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# Democratic Republic of Congo

## The Impact of the ‘Découpage’ Executive Summary

March 2010

**Joint Study by the European Commission, the Belgian Development Cooperation and the United Nations Development Programme**

Public Sector Reform & Capacity Building (AFTPR)  
Africa Region



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## **Currency equivalents**

(Exchange Rate Effective March 31, 2010)

Currency Unit = Franc Congolais (FC)  
1 USD = 890 CDF

## **Fiscal Year**

January 1 – December 31

## **Abbreviations and Acronyms**

AfDB	African Development Bank
AFDL	<i>Alliance des Forces Démocratiques pour la Libération du Congo/Zaïre</i> (Political party)
ANR	: <i>Agence Nationale de Renseignement</i> (National Intelligence Agency)
DGE	: <i>Direction des Grandes Entreprises</i> (Large Enterprise Directorate)
DGI	: <i>Direction Générale des Impôts</i> (Taxation Directorate)
DGRAD	: <i>Direction Générale des Recettes Administratives, Domaniales et de Participation</i> (Directorate-General of Administrative Revenues)
Divap	: <i>Division Unique de l'Administration Publique</i> (Integrated Public Administration Division (at district level))
DRC	: Democratic Republic of Congo
DTE	: Decentralized Territorial Entity
EPSP	: Primary and Secondary Education and Vocational Training
HGR	: <i>Hôpital Général de Référence</i> (Referral Hospital)
HIPC	: Heavily Indebted Poor Countries Initiative
IMF	: International Monetary Fund
NGO	: Non Governmental Organization
OFIDA	: <i>Office des Douanes et Accises</i> (Office of Customs and Duties)
PAP	: Priority Action Plan
PLHIV	: Person living with the HIV
Prodiv.	: <i>Division Provinciale</i> (Provincial Division)
SECOPÉ	: <i>Service de Contrôle de la Paie des Enseignants</i> (Teacher Salary and Oversight Service)
TGI	: <i>Tribunal de Grande Instance</i> (District Court)
TOFE	: Table of Government Financial Operations
UNDP	: United Nations Development Programme

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# DRC Decentralization Policy Brief

## ***Implementing Decoupage: A Reality Check***

*The 2006 Constitution's Article prescribes the increase of provinces from 11 to 26 by 2010. Six provinces (Bandundu, Kasai-Orientale, Katanga, Orientale, Kasai Occidental, and Equateur) will account for these 15 additional provinces. An in-depth analysis of the existing and projected finances of these new provinces, the status of their civil service, their infrastructure, and legislative arrangements suggests that there are major challenges if these reforms are to be implemented in the 2010 budget. The note presents findings of the policy issues presented by decoupage against the background of the overall implementation of decentralization, and options to avoid the significant potential costs in terms of service delivery and potential political fall-out of a poorly implemented decoupage.*

**While there is a significant degree of support for ‘decoupage’<sup>1</sup>, there has been limited systematic analysis to-date as to what would actually need to be done to make it a successful.** Quite a number of respondents felt that decoupage and the creation of new capitals promises to bring government closer to the people. Given DRC’s poor infrastructure, many of the existing centers of the new provinces cannot be reached from the existing capitals. This contributes to a sense that these places are marginalized, and would benefit from decoupage. The reality however is also that new boundaries remain contested in a number of provinces (e.g., Katanga and Kasaï-Oriental). Many of the exiting provincial centers, and more some proposed new centers, lack basic administrative infrastructure. There is no clear plan on how to finance this. Civil servants in the provinces are often beyond retirement (60 percent or more of the staff in most provinces), and many are not yet on the formal payroll (*non-mécanisé*). Judicial services is inadequate if not wholly absent in many of the proposed new provinces. While the government has submitted an overall strategy for the decoupage to parliament in September 2008 (in response to Article 75 of Law 008/012 31<sup>st</sup> July 2008), parliament has never responded to this document, nor has the government done the necessary work to flesh out the strategy, which was seen as essential for a successful provincial reorganization process.

**Decoupage further aggravates the fiscal challenges of providing adequate resources to the provinces and the constitutional mandate for retrocession.** To-date, the central government has not yet fully implemented the transfers of 40 percent of domestic revenues to the provinces.<sup>2</sup> While part of the challenge has been how to assign revenues to individual provinces, another obstacle has been the aggregate availability of fiscal resources for all levels of government, given poor domestic collection. At the same time, there is a recognition that provinces will need to assume expenses for salaries and operational costs in decentralized sectors such as education, agriculture and health. The 2008 budget first introduced the concept of a *Solidarity* equalization formula. This formula assigned certain revenues to provinces based on origin of collection, while others (e.g., customs) were assigned on the basis of population, and allowed for all eleven

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<sup>1</sup> We will use the French term, as there is no good English equivalent to capture the nature of this process. Territorial-administrative reform would be an appropriate term, but even this does not fully reflect the nature of this process

<sup>2</sup> There is some agreement that revenues from oil should be used to pay national debt.

existing provinces to cover their basic operating costs. The 2009 budget reverted back to assigning transfers based on estimated wage and operational costs, as well as some allocation for investments, which, however, are managed in a so far ineffective manner by the central government.<sup>3</sup> Data obtained on the distribution of transfers over the first semester of 2009 show a disconcerting pattern where some of the provinces that contribute most receive least in terms of per capita funding while these same provinces are the ones most in need of resources at this point in time (e.g. Katanga because of the impact of the global financial crisis and the two Kivus because of the continued security issues. A return to a more transparent resource transfer system, based on a combination of mobilization capacity and solidarity, is an essential condition for the decoupage to move forward.

**Only a small minority of the new decoupage provinces are fiscally viable.** Detailed analysis sought to assign prevailing expenditures in 2007 and 2008 in the existing provinces to the respective new provinces. Based on forward projections for 2009-2012 using these rates of growth, the exercises estimated what it would cost to run the provinces. A similar addition was made for investments. Table 1 presents the aggregate results. The first two columns present aggregate transfers to the existing eleven provinces, based on IMF revenue projections and the *Solidarity* formula.<sup>4</sup> The next three columns present forward costs for wages, operations and projected investments, based on both IMF scenarios and, for investment, on realized expenditures for 2007-2008. The latter would arguably be insufficient if new provinces are to be established, and real expenditure requirements are therefore likely to be even higher than projected.

On aggregate, own provincial revenues and full transfers are only able to cover basic salaries and operational cost through 2009. Projected investments are already not viable for any of the years, let alone if more funds would be required.

