENTS

These results were achieved through strategic investments. Public investments soared between 2000 and 2014 from 158 billion CFA francs to over 2.0 trillion in 2014, in line with oil prices, which reached a record high of $150/barrel in 2008.

Major power production infrastructure has been built and includes the Cote-Matève (300 MW) and Djeno (50 MW) gas-fired power plants, thermal power plants in Brazzaville and departmental administrative seats (chef-lieu, and the 120 MW Imboulou hydroelectric power plant. The Liouesso hydroelectric plant, with a capacity of 19 MW, was inaugurated in 2017, but needs to be renovated. The Moukoukoulou plant (74 MW) has been renovated. Studies are underway for the construction of the 1,000 MW Sounda dam.

THE ADVANTAGE OF ACCELERATED MUNICIPAL MANAGEMENT

Over two thousand water boreholes were created to provide potable water. A new water plant was built in Brazzaville during the second half of the 2010 decade, adding to the first one that had been completely renovated. The capital now has access to water, which previously was in short supply in the city’s neighbourhoods and districts.

These positive results were made possible by the “accelerated municipalization” program. Between 2004 and 2016, authorities decided to invest in infrastructure in one département and its administrative seat (chef-lieu) each year. In September 2022, the President of the Republic announced that an “ accelerated municipalization” program would be executed in the following months to coincide with 100th anniversary of the founding of Pointe-Noire.

A GLASS HALF FULL

Unfortunately, in the wake of the global raw materials crisis in 2014-2015, which heavily affected Congo because of its dependence on hydrocarbons, the central government had to cut back on its ambitious investment policy. Technical problems, notably the loss of generated energy continued; in 2016, the electricity network lost 54% of its output. This was one of the highest loss rates in the world.

Given the importance of raw materials for the country’s competitiveness, the authorities decided to follow through with the construction of the strategic infrastructure planned for in the 2022-2026 NDP. A particularly important decision given that in the NDP strategic infrastructure are meant to contribute sustainable growth and economic diversification. The NDP emphasizes “more effective financing,” particularly by the private sector. The NDP reads that, “[…] part of the wealth generated will be invested in basic services and infrastructure”.

■ ■ ■

Water and electricity: progress to be confirmed

THE 2022-2026 NDP CALLS FOR "MORE EFFECTIVE" INVESTMENTS

Infrastructure will be built and renovated to increase the production and distribution of potable water and electricity. The NDP lists, for example, the construction of the Sounda hydroelectric power plant, the rehabilitation and expansion of the Djeno and Brazzaville's Djoué power plant, and the opening of the Ngwambouissi water plant in Pointe-Noire. These four projects will probably be implemented through a Build-Operate-Transfer (BOT) contract which allows a private investor to build a facility, operate it for a certain period of time and then transfer ownership to the other party (the "co-contractor"), in this case the state or a public institution.

The program also includes providing potable water for the Maloukou industrial zone, the expansion of the Congo Electric Power Plant (CEC), and electrification of districts in the Sangha department powered from the Liouesso dam. To provide electricity more easily to isolated locations, off-grid solutions are being planned such as solar energy; to this end support will be provided to Copasol, a solar panel manufacturer based in Oyo.

Zoom in

HYDROELECTRIC DAMS: PPP CONTRACTS SIGNED IN 2022

On 22 May 2022, the Congolese government signed an agreement in Brazzaville with two private companies for the construction of two hydroelectric power stations in the south of the country, one at Morala (230 MW) and one at Nyanga, (101 MW). The agreement includes the complete rehabilitation of the Liouesso hydroelectric plant. The agreement was signed by Denis Christel Sassou Nguesso, Minister of International Cooperation and Promotion of Public-Private Partnerships, and Honoré Sayi, Minister of Energy and Hydraulics, with the Chinese-Congolese consortium Energaz-CGGC (China Gezhouba group company). Minister Sassou Nguesso stated that,"Through this public-private partnership model, Congo will take a major step forward in its energy production; industrial development is not possible without energy

OPINION OF COMPANIES: ACCESS TO INFRASTRUCTURE IS DIFFICULT

In a survey conducted by the Direction générale de l'économie (Ministry of the Economy and Finance) 74.9% of business leaders said that they had encountered at least one difficulty. These are often connected to the payment of receivables, administrative red tape, or unfair competition. In the primary sector, 40% of business leaders said they had difficulties with transport and logistics and 20% claimed they had had problems with electricity supply, a complaint also made by 35% business operators in the tertiary sector.

Production d'eau et d'électricité

	2023-Q1	2022-Q1
Hydroelectric power	296 GWh	283 GWh
Gas-fired power	534 GWh	548 GWh
Drinking water	26,288,000 milliers de m³	22,865,000 milliers de m³

Source: Analysis, 1st quarter 2023, Direction générale de l'économie, Ministry of Economy and Finance, April 2023

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ROAD INFRASTRUCTURE: ROAD KILOMETRES QUADRUPLED

Between 2000 and 2010, Congo invested heavily in roads because of the lack of connectivity among its region and with its neighbours. The isolation was due to lack of adequate airports, ports and, above all, viable roads.