**Table 1: Provincial Finances for Decoupage Provinces**

FC billions	Revenues		Expenditures (projected)			Overall Deficit/Surplus	
	Transfers (A+B)	Recette Propres	Rémunération secteur Fonctionnement	Investissements	Current	w/Investment	
2007	132	32	57	87	109	21	-88
2008	238	33	90	112	137	69	-69
2009	319	45	151	130	174	83	-91
2010	439	61	251	171	251	78	-173
2011	570	79	429	229	386	-9	-395
2012	739	102	747	318	636	-225	-861

Source: World Bank(2009, Table 6)

**Current scenarios suggest that expenditure pressures will only grow over time.** Figure 1 summarizes the fiscal viability of the new provinces under these assumptions. Only few are fully or marginally fiscally viable under the current revenue assignment arrangements Haut-Katanga, Lualaba/Kolwezi (in current Katanga) and Tshopo and Ituri (in current Oriental Provinc), and North and South Ubang (in current Equateur). Depending on the rate of expenditure expansion, the situation is expected to grow worse over time. Even South Ubangi is only expected to finance half of its projected expenditures by 2012, while mainly of the new districts in Bandundu could only finance one quarter. Short of major increases in revenues, the graph suggests that a mix of

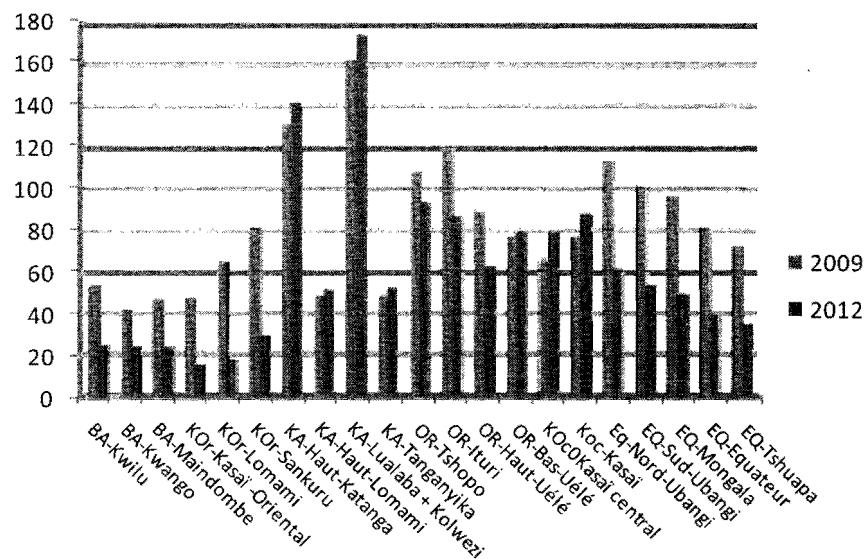
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<sup>3</sup> These were being implemented by the central government.

<sup>4</sup> Revenue collection in DRC's budgets has tended to be overoptimistic, and hence the use of these estimates.

measures will be necessary, including slowing down expenditures, significantly cutting back investment expectations, or revisiting the criteria of allocation. Simply allocating on the basis of existing wage and operation expenditures is likely to be unfair, especially to new provinces. New provinces often have the lowest level of existing formal staff (and higher ratios of *non-mechanised*). They are likely to have the highest gaps in basic infrastructure needs, as the bulk of the administrative infrastructure in the provinces dates from the colonial era, and many of the new provinces have little or no administrative buildings.

**Figure 1: Provincial Finances for Decoupage Provinces**



### *Moving Forward*

A poorly implemented decoupage not only risks undermining already low levels of equitable service delivery, but also derailing process in provincial capacity building and political stability. A key priority will be to adequately address boundary issues upfront, especially where these are likely to be contested. But more importantly, sufficient resources, effort, and time will need to be invested to make sure new provincial administrations do not collapse if created prematurely. A key challenge will therefore be how to respect the constitution, will addressing the realities of decoupage. A constitutional change prior to the next elections does not appear particularly likely. National and provincial government will therefore need to take a series of measures at the level of implementation.

**Decoupage could be introduced in phases.** Establishing new provinces before the May 2011 elections would imply that the existing legislatures would need to elect new governors. The existing legislatures were already elected on the basis of the new provinces, if the originally envisioned boundary definitions are maintained. But new governors selected on this basis are unlikely to enjoy the legitimacy of new incoming legislatures, and hence would need to be

reelected, and may generate a political vacuum. One option might therefore be to delay political decoupage, at least until after May 2011 elections, and await the new legislatures to be in place. But measures could already be taken to build the foundations for fiscal and administrative decoupage for those provinces that are ready. National and provincial governments could work together to begin managing civil service wage bills by the new province definitions, while bringing greater clarity to imbalances from excess retirees and non-formalized workers by these new province definitions. Another option would be to consider the option of allowing provinces to go at different decoupage speeds, depending on if new provinces have met some basic minimum criteria. The political and legal implications of such proposals would need to be carefully examined.

**Adequately plan and cost out infrastructural needs for the new provinces.** The government may wish to define an absolute minimum standard for government buildings for new provinces, and adequately present the costs for addressing these deficits. At the same time, national infrastructure planning should highlight the minimum level of connectivity needed for the new provincial centers of government. A special effort will need to be made to coordinate with donors, who finance the bulk of investments in DRC, to ensure that the needs of new provinces are equitably met.

## References

World Bank, (2010), Democratic Republic of Congo: The Impact of the Decoupage, March 2010. Joint Study by the European Commission, the Belgian Development Cooperation and the United Nations Development Programme. Public Sector Reform & Capacity Building (AFTPR) Africa Region

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## **Introduction**

1. In its new Constitution, proclaimed on February 18, 2006, the Democratic Republic of the Congo (DRC) committed itself to reforming its administrative and territorial architecture. Following this reform, the country, which now has 11 provinces, will be subdivided into 26 provinces. According to constitutional provisions, the transition from 11 to 26 provinces is to take place within three years after the establishment of the Third Republic's main governing institutions. The Senate, the final institution to be established, was set up in May 2007, and the country's new administrative structure should be implemented by May 2010 at the latest.

2. Territorial Administrative Reform, or '*Decoupage*'<sup>1</sup>, is scheduled to take place within the context of an unfinished decentralization process. Started in 2007 with the election of provincial assemblies and governors, the transfer of resources and competencies has slowed because of the legal void left by the transitional government, which did not manage to adopt the legislative measures necessary for the new provincial institutions to function. The absence of an appropriate legal framework for the management of public finances and the civil service as well as a lack of sector framework laws adapted to the reality of decentralized management have delayed the implementation of the process. On a positive note, the legal framework for decentralization was put into place in October 2008, and this gave a new impetus to the process. Yet the fact remains that more than two years after provincial elections were held, while provincial institutions have developed and have begun to provide public services, the competencies and budget resources of the entire apparatus remain centralized. In this context, the implementation of *decoupage* in 2010 presents inevitable difficulties, in particular considering the difficulties that have occurred in the implementation of the first phase of decentralization over the last 30 months.

4. The aim of this study, which was carried out at the request of the Government of the DRC and jointly financed by the World Bank, the Belgian Development Cooperation, the European Commission, and the United Nations Development Program (UNDP), is an in-depth analysis of the main aspects of the *decoupage* process. It includes an assessment of the administrative and institutional capacity of the new provinces and an examination of their financial and budgetary sustainability as well as of the economics of the process. The results of the study were presented to a validation workshop held in Kinshasa on July 16, 2008. The workshop was organized by the Government of the DRC, and it was attended by representatives of the President of the Republic, the Prime Minister, the National Assembly, the Senate, the Ministries of Decentralization, Finance, Budgeting, and Planning, representatives from the various provinces involved in the *decoupage* process, and development partners including the World Bank, UNDP, the Belgian Development Cooperation, and the European Union. At the end of the workshop, recommendations for rationalizing the *decoupage* process in the DRC were made with a view to maximizing efficiency. These recommendations are listed at the end of each chapter in this study.