From less than 1,000 km in the early 2000s, paved roads rose to 1,976 km in 2011 and to 3,675 km in 2016, almost quadrupling in 16 years. The country has two national highways: the recently renovated 535-km RN 1 that goes from Brazzaville in the east to Pointe-Noire in the west which was widened to four lanes for most of its trajectory; and RN 2 which is 850 km long, runs from Brazzaville to Ouesso in the far north, and was fully rehabilitated which has improved travel time by several hours, especially on some of its particularly difficult sections.

Because of lack of maintenance, some road sections became a driver's nightmare during the 2014 raw materials crisis and the attendant drop in investments. Current investments are being used to improve these parts of the road.

ALL ADMINISTRATIVE SEATS (CHEF LIEUX) ARE NOW CONNECTED TO BRAZZAVILLE

Over 9,000 km of roads intra and inter departments have been upgraded. More than a hundred river crossings have been built. With the exception of Impfondo, a remote town in the far north-east of the country, all departmental administrative seats are connected to Brazzaville by paved roads. Through the accelerated municipalization program thousands of kilometres have been paved. Congo is linked to neighbouring countries Gabon, Cameroon, and Angola (Cabinda) by roads that are paved or being paved.

The NDP seeks to increase economic and social profitability by better targeted investments and improving the quality of services. Among NDP projects, several should rapidly contribute to growth in the transport sector.

WORK IS BACK ON TRACK

Several sections of the RN 2 have been under repair since 2020. The Brazzaville-Inga, Etsouali-Ngo-Oyanfoula and Gamboma-Ollombo sections need the most repair. In early 2022, a 20-billion CFA loan was earmarked for another major challenge: paving 25 km of the road linking Boundji to Ewo that was started in 2011 and is still not finished. Ewo (Cuvette-Ouest), which is now connected to the national power grid, is still one of the most difficult departmental administrative seats to reach by road.

LIBREVILLE AND N'DJAMENA: INTERNATIONAL CORRIDORS RELAUNCHED

The NDP recognizes the great importance of building the missing sections of the Ndendé (Gabon)-Doussala-Dolisie road, RN 3, which runs from Brazzaville to Libreville, Gabon.

The project is important for regional integration. As part of the Economic and Financial Reform Program of the Central African Economic and Monetary Community (PREF-CEMAC), work was scheduled to resume at the end of 2023. In May 2023 President Sassou N'Guesso launched the Brazzaville to N'Djamena "priority corridor", as a northern extension to RN 2 running from Ouesso to Bangui in Central African Republic (CAR). The projects is financed by the Development Bank of the Central African States (BDEAC). This vast project will connect three CEMAC countries and provide the Central African Republic and the Republic of Chad an alternative access to the sea.

In November 2020, a financiers roundtable organized in Paris examined eleven "integration projects". The BDEAC agreed to finance the paving of 50 km of road between Ouesso and Pokola and the construction of a 616-meter bridge over the Sangha River valued at 99.7 billion CFA francs. All the projects backed by PND were designed to facilitate: the movement of people and goods (namely agricultural products), access to health and education centres, and economic relations with countries in the sub-region.

MANAGEMENT ENTRUSTED TO THE PRIVATE SECTOR

In March 2019, La Congolaise des Routes (LCR) was given a 30-year concession to manage certain major roads: Brazzaville-Pointe-Noire (535 km), Brazzaville-Ouesso (850 km, and Brazzaville-Mindouli (150 km). LCR is a private company whose controlling shareholder (70%) is the Chinese firm, CSCEC; the other shareholders are the French company Egis Projects (15%) and the Congolese government (15%). The shareholder agreement allows the concession holder to subcontract routine and heavy maintenance to CSCO (a subsidiary of CSCEC) and toll, weighing, and traffic operations to a local subsidiary entirely owned by Egis Road Operation S.A.

Zoom in

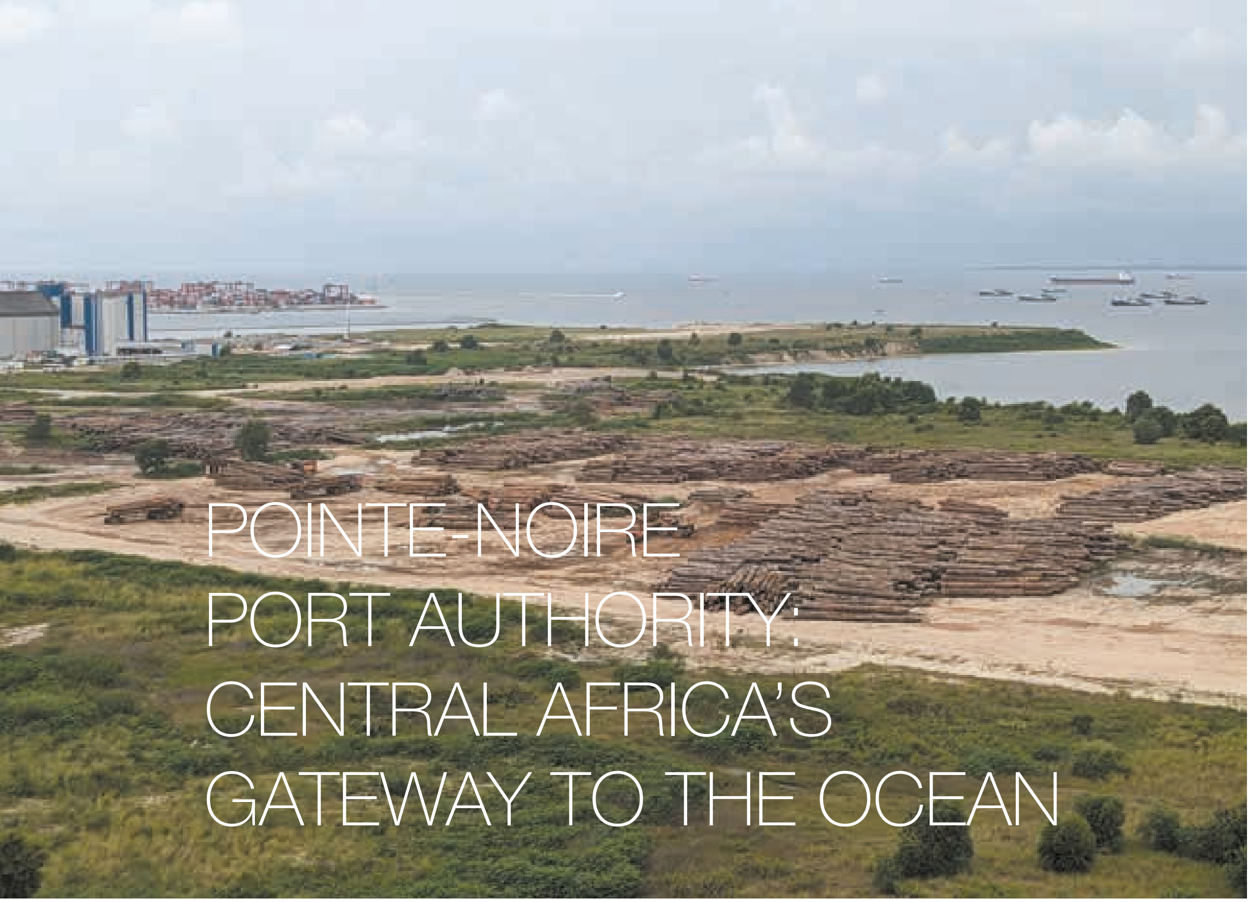
CFCO: THE MISSING LINK BETWEEN THE PORT OF POINTE-NOIRE AND THE SUB-REGION

On 27 April 2023, a CFCO train named "Gazelle" completed its first passenger service from Pointe-Noire to Brazzaville for the first time since 2016. The Chemin de fer Congo-Océan (CFCP) freight traffic was working again, almost informally, but did not satisfy the needs of Congolese companies. At one point it was often referred to as the backbone of the Congolese economy, but it had been superseded by the national highway RN1;
Traffic had been interrupted for a number of reasons: dilapidated infrastructure, sabotage of bridges and other engineering structures, particularly in the Pool region where the Congolese army and ex-ninja combatants were fighting each other. This clean start is good news, but there is a huge amount of work ahead. In fact, the four new locomotives delivered in January 2023 as part of the first batch of eight machines acquired by the CFCO in 2015 will not be enough.

To respond to President Sassou N'Guesso's order to assess the infrastructure will not be easy, as the people in charge well know. When the first locomotives were delivered in January 2023 the Prime Minister had this to say, "The operational and technical diagnosis shows an advanced state of disrepair of the ageing railway infrastructure, public buildings, bridges and other engineering structures, problematic long tunnels, dilapidated rolling stock and vehicles, etc."

At the same meeting Ignace Nganga, CEO of CFCO, explained, "These locomotives will only make up for a very small part of our huge shortage. At present, out of CFCO's total fleet of 43 mainline locomotives, only twelve are in service and this number drops to six where conditions are the most difficult." Honoré Sayi, Minister of Transport, said "For the time being, we're covering what is essentials, providing the essential services. I hope that with the help of large funders and strong-minded Congolese we will be able to go even "

Congo has great ambitions and hopes to make the CFCO the link between the deep-water port of Pointe-Noire and Brazzaville and then on to Kinshasa and elsewhere in the Democratic Republic of Congo, via the planned road-rail bridge.
The Congolese Transport Minister hopes to extend the network to southern Central African Republic, and perhaps to eastern Cameroon ■



POINTE-NOIRE PORT AUTHORITY: CENTRAL AFRICA'S GATEWAY TO THE OCEAN

The Port of Pointe-Noire (PAPN) is the main deep-water port in the Gulf of Guinea. It has become the key port of call in Central Africa. Its capacity has grown from 62,000 containers a year in 2003, to over one million.

In 2021 the port set a record when it had processed 1,003,726 TEUs (twenty-foot equivalent units) by 31 December; 90% of which were trans-shipments. The record reached the objective set by the port authority. The record was achieved through the public-private partnership that included PAPN and the Bolloré Group, the lead partner of Congo Terminal with the Danish AP Møller, and the Société congolaise de transport (Socotrans).

MORE THAN 400 MILLION EUROS INVESTED

Since 2009 when port operations became a concession, Bolloré Ports, (currently owned by the Marseille-based shipping company CMA-CGM), has invested more than €400 million in modernizing the infrastructure and equipment of the container terminal. Berths G and D have been extended to 1,500 linear meters and are now 15 meters deep, deep enough to accommodate container ships with a capacity of 14,000 TEUs.