## **Historical Context**

5. We recall that the policy of subdividing the national territory into provinces is not an innovation in the political and administrative history of the DRC. In fact, three years after its creation in 1888, the Independent State of the Congo (now the DRC) was divided into 11 districts, which were later subdivided into 22 in 1912.

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<sup>1</sup> The French term will be used as an exact and simple English translation for the process is not available

6. The country's first four provinces were created on July 28, 1914, by bringing the existing districts together. These provinces were Katanga, with Elisabethville as its capital, Equateur, with Coquilhatville as the capital, Province, Orientale with Stanleyville as the capital, and Congo-Kasaï, with Leopoldville as its capital.

7. In 1933, the country was divided into six provinces: Leopoldville, Coquilhatville, Stanleyville, Costermansville, Elisabethville, and Lusambo. Note that the innovative feature of the 1933 division was to create the new province of Costermansville (Kivu) and to subdivide the province of Congo-Kasaï into two. One governing entity, Kasaï, was established in the province of Lusambo and the other entity in the province of Leopoldville.

8. After independence, once the provincial governments had been established, the country's territorial and administrative architecture was again reformed following protests by people from districts that were either insufficiently represented or not represented at all in these provincial governments. Thus on April 27, 1963, the number of provinces went from six to 21.

9. After President Mobutu assumed control of the country in 1965, there was a drive to centralize power, and the number of provinces was reduced to 13 in 1966 and then to merely nine in 1967. This territorial architecture was preserved until 1988, when the country was re-divided into 11 provinces. This new division was decided upon after the government realized that the country was under-administrated. Although the division process should have started with Haut-Zaire, the largest and most populated province, the process was in fact initiated in Kivu, out of which came the three new provinces of Maniema, Sud-Kivu, and Nord-Kivu.

10. Another attempt to reform the territorial-administrative structure of the state was initiated in 1992 during the Sovereign National Conference. The draft Constitution of the Third Republic adopted by the conference planned for the division of the DRC into 26 provinces. The creation of a new province was supposed to be carried out on the basis of three criteria:

- (i) A minimum area of 50,000 km<sup>2</sup>;
- (ii) A minimum of 800,000 inhabitants; and
- (iii) Sufficient resources for the provincial government to function.

In the event, this reform did not take place because the Alliance of Democratic Forces for the Liberation of Congo-Zaire (AFDL) took power.

11. It should be stressed that the various administrative territorial reform processes carried out in the DRC have always been the result of a political compromise between Unionists and Federalists. The same is true of the new territorial and administrative architecture contained in the new Constitution of February 18, 2006.

12. Thus, with the purpose of consolidating national unity and creating bottom-up structures for change and development, this new Constitution provides for the division of the country into 26 provinces.

## **Structure of the Study**

13. The study was carried out in the six provinces to be subdivided and had the objective to evaluate the impact of the *decoupage*. It deals with the following aspects:

14. **Institutional and politico-economic aspects.** The study reviewed the politico-economic aspects of the next stage of the reform through an opinion survey of provincial

political leaders, citizens (through focus groups), and national political leaders. Elected provincial officials (governors, ministers, and parliamentarians) were interviewed to assess the current political viability of the *decoupage* and to identify potential supporters and opponents of the *decoupage*. The study also reviewed the political and institutional framework for managing the proposed provinces.

15. **The fiscal impact of the *decoupage*.** The provincial governments are the keystone of the financial transfer system. Indeed, considerable financial resources are transferred by the central government to the provinces, which then transfer a portion of these resources to Decentralized Territorial Entities (DTEs). To enable the provincial governments to play this pivotal role, they must have the capacity not only to generate and manage revenue but also to ensure the monitoring of the management of public finances by the DTEs. While the level of capacities is gradually being assessed in the current provinces (starting with Bandundu, Katanga, and Sud-Kivu as pilot provinces but also in the provinces of the Bas-Congo and Kinshasa), there is little knowledge of financial and institutional capacities at DTE level. Yet gaining this knowledge is essential particularly for the provinces in which the current district-level administrative areas are to be converted to provinces.

16. **Impact of the *decoupage* on the provincial administrations.** The current process of creating functional provincial administrations has provided important lessons about the necessity to strengthen capacities not only in terms of procedures and regulations but, crucially, of human resources also. Initial consideration of what is actually available at DTE level raises serious concerns about the sustainability of the transfer of resources, competencies, and responsibilities at this level. A detailed analysis of real challenges and opportunities needs to be carried out.

17. Six current provinces are affected by the *decoupage*: Bandundu, Equateur, Eastern Province, Katanga, Kasai Oriental and Kasai Occidental. The *decoupage* will create 21 new provinces to which need to be added the not affected provinces: the province city of Kinshasa, Bas-Congo, North Kivu, South Kivu and Maniema. The total number of provinces under the 2006 Constitution is therefore 26.

## **Methodology**

18. There are three dimensions to the methodology used:

- In relation to institutional, political, and administrative issues, the study was carried out by collecting decentralization data in the DRC from a variety of documentary sources on public administration: legal documents, reports, memoranda, articles, and books;
- A participative approach was chosen. Field visits were made to each district capital to make contact with the range of actors involved in the *decoupage* process in order to gather their views on expectations, constraints, and problems affecting the process and on the quality of services offered to the population;
- This study has benefited from the cooperation of a number of individuals, whom the team wishes to thank:
  - Political and administrative authorities in charge at various levels: parliamentarians (national and provincial deputies), provincial ministers, vice-governors, district commissioners, and mayors;
  - Representatives of and civil servants from provincial, urban, and regional administrations (heads of provincial and local divisions);

- Traditional leaders;
- Users of public services who participated in focus groups; and
- Representatives of civil society institutions including unions, churches, NGOs specializing in development and human rights, and various other associations.

19. Data collection techniques included semi-structured interviews and direct observation of focus groups. Semi-structured interviews made it possible to speak with practitioners (a target group) and to learn about their views in a direct manner. An open questionnaire served as guide and steered these conversations. Direct observation helped to understand how provincial institutions work and form a clear picture of their strengths, weaknesses, and constraints, and it made it possible to observe the state of infrastructure and equipment.

## **Chapter 1: Institutional Organization and Political Aspects**

20. This section is a synthesis of the study on the choice of the best procedure for establishing the new provincial political institutions, as planned by the Constitution and within the framework of the present decentralization and *decoupage* process. The main task of the study was to present the most effective way to implement the decentralization process harmoniously, including:

- (i) Gradually establishing political institutions at all levels, starting with the future provinces;
- (ii) Establishing the operation of these political institutions, whether already in existence or needing to be created;
- (iii) Establishing the nature of relationships and interactions among institutions; and
- (iv) Identifying constraints and obstacles to successful implementation and suggesting ways of resolving these issues.