Expansion work at Congo Terminal includes the construction of more than 32 ha of storage area and a 4.5 ha multimodal logistics zone connected to the Congo-Ocean Railway (CFCO), and maintenance workshop. The terminal has also been equipped with a new operating system, NAVIS 4, used to manage and automate operations at the terminal. Investments have also been made in equipment. Twenty gantry cranes had been bought by April 2022. A month earlier, ten tractors and ten trailers were delivered, part of the fourth order placed for rolling stock since 2009. This will enable Congo Terminal to increase its speed and productivity.

FASTER AND MORE PRODUCTIVE

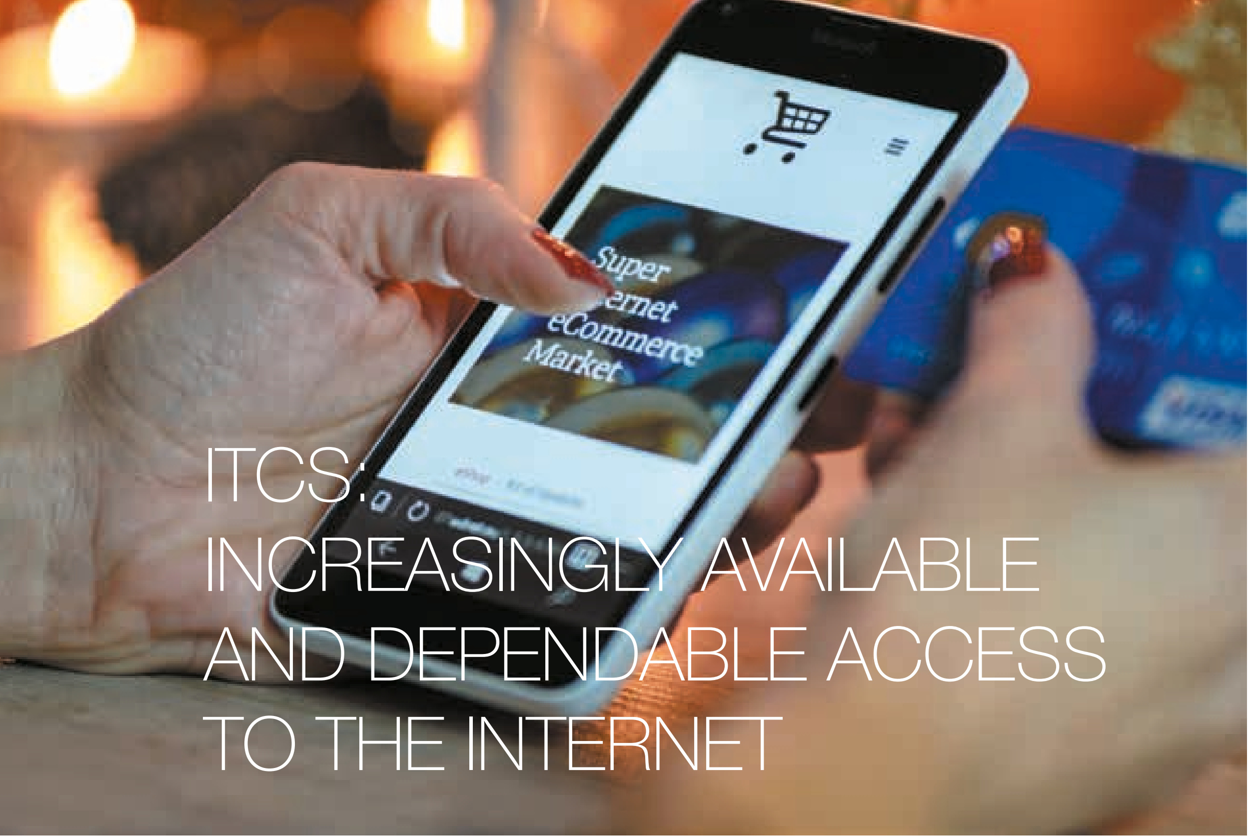
All this work has produced significant economies of scale for PAPN's customers since waiting time for ships in the harbour has almost been eliminated and the average time at berth reduced to less than twenty-four hours. The freight rate (cost) for goods being handled has been cut in half since 2009. These improvements have attracted new shipowners such as Cosco, Pacific International Lines, Hapag-Lloyd, and Hamburg Sud.
One of the transporters told DBI Congo that PAPN is still "the most expensive container port in the sub-region", but that its turnaround time, "due to the investments made, is acceptable", and that the service provided is undoubtedly worth the price. Another transport giant prefers to emphasize that PAPN is the only deep-water port in the sub-region and can accept ships that its competitors cannot.

Séraphin Bhalat, Director General of PAPN in 2022 clearly stated that these investments "are part of our ambition to make Pointe-Noire a trans-shipment hub and the main maritime gateway to Central Africa", the role it plays in the sub-region has gained considerable importance which justifies, more than ever, the port's nickname "Gateway to the Ocean". More than 40% of the volume transported on the Congo River are destined to markets in the Democratic Republic of Congo and the Central African Republic, to oil industry customers based in the Angolan enclave, Cabinda. ■

|||||||| Container loading/unloading volumes at PAPN

	Août 2023	2021	2019
Volumes unloaded			
Imports full	62,116	78,573	67,141
Imports empty	0	0	0
Trans-shipments full	179,564	293,988	285,352
Trans-shipments empty	85,329	125,573	107,658
Volumes loaded			
Exports full	11,557,	11,467,	12,886
Exports empty	52,138,	65,681,	56,255
Trans-shipments full	178,556,	303,020,	289,528
Trans-shipments empty	82,035,	125,424,	102,449
TOTAL	651,295,	1 003,726,	921,269

Source: Congo Terminal



ITCS: INCREASINGLY AVAILABLE AND DEPENDABLE ACCESS TO THE INTERNET

The growth of the ICT sector is a major part of Congo's economic diversification strategy. Broadband Internet access is on the rise and quality is improving steadily due to investments in infrastructure.

For more than a decade, Congo has been working on its national Internet coverage, especially using fibre optics. Since May 2012, the country has been connected to the WACS (West Africa Cable System) a cable which runs from South Africa to the United Kingdom and runs along the Congolese coastline thus providing the country with an international digital gateway to high-speed Internet access.

A FIBER OPTIC SKELETON ALONG THE RN1 AND RN2 ROADS

Since 2012 Congolese authorities have been trying to roll out the fibre optic skeleton across the country for WACS. This means using a terrestrial optical backbone to link Pointe-Noire, Dolisie and Brazzaville from east to west, and another one to link Brazzaville to Oyo and Ouesso from north to south. Branches are the pulled from these backbones to connect other departments. Internet Service Providers (ISPs) provide "last mile to provide businesses and households with high-speed fibre optic connections.

200 MEGABYTES AND MORE

The Vivendi Africa group (GVA), which is specialized in providing high-speed Internet access in Africa, has been working very closely with Congo Telecom since 2019.

The Vivendi group subsidiary and its "Canalbox", and the current public operator and its "speed" package, are offering their customers plans for more than 200 megabytes. The former relies on its Canal+ network of points-of-sale.

4G SUPERSEDES 3G IN 2023

The vast majority of Congolese use their smartphones to connect to the Internet. The regulatory authority Agence de Régulation des Postes et des Communication Electroniques République du Congo (ARPCE) said that of the 5.771 million SIM cards in use in July only 3.14 million (55%) could be used to connect to the Internet. The only player on the market are MTN (South Africa) and Airtel (India). MTN had 2.083 million mobile Internet subscribers in July, 45% on 4G and 34% on 3G, compared with 32% and 37% respectively a year earlier. Of Airtel's 1.058 million subscribers, 39% were on 4G and 29% on 3G, compared with 29% and 32% respectively in July 2022.

|||||||| Fast and very fast broadband

Vivendi Group Africa "Canalbox"	
50 MB unlimited	25,000 CFA francs (modem and installation 5,000 CFA francs)
200 MB unlimited	45,000 CFA francs (modem and installation 5,000 CFA francs)
For professionals	Very high speed; multi-site private network; point-to-point connection

Congo Telecom "Speed"	
60 MB unlimited	25,000 CFA francs (installation kit 5,000 CFA francs)
100 MB unlimited	35,000 CFA francs (installation kit 5,000 CFA francs)
220 MB unlimited	45,000 CFA francs (installation kit 5,000 CFA francs)

5.771
millions (a penetration rate greater than 100%)
million active SIM cards
in July 2023.

3.141
millions (55% penetration rate)
mobile internet subscriptions
in July 2023.

Source: ARPCE

IN 2023 CONNECTION TO A SECOND CABLE

The good news for users is that Airtel Congo,¬– which built the new modular landing station that houses the infrastructure in Pointe-Noire, – has announced that the 2Africa fibre optic subsea cable, belonging to the “2Africa” consortium headed by Meta, a US company, was scheduled to arrive on the Congolese coast in August 2023 and would avoid having the country rely on a single subsea cable, the WACS (West Africa Cable System), that could malfunction.

A MORE DEPENDABLE AND LESS EXPENSIVE INTERNET

“A single cable is not enough. We will continue to use WACS. and the Congo telecom network will still be used,” explained Louis-Marc Sakala, ARPCE’s Director General, when the new cable arrived. “We need all the networks, and redundancy will be mandatory for operators in the sector. We are not going to allow any operator to work with just one network to fulfil capacity requirements. We want to avoid outages.” Furthermore the arrival of a new international cable not only reduces the risk of outages but can push down prices by putting an end to a de facto monopoly.

CONGO INTERCONNECTED TO FOUR COUNTRIES

At regional level, the World Bank’s Central African Backbone (CAB) interconnection program, launched in 2015, is still connecting Congo to its neighbours. Congo has been connected to Gabon since 2018, and in May 2022, the fibre optic interconnection network with Cameroon was delivered in Ouesso. At the same time, Brazzaville and Bangui technicians were also in Ouesso, starting to work on the Congo-CAR interconnection. And in July 2023, Congo Telecom and Angola Telecom installed a fibre optic cable to link their two countries. This will help to improve connectivity in the Cabinda subregion region and the region as a whole ■

ARPCE: ICTs REGULATED

ICT companies are under the authority of the Postal and Electronic Communications Regulatory Agency (l’Agence de régulation des postes et des communications électroniques – ARPCE). The agency was created in 2009, when the sector was opened to competition. Its role was to supervise the operators’ activities, guarantee user-service and collect postal and electronic communications duties, taxes, and fees on behalf of the State. Since 2020 cybersecurity and cybercrime laws have been amended to the law that created ARPCE.