21. The items below reveal a number of facts and concerns directly linked to the decentralization process in the DRC.

### **1.1. Analysis of the institutional and legal framework and its operation**

1. Each province's status, organization, and operations originate in the provisions of the Constitution of February 18, 2006, which established political regionalization in the DRC as specified in Bill No. 08/012 of July 31, 2008, which defines general principles for the self-government of the provinces. According to this bill, a province is a political and administrative component of the Republic's territory, with a distinct legal personality and managed by local institutions. It manages its own human, economic, financial, and technical resources.

23. A province is also more than just a decentralized territorial entity. It is decentralized not merely administratively (through the transfer of purely administrative competencies) but also politically because, in the spirit of the Constitution of February 18, 2006, it is invested with real legislative power to exercise its own exclusive jurisdiction and to implement jurisdiction concurrently with the central government. The Constitution therefore makes the province a regional and political territorial entity with a distinct legal personality and managed by local institutions.

24. As a regionalized political entity, according to the terms of Bill No. 08/012 of July 31, 2008 on the General Principles for the Free Administration of Provinces, a province includes two political institutions: the Provincial Assembly and the Provincial Government. The provincial government operates according to Articles 203 and 204 of the Constitution of the Republic, which define the concurrent and exclusive jurisdictions of the central and provincial governments, respectively. This distribution promotes the effective operation of the provincial government.

#### **. How are the provinces handling these powers?**

25. Parliamentary sessions and the meetings of the provincial assemblies take place in conformity with the current legislation. The debates are adversarial and voting is democratic in practice.

26. However, the general view is that the provincial assemblies do not exercise their authority satisfactorily, perhaps because insufficient resources have been allocated to them by the provincial governments. As regards their legislative competence, the provincial assemblies' output is insufficient to non-existent. For example, in its two and a half years of existence, the Provincial Assembly of Katanga has only managed to examine three draft decrees, only one of which has gone to a vote. Elected officials have no culture of planning and programming projects. Financial analysis is cursory,

with no element of appraisal.

27. Two main factors underlie this inefficiency: (i) a lack of knowledge of parliamentary work by many provincial deputies, most of whom are in their first term in the assembly, and (ii) a lack of legislative initiatives. There is also a alarmingly large number of poorly-educated deputies.<sup>2</sup> Many provincial deputies have no management or political experience, having been co-opted by political parties during elections. In the province of Equateur, for example, the various social strata of the population consider that the provincial deputies are only interested in money and their personal advantage and have no interest in the concerns of the province or its development. In Katanga just as Equateur, the various social groups consider that their representatives in the provincial assembly are not fit for government service. A training seminar on this issue is necessary for all provincial deputies.

28. Provincial assemblies have thus far made poor use of the instruments that they have available to monitor the performance of provincial governments (questions, inquiries, challenges to officials, etc.). For example, in Equateur province, there is a clear lack of efficient monitoring despite two high-profile motions being adopted, one against the Budget Minister and the other against the Governor himself, which led to the fall of the entire cabinet. In Katanga, by contrast, the provincial assembly is reported to operate like a echo chamber because the speaker is opposed to questions being put to members of the provincial government and does not make this kind of monitoring possible, and so appears to be protecting the provincial governor and the members of his government. Thus, the provincial assembly of Katanga appears to be no more than a participative assembly, particularly since more than 90 percent of its members belongs to the same political family as the provincial chief executive, who therefore has little to fear from them.

29. The conditions for establishing parliamentary control at the provincial level are largely deficient. For example, in Kinshasa, in Kasai Oriental,<sup>3</sup> and in Nord-Kivu, the governors have not been monitored or audited by parliament, and only a few oral questions have been asked, and in a highly deferential manner at that. This situation has occurred since the installation of the provincial assemblies in these three provinces.

30. Tribalism and political affiliation are some of the explanatory factors behind corruption in the assemblies. Deputies of the same ethnicity stubbornly defend their governor by refusing to allow any monitoring by opposition deputies in order to avoid motions of no confidence. In Kasai Oriental, for example, the Luba deputies vehemently defended the governor of the province and the president of the provincial assembly, who are both Luba like them, whereas the deputies from other future provinces were calling for scrutiny and for a plenary session of the provincial assembly to be convened. In Kinshasa, several deputies oppose parliamentary inquiries because they consider them to be attempts at votes of no confidence in the governor, so they boycott the plenary sessions to avoid these questions being addressed.

31. In addition, these participants do not have a clear idea of the purpose of the provincial assembly and have not understood the distribution of competence between the three traditional authorities even though this is clear in the legislation. The members of the provincial assemblies think that their institution is working well and that relations with the other institutions are usually good. However, this is not always the case especially when dealing with dossiers linked to funding. The resulting impression is that the courts cooperate with the central government only. On the whole, the provincial deputies do not have a good relationship with their electorate.

32. As regards the provincial executive, the ordinary weekly Council of Ministers is convened with some regularity. Although there is considerable activity at the level of each individual ministry, it remains to be seen whether this has a visible impact on the whole of the province.

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2 In Katanga, a survey revealed that 80 percent of deputies have a poor level of education.

3 This study was carried out before the former governor's removal from office.

33. Many of the members of the provincial governments are novices and they are still finding their way. When they came into office, there was no blueprint for action, no development vision, and no concrete projects, and thus these officials sometimes give the impression that they are going around in circles.

34. Moreover, the provincial governments do not have adequate control over the resources required for their activities as the idea that they would retain 40 percent of national revenue at source, as specified in the Constitution of the Republic, has so far been largely fictitious. Similarly, payment of the retrocession of this revenue by the central government is highly sporadic. As a result, the provincial governments find it practically impossible to carry out necessary actions appropriately.

35. In general, the provincial administration structures are not truly operational. They rely on de-concentrated central government services for their operations while waiting for the implementing acts of the decentralization bill to be put into place. Thus, provincial ministers try as best they can to maintain synergy with the de-concentrated specialist services even though this relationship has posed many difficulties from the start.<sup>4</sup> Indeed, officials from the de-concentrated administrative structures believe that the *decoupage* is a source of difficulties that will be added to those not yet resolved by the central government.

36. In this respect, some infringement is noticeable. There is a clear tendency by political officers to assume the role of administrative services and trample over their powers. Provincial administrative services appear to be under-employed. The situation is further complicated by the dual authority shared between the decentralized services and the de-concentrated services. Clearly, the exercise of authority over the sub-provincial authorities is not up to the mark. This situation has been exacerbated by the fact that most of these authorities have not had any operational costs paid to them for two or three years.

#### **Assessment of the *decoupage* process by social stakeholders**

37. In general, most of the stakeholders in the socio-cultural, economic, and administrative sectors are dissatisfied with the operation of the political institutions although relations between the three sectors are reasonably harmonious. At the practical level, however, the courts interfere with the authority of the executive. Public opinion, particularly as expressed by civil society, draws attention to the lack of government solidarity as a result of constant – and very evident – friction. Furthermore, according to public opinion, the population does not recognize itself in the provincial government; hence, there is insufficient ownership of the governing process.