LIVING IN THE REPUBLIC OF CONGO

FIRST STEPS IN CONGO

ARRIVAL AND ENTRY

Citizens of the Economic and Monetary Community of Central African States (CEMAC - Cameroon, Central African Republic, Chad, Equatorial Guinea and Gabon) holding a biometric passport are exempt from visa requirements to visit Congo if their stay is less than 90 days. Citizens holding passports from Benin, Burkina Faso, Côte d'Ivoire, Mauritania, Morocco, Niger, Senegal and Togo can obtain their visas upon arrival at the Brazzaville Maya-Maya airport. Holders of special passports (notably diplomatic) or letters of invitation do not need a visa. Nationals of all other countries need to obtain visas at Congolese embassies and consulates. Visas are granted for a period of 15 and 91 days. Processing visas normally takes 7 days, but the fast-track procedure only takes 3 days.

COMPULSORY AND RECOMMENDED VACCINATIONS

Yellow fever vaccination, obtained in an approved centre at least 10 days before departure, is compulsory for adults and children over the age of nine months. International vaccination records are checked on entry.
Hepatitis A vaccination is recommended for everyone. Because of the prevalence of tuberculosis, a BCG vaccination is recommended for children who visit the country frequently or who stay for more than one month. Depending on where you travel within the country, vaccinations against typhoid fever, hepatitis B and rabies may also be recommended.
Malaria is a risk year-round country-wide. There are two complementary types of prevention: protection against mosquito bites (repellents and mosquito nets) and anti-malarial drugs.

INTERNATIONAL AIRPORTS

Brazzaville and Pointe Noire have international airports. The Brazzaville Maya Maya airport opened two new terminals in 2010 and 2013. In recent years, the new terminals have had air-conditioning problems. A new terminal was opened at Pointe-Noire's Agostinho-Neto airport in 2015.

CLIMATE AND TIME DIFFERENCE

The Republic of Congo has a tropical climate, with alternating rainy and dry seasons. The main rainy season extends from February to May, with hot spells from February to April, while the short rainy season begins in October and ends in December. During the rainy season heavy rainfall can cause damage. The long dry season runs from June to September, while a short dry season begins in January.
In Brazzaville, July is the "coolest" month, with a minimum of 19.2°C (66°F) and a maximum of 28.1°C (83°F). In April, the hottest month, temperatures vary between 22.8 (73°F) and 32.6°C (91°F). Annual sunshine is 1,610 hours. On average, it rains 85 days a year in Brazzaville and annual rainfall is 1,345 mm.

CURRENCY AND EXCHANGE RATES

The Republic of Congo uses the CFA franc which has been adopted by the six member states of the Central African Monetary Union (UMAC), but not by the eight member states of the West African Monetary Union (UMOA). Its parity with the euro has been set at €1 for 656.8 CFA francs. Banknote denominations are 500, 1,000, 2,000 and 10,000. The CFA franc is guaranteed in euros by the French Treasury but cannot be converted outside the African countries that belong to the franc zone. You will have to exchange your euros within the UMAC duty-free zone.

Alexandre Becher,
CEO,
Pefaco Hotels Group

Interview

"Congo will be vying with countries that already have extensive tourism".

Does the Congo today resemble that of 2015, the year you first arrived in the country?
When I arrived eight years ago, the Congo was hosting the All-Africa Games and this increased demand in the hospitality industry, which up until that point had been virtually inexistent in Brazzaville. Although growth was limited exclusively to the high-end hotel segment (4 and 5 stars), the industry has evolved considerably: the landscape in Brazzaville has become richer in accommodations and restaurants.

The Covid-19 pandemic came and went. How did you handle this crisis?
The hotels in Brazzaville were able to get through the crisis and, I assume, reinvent themselves in terms of rates and services, since not a single establishment closed. In our case, as soon as the health crisis broke out, we came up with new price packages, redesigned our catering services for individuals and banquets, and kept our prices affordable, even if it meant cutting back on our food and beverage margins. On Fridays we have a live band during happy hour, a DJ on Saturday evenings during happy hour, and on Sundays we offer an all-you-can-eat barbecue menu which includes local drinks and pool access, all for 20,000 CFA francs per person.

How do you rate Congo's economic potential, in the wake of the 2015 commodities crisis and the health crisis we've just mentioned?
For the past year, the Congo has been on a perceptible economic upswing. The business environment is much healthier, and the ministries are signing an increasing number of contracts with multinational corporations in the agricultural and mining sectors. Congo is a very rich country. It is the 4th largest oil producer in sub-Saharan Africa. It has vast tropical forests and arable land, gas reserves... All these resources attract the entire world; and, Congo is playing its cards right.

How are you benefiting from this recovery?
In order to offer the best possible service, we've done a great deal of interior and exterior refurbishing: the facade of the Maya Maya hotel was renovated, the pool area was entirely redone with stone from the Congo, and a village hut-style bar was added, because I'm very attached to this country and its traditions. Each of these projects is 95% "made in the Congo". We repainted 90 rooms, all the public areas and seminar rooms, replaced our entire air-conditioning system, and completely redecorated the hotel corridors with juju hats from Cameroon and shields made by Poto craftsmen. We have also recruited massively for strategic positions such as room service, housekeeping, sales, and the front desk. We're currently redoing the Alima Palace hotel in Oyo, this includes completely renovating the exteriors and the facade and insulating the roofs of all the buildings. We've also deep cleaned all the carpets in the rooms and corridors that covered 3,000 m2 of floor space, and the armchairs and sofas in the public areas and guestrooms.

In a few words, what are Pefaco's major advantages?
The Pefaco Maya Maya is located across from the airport, a four-minute walk away. The hotel is very spacious; it has 150 guest rooms and three restaurants. It has a tennis court, a large swimming pool, a children's pool, a gym, and a parking area that can accommodate over one-hundred cars, which is particularly useful for large events. Meals are prepared with fresh produce, often organically grown fruit and vegetables, because the Congo does have certified organic growers, who often receive awards for their expertise. Our staff, 98% of whom are Congolese, are trained to international standards and are almost all bilinguals. We create a warm family atmosphere so that when our guests stay at a Pefaco hotel, they feel that they are at home, in Africa. The tailor-made service we provide is, I believe, our biggest strength. And I know that our guests appreciate it. What's more, as we're very engaged with various artists' collectives, social initiatives, and charities, when you buy from Pefaco, you're contributing to their development, and that's something we're very proud of.

How is your Ministry supporting the industry?
It's always very problematic to declare 'it should be done this way or that way', however, our current Minister, Madame Lydie Pongault, has been doing a remarkable job since she took office. I try to support her as best I can, for example with the return, last July after an eight-year absence, of the Pan-African Music Festival (Fespam). Tourism is becoming part of people's mindsets, and the Congolese have realized that their country attracts foreigners; there's more and more of what is known as wildlife tourism. The Congo is endowed with remarkable attractions: impressive waterfalls, parks such as Odzala, incredible landscapes, a village culture waiting to be discovered, and preserved tropical forests. We need to get the population involved and make them aware of the need to protect nature and animals. Once this is accomplished, the Congo will be in a position to rival other countries on the African continent ■

PEFACO HOTEL MAYA MAYA
AÉROPORT INTERNATIONAL DE BRAZZAVILLE

ACCOMMODATIONS

Brazzaville

Brazzaville has a relatively large number of international hotels including the capital's first luxury hotel, the legendary Olympic Palace Hotel. It has large rooms overlooking the pool and gardens, three restaurants, and boutiques. In 2015 the Radisson Blu M'Bamou Palace Hotel opened its doors, offering breathtaking views of the Congo River and Kinshasa. The same year, the Pefaco Hotel Maya-Maya opened its doors/ It was built in the heart of the city, less than ten minutes from the city centre, and very close to the airport.
The former Ledger Plaza Maya-Maya, was completely renovated between 2009 and 2012 and is now the Grand Lancaster Brazzaville. In the centre of Brazzaville there is also the luxurious GHS Hotel, Elbo Suites, and Mikhael's Hotel & Residence.

Pointe-Noire, the economic capital

The Hôtel Elaïs is a historical landmark and has a business centre, swimming pool and excellent restaurants. The city has several other top-notch hotels such as Doubletree by Hilton Pointe-Noire Hotel, the Palm Beach Hotel and the Atlantic Palace Hotel. The Kactus Lodge and Victory Palace are excellent price-quality alternatives.

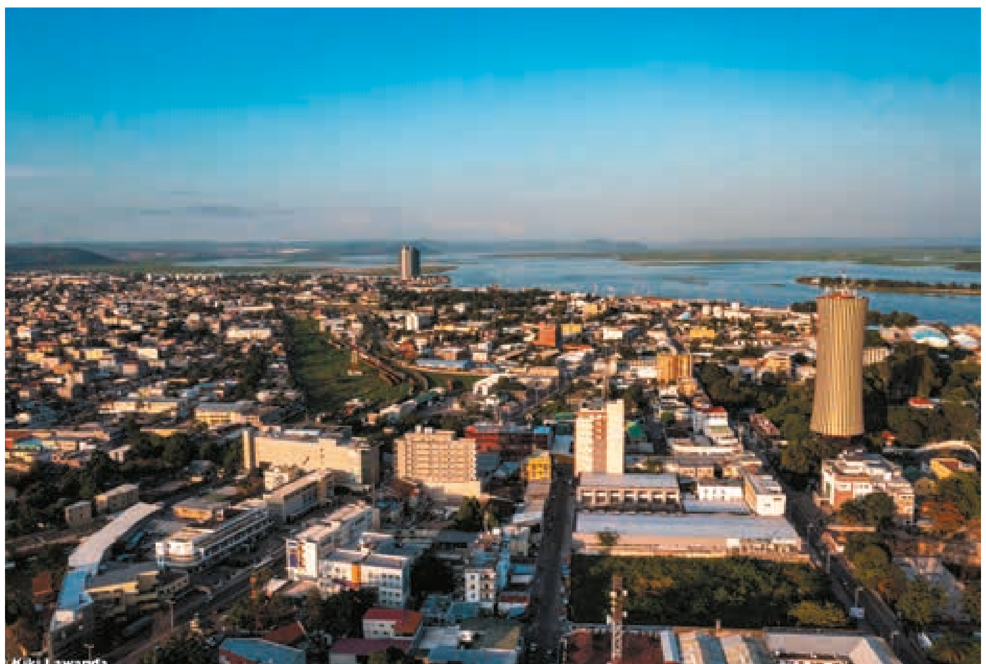
LIFE IN BRAZZAVILLE AND POINTE-NOIRE

Cost of living

Congo is relatively expensive, particularly Brazzaville and Pointe-Noire. Even prices for staples and services (food, transport, accommodation) can be high. Credit cards are seldom used, except in hotels. Expect to use cash, although the use of cell phone payments is becoming increasingly popular.