38. Yet provincial ministers believe that the legislature has given too much power to the deputies especially since there is no institution to limit their jurisdiction. Thus, while at the national level the President can dissolve the National Assembly, a parallel situation does not exist at the provincial level. Thus the provincial assemblies do not have to report to any other institution and are sometimes able to impose laws of dubious merit.

39. Opinion gathered from the various strata of the population through participative research about how justice is administered is negative in all provinces. In Equateur province, for example, the people questioned are unanimous in their dissatisfaction with the courts. They say that justice is corrupt and that only the rich can win their cases. This is borne out in the dissatisfaction of the population of Lisala city, which a few months ago burned down the Palace of Justice. Similarly, the indignation of the population of Gemena became apparent when a pastor and convicted rapist who had been sentenced to ten years' imprisonment in Gemena and again to ten years in prison in Mbandaka cheerfully returned to Gemena after appeal and taunted his victim after spending only a few days in prison in Mbandaka. In addition to these flagrant outrages, legal procedure is generally very slow.

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<sup>4</sup> Examples include conflicts of competence pitting heads of divisions against their provincial ministers.

40. There are many failings observed throughout the system. These can be explained in a variety of ways, including:

- (i) The low salaries of judges who, once assigned, quickly leave their allocated post;
- (ii) The lack of transportation resources to carry out inspections across territories and localities makes it difficult to organize traveling courts, which means that many judgments are rendered by default;
- (iii) No program for training and bringing acting judges up-to-date on changes in the law has been considered for several decades, and as a result there are many areas where judges are not able to carry out their role properly;
- (iv) A lack of operating funds leads to the courts losing their independence vis-à-vis other constitutional authorities;
- (v) The lack of prisons and the abusive use of a regime of provisional freedom for convicted criminals lead to a climate of insecurity in cities and in the country;
- (vi) The dilapidation of office buildings exposes the courts to all kinds of danger from those to be tried;
- (vii) The low number of judges increases their workload;
- (viii) The apparent feudalization of the courts makes them dependent on traditional authorities; and
- (ix) Interference by the legislature in the authority devolved to the courts even though the distribution of responsibility is clearly defined in law.

41. A high number of judges and public prosecutors have recognized the obvious need to establish a court of appeal in each future province as well as creating more district courts in the new provinces and of establishing justices of the peace in each territory to bring justice closer to the population.

## **1.2. Analysis of the experience of establishing provincial institutions (Executive, Assembly) and lessons to be learned for the administrative territorial reform process**

42. At the political level, the study gathered the opinions and ideas of members of the provincial assemblies, the provincial governments, those in charge of decentralized and de-concentrated entities, traditional authorities, and leaders of political parties. They were asked about their primary expectations from the *decoupage*, the advantages and disadvantages of the process, and the strengths, weaknesses, constraints, and major risks that could endanger it.

43. Opinion is divided over the implementation of the *decoupage* of the current provinces into new provincial entities. The majority of actors support the *decoupage*, believing it to be essential for local management and basic development since each entity will have to assume responsibility for both of these goals. Additionally, since the *decoupage* is enshrined in the Constitution of the Republic, reconsidering it would be out of the question.

44. The *decoupage* will make it easier for the political authorities to assess social changes within the population due to the establishment of an effective local administration system. Each entity will be able to dispose of its own resources to ensure community development. For example, the inhabitants

of towns and cities throughout the districts of Mongala, Nord-Ubangi, and Sud-Ubangi support the *decoupage* process and its rapid implementation. They believe that it will help free them from the isolation and remoteness they suffer and alleviate the injustices they experience in relation to other districts and to the city of Mbandaka, where all actions affecting the population of Equateur province are currently focused.

45. In Kasaï Oriental, the various categories of people interviewed were in unanimous agreement over the principle and importance of the *decoupage*. They believe that with the *decoupage* the population can be brought closer to the decision makers and that development will be more rapid, civic participation possible, ponderous and slow administration improved, and the monitoring of the management of public services and civic institutions facilitated. The *decoupage* will also enable some government services to be opened up, facilitate administrative contact and representations, and promote the creation of jobs and new services. These populations believe that the *decoupage* is a response to extreme centralization and that it offers a solution for all the provinces. Furthermore, it is in conformity with the Constitution.

46. The people's perception of the *decoupage* is therefore in sync with the views of political leaders, who say that thanks to the *decoupage* the indigenous population will have the right to the wealth, jobs, and advantages their province provides instead of people from elsewhere profiting. The *decoupage* presupposes dividing existing provinces into homogeneous entities and excluding non-natives. The people agree and say that the *decoupage* will force the central government to share, equally and without distinction, the reassignment already planned for the existing provinces with all the new provinces.

47. The reality on the ground shows that the implementation of the *decoupage* will require that at the very least the capitals of the new provinces be provided with a viable infrastructure to host it. Yet the *decoupage* is not feasible under present conditions because of the retention at source of 40 percent of national revenue is still not operational and because the funds to be allocated for the construction of basic infrastructure in the future provinces are lacking. In short, the financial conditions for implementing the provincial *decoupage* have not yet been met.

48. Furthermore, *decoupage* being a technically complex issue, it should not be rushed to satisfy specific personal ambitions. Rather, all the time required should be allowed to make *decoupage* work by integrating it into a medium- or long-term process. The time taken should be used profitably to implement programs to strengthen capacity and governance and to install hosting and development infrastructure.

49. Some political actors link the issue of the *decoupage* to the issue of parliamentary terms. They believe that the provincial *decoupage* is not possible during the term of this parliament because of the difficulty the current provincial assemblies have in operating. Indeed, if the current assemblies are experiencing problems in appropriation and in the payment of their members, worse is likely to happen when all 26 provincial assemblies come into being, including the City-Province of Kinshasa. Moreover, the installation of new provincial institutions will take a great deal of time (nomination and installation of members of the new provincial governments, presentation of their action plan, etc.). In short, the new provincial institutions will not have the time to exercise the competence devolved to them between now and the end of the present parliament.

50. However, a fringe group of stakeholders do question the *decoupage* of the current provinces for different reasons. In Bandundu province, for example, concerns include (i) the risk of seeing various forms of resistance, especially the refusal of some territorial entities to be dismembered or merged with others, which can paralyze administrative services; (ii) the risk of disharmony and/or dysfunction between institutions; and (iii) the withdrawal and exclusion of some communities. In the province of Katanga, those against *decoupage* (who are in the minority) believe that it will be accompanied by intrigue and interference and that it is only intended to destroy the "Katangan spirit." Such a context could render the *decoupage* in Katanga especially complex.

51. In Equateur Province, a part of civil society representatives do not seem interested in the *decoupage* because they are convinced that it will weaken the peace process, which has been hard to implement, and that it will inevitably awaken the demons of ethnic war and the hunting down of non-indigenous people. They believe that the *decoupage* is a means for politicians to satisfy their political ambitions to reach power.

52. For the civil society of Kasai Oriental, as interviewed, the *decoupage* is a controversial issue that gives rise to a great deal of conflict, the main causes of which being: (i) the location of the capitals of the two future provinces of Lomami and Sankuru; (ii) cultural affinities; (iii) geographic access; (iv) historical precedents; and (v) the lack of prior consultation with the people.

53. For civil society, the implementation of the *decoupage* within the current context could have negative results, i.e., a revival of tribalism and increased sector-wide discrimination, the exacerbation of conflicts over land (estimated today at already over three hundred), political frustration, the dysfunction of an already precarious education system, an increase in the insufficiency of basic infrastructure in some entities, and transactional problems.

54. The vision of civil society is not very different from that of public servants. They believe that the *decoupage* is a good thing but that it must be preceded by effective decentralization so as to enable entities to be consolidated. Those who hold this view include the churches, NGOs, and the Trade Unions.

55. Having regard to these effects and risks, the population is waiting for the following to occur as priorities: (i) the installation of basic good governance in the new provinces, and (ii) the construction of social infrastructure to go with the implementation of the new entities.

56. It is important to underline that dissenting opinions on the *decoupage* also arise from a lack of knowledge about decentralization and the *decoupage* itself. For example, in Equateur province, particularly in the south, these two concepts are veiled and hidden in the Constitution.

57. A considerable effort remains to be made to sensitize the population to the decentralization process and its corollary of the *decoupage*.

### **1.3. Problems in delineating provincial boundaries: Case studies and analysis of the potential risks of the decoupage**

58. Law No. 08/012 of July 31, 2008 on the Fundamental Principles for the Self-Government of the Provinces states in article 3 that the DRC is composed of the City of Kinshasa and 25 provinces. Although these provinces are already identified in principle, this framework law does not yet fully cover the enormous range of decentralizing measures needed, which includes another series of laws covering specific matters such as setting the boundaries of these new provinces.

59. This new division is generating conflicts and disputes that risk compromising the peaceful completion of the decentralization process. In Katanga, for example, the future province of Lualaba has the peculiarity of including two districts within it: the urban-rural district of Kolwezi, composed of two urban municipalities (Dilala and Manika) and two territories (Lubudi and Mutshatsha) as well as the district of Lualaba. The problem here is one of intercommunity union. The indigenous ethnic communities of the urban-rural district (Sanga, Ndembo, Kaonde, Luba, and Yeke) want their entity, i.e., the urban-rural district of Kolwezi, to be set up as a separate province. These indigenous communities do not want the current urban-rural district to be annexed to the future province of Lualaba. If the legislators are not willing to make it a separate province, they should then annex it (from preference and for reasons of cultural affinity) to the future province of Haut-Katanga.

Otherwise Lualaba will be ungovernable in its present configuration.

60. The problem of affiliation to a new province can be found almost everywhere. In Bandundu, for example, there are two conflicting arguments about the status of the city of Bandundu, the current capital of the province. The creation of a fourth new province, with the city of Bandundu as capital, is being considered. Unfortunately, this is not in conformity with the Constitution of the Republic, which sets the number of future provinces for the present province of Bandundu at three. This is why those in favor of a fourth province are demanding – in case this city should fall within the future province of Kwilu along with the city of Kikwit – that the city of Bandundu become the capital of the future province. In contrast, if the city of Bandundu is to lie within the future province of Mai-Ndombe along with the territory of Bagata, its status will still have to be determined since the city of Inongo is also proposed as the capital of this new province.

61. In Kasai Oriental, the *decoupage* is at the center of the discussion and there are already several petitions circulating asking for self-determination. The town of Kamiji, which is relatively close to the capital of the existing province, will now be far from the new one. In Lulu, the Kanitshin people do not wish to be part of the same territory as the Kanyoka people and would prefer to stay with the Luba people. They will also be further distanced from the likely capital of the province of Lomami. At worst, the Kanitshin people would accept simply to be attached to the territory of Kapanga in the sister province of Lualaba (the present Kantaga).

62. In Sankuru province, Lusambo does not recognize itself as part of this future province and would prefer to be attached to Lomami. The inhabitants of the territory of Lusambo, who asked to join Sankuru, have made it a condition that their city should be raised to the rank of capital city, which apparently does not satisfy the people of Lodja, Lomela, Kole, and to a lesser degree those of Katako-Kombe and Lubefu. The savannah Tetela people (called "Eswe") and especially those from Lubefu see Lusambo as the capital of the province because this city is closer than Lodja.

63. The particular case of the territory of Ngandajika must also be highlighted. Apparently, all the key social and political representatives are getting together to reject the *decoupage* in its present configuration. Sandwiched between the Songye and the Kanyoka people, the Lubas of Ngandajika do not feel involved in the geographic and territorial space proposed for them.

64. In the future province of Kasai Oriental, which would be an enclave, a considerable fringe of its population is concerned about the possibilities of spatial mobility.

65. Beyond these problems linked to proximity, there are also those affecting the infrastructure of the emerging entities as well as the challenges of identity, culture, and economic development.

66. Clearly, all these concerns are linked to a search for leadership positions. Ethnic groups want a fair distribution of responsible posts. This concern applies to those group leaders who talk of Ruund hegemony in Kolwezi and who have appropriated for themselves almost all the responsible posts in almost all sectors, which creates serious resentment in most of those who see themselves as indigenous to Kolwezi.

67. Other risks involved in the transition process concern problems of intercommunity union and ethnic rivalries over access to responsible posts in the government. One example of this type of conflict is the latent dispute between natives of the territory of Kamina and those from the territories of Kabongo and Malemba. The indigenous people of Kamina complain about the intellectual domination of those from Kabongo and of Malemba over Kamina, where they are in the key posts in almost all sectors of activity (administration, education, etc.). The creation of the district of Haut-Lomami as a province risks inflaming these tensions. Hence it is imperative to aim for some kind of territorial mix in the assignment of responsible posts.

68. Conflicts among traditional authorities are another negative element that can derail the

decentralization process. For example, in Haut-Lomami as elsewhere, these conflicts appear to result from the failure to respect family trees as a result of political interference and the hasty removal of local chiefs at each change of reign. Clearly, such conflicts will not promote basic development.

69. The final concern involves the sharing of common assets between the new provinces. During the *decoupage*, the equitable distribution of the assets of the existing provinces will have to be planned for, respecting the settlement procedure set up for their dissolution.

70. Without a solid program of effective sensitization, the territorial *decoupage* could engender unexpected problems that need to be amended in terms of potential risks and risk mitigation measures, the responsibility of managing this risk and finally a time horizon to a risk analysis.

#### **1.4. The management of political relations between various levels of government: Experience over the last two years, legal framework, and potential impact of the decoupage**

71. The relationship between the central government and provincial governors is not clearly understood by the population. In fact, the country's administrative services consider this collaboration to be timid, indecisive, and hesitant. However, the central government's hold on the provinces remains substantial as it profits from the trial and error methods of provincial institutions. Many decisions taken by the provincial governments are re-examined by the central government.