HEALTHCARE SERVICES

The French Ministry of Foreign Affairs lists a number of private healthcare centres in Brazzaville in addition to the university hospital (CHU) on avenue Lyautey that provides round-the-clock services, and the Blanche Gomez hospital on boulevard Denis Sassou N'Guesso which also provides dentalcare services. The other healthcare centres are the Elikia and Netco clinics and the Les Clairons medical centre. The Ministry also lists Seminet dental services and the general practitioner at the Association Santé Solidarité.
In Pointe-Noire, the French Ministry of Foreign Affairs lists the Guénin clinic in the city centre and the Netcare clinic. The French community is one of the largest in the city.



TRANSPORTATION

The easiest way to get around large and medium-sized towns is to rent a car or take a taxi.
All the taxis are Toyota Corollas of all ages and are so numerous that waiting time is very short or inexistent. Taxis are green in Brazzaville, blue in Pointe-Noire and red in Dolisie.
Air and road travel within the country. Congo has many regional airports. Flights from Brazzaville and Pointe-Noire go to Oyo-Ollombo, Dolisie, Ouesso and Impfondo. Road travel on the modern RN1 from Brazzaville to Pointe-Noire is pleasant. RN2 connects Brazzaville with Ouesso in the north. It was renovated in 2015 and undergoing repairs again. The rest of the Congolese road network is sparse but is being expanded. For the time being four-wheel drive vehicles are still needed for trips on unpaved roads.

EXCURSIONS

If you want to go on an day day-long or half-day excursions while in Brazzaville or Pointe-Noire contact Lawanda Tours & Adventure, clearly the best tourist agency for custom-tailored tours. No need to schedule to visit the parks way up north. Lawanda organises half-day tours to the river and the parks near Brazzaville or Pointe-Noire ■

Acronyms & abbreviations

Acronyms & abbreviations

ACPCE	*Congolese Agency for Business Creation*
AFD	*French Development Agency*
API	*Agency for the Promotion of Investments*
APPO	*African Petroleum Producers Organization*
ARPCE	*Regulatory Agency for Posts and Electronic Communications*
BAD	*African Development Bank*
BDEAC	*Development Bank of Central African States*
BIT	*International Labour Office*
CCBC	*Congo Basin Climate Commission*
CCNUCC	*United Nations Framework Convention on Climate Change*
CEAC	*Community of Central African States*
CEEAC	*Economic Community of Central African States*
CEF	*Business Formalities Center*
CEMAC	*Economic and Monetary Community of Central Africa*
CEMACO	*Mediation and Arbitration Center of Congo*
CFCO	*Congo - Ocean Railway*
COBAC	*Central African Banking Commission*
CONFEMEN	*Conference of Ministers of Education of Francophone Countries*
CRIB	*Regional Committee for the Sustainable Industrialization of the Timber Sector in the Congo Basin*
DGID	*General Directorate of Taxes and Lands*
DGIFN	*General Directorate of National Financial Institutions*
DSI	*Information Systems Department*
F2BC	*Blue Fund for the Congo Basin*
FEC	*Extended Credit Facility*
FMI	*International Monetary Fund*
GAR	*Results-Based Management*
GUP	*Single Payment Window*
IDE	*Foreign Direct Investments*
IDH	*Human Development Index*
INS	*National Institute of Statistics of Congo*
ITIE	*Extractive Industries Transparency Initiative*
NIU	*Unique Identification Number*
ODD	*Sustainable Development Goals (SDGs)*
OHADA	*Organization for the Harmonization of Business Law in Africa*
OIT	*International Labour Organization*
OMS	*World Health Organization*
OPEP	*Organization of the Petroleum Exporting Countries*
PADEC	*Enterprise Development and Competitiveness Support Project*
PAG	*Government Action Plan*
PAGICOF	*Investment Climate and Forest/Wood Sector Governance Support Project*
PAPN	*Autonomous Port of Pointe-Noire*
PASEC	*Program for the Analysis of CONFEMEN Educational Systems*
PNAE	*National Environmental Action Plan*
PND	*National Development Plan*
PNUD	*United Nations Development Programme*
PPP	*Public-Private Partnerships*
PRONAR	*National Afforestation and Reforestation Program*
RDC	*Democratic Republic of the Congo*
SIGFIP	*Integrated Public Finance Management System*
SNDD	*National Sustainable Development Strategy*
SNPC	*National Petroleum Company of Congo*
SYSPACE	*State Claims Payment Monitoring System*
TBS	*Gross Enrollment Rates*
UDEAC	*Customs and Economic Union of Central Africa*
UMAC	*Central African Monetary Union*
UMOA	*West African Monetary Union*
UNICONGO	*Employers and Interprofessional Union of Congo*
ZAP	*Protected Agricultural Zone*
ZES	*Special Economic Zone*
ZLECAf	*African Continental Free Trade Area*

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