72. Provincial and local public finances are the logical outcome of the financial autonomy vested in the provinces and the DTEs in the DRC by Articles 3 and 171 of the Constitution of February 18, 2006. Financial autonomy is thus one of the key principles of independent administrative services. It is an indicator of the effectiveness and extent of decentralization. Powers granted to the province and the DTEs include the right to draw up their own budgets, disburse revenues, dispose of their own assets, and make decisions on the allocation of their respective resources for expenditure on matters of provincial or local interest in order to exercise appropriately and effectively the competences transferred to them by the Constitution and the decentralization laws.

73. Before they can claim that decentralization is truly established, the provinces and the DTEs must be in real control of their finances. If they do not have financial freedom, even though they may have extensive legal competence, then decentralization can only be construed as a token gesture.

74. Thus, actions by the provincial executive are in practice hampered by the central government. This is because the legal instruments such as the finance bill, the law on taxes, and the law on the transfer of competence are not yet in place. This complicates the task of provincial governments, who cannot mobilize the resources necessary to deal with the concerns of their populations. Regarding legal instruments, several laws have advanced significantly, namely the Law on the Territorial Subdivision inside the Provinces, the Organic Public Finance Act, the National Development Equalization Fund Act, the Agricultural Code, the Framework Law on Education, the Law defining the nomenclature of taxes, the Procurement Code, and the Organic Law on the boundaries of the provinces and the city of Kinshasa. To improve the implementation of decentralization, the national Government has defined the strategic framework of implementation of decentralization (CSMOD) which is the instrument of governmental action and donor support.

75. The provincial and central governments do not exchange a great deal of information. The central government seems very poorly informed regarding what goes on in the provinces just as in general it does not take account of the provinces' concerns. For example, some provincial governments complain of a kind of injustice toward them by the central government in that the portion of reassigned financial resources are insignificant compared to the economic and demographic importance of their province. This concern can only be satisfactorily addressed within the framework of the Conference of Governors, which was held for the first time in June 2009.

76. In general, for governors, provincial ministers, and deputies, decentralization is a process leading toward provincial autonomy, and in the absence of a number of legal instruments and of financial autonomy, its implementation remains ineffective. These actors perceive that the central government has concerns over decentralization and threatens to empty the process of its content. These concerns derive from anxiety over the behavior of ill-informed provinces during the implementation of the *decoupage*. This anxiety affects the central government's attitude toward financing decentralization and the management of local issues in relation to international cooperation.

77. Relations between provincial governments and their assemblies are generally good in that there are no great differences of opinion. When there are differences, consultation mechanisms for finding common ground between the two provincial institutions do exist and solutions can be found by applying the laws governing them. In general, the provincial governments should work well with the de-concentrated central services such as the police, the National Intelligence Agency (ANR), and the provincial divisions of central ministries. Provincial governments should even accept responsibility for some of their costs to facilitate their work.

78. The governor is assured that his term will not be questioned because of the protection he enjoys from the majority that elected him. To remain in office until the end of his term, he must deliver on this commitments made to the deputies from the majority party. Even opposition deputies are often dependent on the Governor because of the financing and privileges often granted to them by him.

79. Relations between the provincial ministers and the heads of de-concentrated divisions have been tense, especially at the start of the parliamentary session. Thus, because there were no laws defining collaboration mechanisms, the heads of divisions kept to the same relationship with their own hierarchy in Kinshasa as they did before the establishment of the provinces and neglected establishing links with the relevant provincial minister. This attitude led to a climate of mutual distrust, which was damaging to provincial operations. In reality, these officials were at the disposal of the governors. Moreover, the governors stressed that all civil servants concerned were required to collaborate with the provincial ministers. This is why matters settled after this instruction was issued and, except in a minority of cases, collaboration is now more effective.

80. There is some confusion over collaboration between the de-concentrated services and the provincial ministers. These services consider it normal to have relations with the governor but see no need to report to ministers. As for the ministers, they regard the competence of the de-concentrated services as insufficient. The lack of knowledge and involvement by the de-concentrated services in their field can lead to the failure of their own actions, at which point it becomes necessary to bring in outside services. The de-concentrated services feel marginalized by the provincial ministers and are critical of this situation. This confusion is to some extent maintained by the absence of laws regulating the civil service and the DTEs, which are still being discussed in Parliament. Activity on the ground parallels this confusion.

81. The DTEs are led by people nominated or designated by the hierarchy. The majority are recruited based on their degree of support for, or affinity with, the hierarchy.

82. Relations between the provincial government and the DTEs are not well structured and are largely ceremonial. There is no system of communication enabling rapid contact between the provincial capital and the DTEs. The appointment of personnel in the DTEs is based on patronage. Most do not have the appropriate profile for assuming the tasks entrusted to them. Many owe their appointment to their relationship with politicians, who have an interest in finding people who will promote their interests on the ground so that they can be re-elected.

83. Relations between the administrator of a given territory and the traditional chiefs are complex. In some territories, the traditional chiefs are seen as quasi-deities who cannot be criticized or even assessed. Of course, traditional chiefs are chosen by custom, but he is also the State's

representative in his entity. He can therefore be assessed according to public administration law. When there is a conflict over land, where legal provisions are clear, the traditional chiefs still consider the land to be theirs, in violation of the law, which recognizes the State as the only owner of the ground and the sub-surface. Despite being in violation of the law, the chiefs are not taken to court. The result is anarchy in land distribution carried out by the traditional chiefs without respect for established legal norms.

84. The governed are on the whole dissatisfied with the operation of provincial governments, particularly over the services they provide for the population. For example, in the city of Kolwezi, public opinion believes that thus far the provincial government has done nothing for the urban-rural district of Kolwezi or for Lualaba. There appears to be no distributive justice, with Lubumbashi appropriating the lion's share in the allocation of provincial resources. All investments, particularly those made in the upgrading and asphalting of roads, only involve Lubumbashi and its surrounding areas. The same negative opinion is held in the city of Kalemie, where it is generally felt that the district of Tanganyika has been abandoned by the provincial government. Indeed, in terms of investment and basic social services, almost nothing concrete has been done. Similarly, in terms of the supply of manufactured products, Tanganyika receives almost nothing from Lubumbashi since almost everything comes from Kivu and the long border lake that separates it from Burundi, Tanzania, and Zambia.

85. The disproportionate recruitment of political and administrative personnel by the provincial governments has a negative impact on the already meager budgets made available to provincial institutions.

### **1.5. The politico-economic dimension: Supporting and opposing forces impacting the decoupage process**

86. The DRC is a country of continental size. The decision-making center in the capital, Kinshasa, and the various capitals of the ten current provinces are usually very far from the realities of rural life. This distance between administrators and those they administer is harmful not only to information about grass-roots problems but also to initiating feasible and timely solutions.

87. With the *decoupage*, there could be reconciliation between top and bottom at the level of each provincial entity, which would promote the emergence of proximity management. Decisions would be better customized to the situations needing resolution in that decision-makers would be more fully, more concretely, and more precisely informed than the present government can possibly be, located as it is more than a thousand kilometers away from some of those it governs.

88. Moreover, the *decoupage* process conforms to the Constitution. In view of day-to-day experience, what most of the provinces need is proximity management that provides greater security and a better framework for initiatives, monitoring, and participation than the current system of delegated management.

89. Local governance is inevitable and beneficial because it enables closer management of a city or district by a governing body that better understands the problems of the governed and is forced by proximity to provide them with appropriate solutions rapidly and locally.

90. Within the new context of political regionalization and effective decentralization, which must result in a transfer by the central government of specific competences and appropriate financial resources to the provinces and the DTEs, the *decoupage* can be key to promoting economic and social development at the provincial and local level. It will thus enable autonomy in economic management, which should lead to economic growth and reduce poverty.

91. It should be noted that a significant fringe of stakeholders believes that the process of *decoupage* could generate tribal rifts that might result in destabilization and exclusion. This implies

that local politicians have a covert agenda and are seeking a way to enrich themselves. This is therefore a matter for politicians themselves to address.

92. One of the major drawbacks of the *decoupage* in the current context is that the new framework will bring new and not fully prepared actors onto the scene, who will be called upon to take crucial initiatives in the management of local affairs in various areas in which competences will have been specifically devolved to them, including in the areas of economic, social, health, education, and cultural and sport services.

93. However, these new actors are not yet experienced enough to effectively assume the increased responsibilities that the transfer of competence will devolve to them. This highlights the importance of ensuring a prior strengthening of the capacities of actors involved in the management of the new provincial entities so that they can learn to master their responsibilities and make the new provinces and DTEs centers of good governance.

94. In addition, the process involves considerable risks, including: (i) poor communications between the political actors in the *decoupage* process and the lack of a permanent consultation framework on the management of the future provinces; (ii) lack of respect for the law; (iii) non-acceptance of the process by the population due to lack of preparation; (iv) the lack of an ethical and good citizenship culture; and (v) a lack of infrastructure necessary for the establishment of the new provinces.

95. Most of the current districts, which will become provinces, do not have a viable host and development infrastructure. It is vital to build and/or rehabilitate both the public buildings that are expected to house the new political institutions and the various civil services as well as the communication/transportation infrastructure (railroads and rivers, ports, airports, and road networks) so as to make the new provinces less remote and economically viable.

96. In the final analysis, therefore, none of the future provinces that will emerge from subdividing the current provinces will be able to govern itself without the criteria listed above first being met.

97. However, it has been clearly established that decentralization and *decoupage* are two concepts that are not well known and are sometimes very poorly understood by the population. Before the process begins, particular emphasis must be placed on sensitizing people at every level to the advantages *decoupage* provides. Popularizing certain aspects of the Constitution dealing with decentralization and *decoupage* as well as all relevant laws among the population and all the nation's territories is a priority, and it must be made integral to the process. The various categories of opinion leaders will have to take on this challenge and take ownership of the process.

98. Most likely, institutional and political problems will result from the way the future provinces are configured. The table below shows the distribution of provincial deputies by (current and future) province.

**Table 1: Distribution of provincial deputies in the current 11 provinces and in the 26 new provinces after the *decoupage***

<b>Current Provinces</b>	<b>Number of Deputies</b>	<b>Future Provinces</b>	<b>Number of Deputies</b>
<b>1- Kinshasa</b>	48	1- Kinshasa	48
<b>2- Bas-Congo</b>	30	2- Kongo Central	30
<b>3- Bandundu</b>	84	3- Kwango	24
		4- Kwilu	36
		5- Mai-Ndombe	24
<b>4- Equateur</b>	108	6- Equateur	24
		7- Ubangi	18
		8- Ubangi	24
		9- Mongala	24
		10- Tshuapa	18
<b>5- Province Orientale</b>	96	11- Tshopo	24
		12- Bas-Uele	18
		13- Haut-Uele	24
		14- Ituri	30
<b>6- Nord-Kivu</b>	42	15- Nord-Kivu	42
<b>7- Sud-Kivu</b>	36	16- Sud-Kivu	36
<b>8- Maniema</b>	24	17- Maniema	24
<b>9- Katanga</b>	102	18- Bas-Katanga	30
		19- Haut-Lomami	24
		20- Lualaba	24
		21- Tanaganya	24
<b>10- Kasai Oriental</b>	66	22- Lomami	24
		23- Sankuru	18
		24- Kasai Oriental	24
<b>11- Kasai Occidental</b>	54	25- Kasai	30
		26- Kasai Central	24

**Source:** Bill No. 06/006 of March 9, 2006 on the organization of presidential, legislative, provincial, urban, municipal, and local elections

99. As the table shows, there is a considerable imbalance in the amount of deputies per province. Bas-Uele (Eastern Province), Sankuru (Kasai Oriental), and Tshuapa (Equateur) have only 18 deputies each, which is approximately half the number of deputies for Sud-Kivu, Nord-Kivu, or even Kwilu, which have 36, 42, and 36 provincial deputies, respectively. Kinshasa is the province with the most provincial deputies (48), followed by Nord-Kivu (42). On average, almost half of the future provinces have 24 deputies.

#### **Political problems and a search for an alternative to an early implementation of the *decoupage***

100. If the *decoupage* takes place in 2010, the Constitution will have been respected. However, this scenario may give rise to problems of institutional organization with political dimensions.

- Article 241 of the electoral law states that the term of office for members of the government of the provinces to be subdivided ends once the institutions of the new provinces are in place. The Independent Electoral Commission then organizes the election of the governors and vice-governors of these new provinces. This ends the term of office of the current legislature.
- According to the Constitution (Article 198), the governors and vice-governors are elected for one renewable five-year term. The current governors and vice-governors were elected for five years by all the deputies of the current provinces to be subdivided. At the head of which

province should they end their term (in terms of Article 241 of the electoral law), or should they be without portfolio?

- If the governors are elected before the end of this parliamentary session, this may lead to a two-tier electoral system in that for the newly subdivided provinces, the next election of governors will not take place until 2015 (five years later, according to the Constitution) whereas for the non-subdivided provinces the second election for governors should take place in 2011. It may therefore become necessary to reduce the term of the governors and vice-governors who will be elected in the new provinces. This would contravene the Constitution.

101. If the *decoupage* takes place after 2010, the Constitution is not respected. The alternative would be to modify Article 226 of the Constitution as this would make it possible to eliminate all problems to do with the term of office of the elected governors and vice-governors. It would also set in motion all the prior requirements described above for a successful *decoupage* in 2011 and avoid two-tier terms of office for elected officials.

## 1.6. Conclusion

102. In constitutional terms, decentralization is a fact. The majority of better-informed stakeholders in the socio-cultural, economic, and administrative sectors are only waiting for host structures and for other measures needed in applying the decentralization law to be implemented. Decentralization will become beneficial once it promotes the effective management of resources in each province and facilitates the creation of new jobs. It will also have to extend to the level of grassroots entities to enable the true ownership of the process by the population, which will also have to be prepared for it.

103. However, while there is support for this process, some precautionary measures are imperative if the provincial *decoupage* is to succeed, namely: (i) minimum infrastructure; (ii) minimum resources at the start of the process; (iii) prior establishment of appropriate administration structures; (iv) account being taken of the most important element in this process, of human capital, and of retraining officials and sensitizing the population; (v) sharing assets while respecting settlement procedures after the dissolution of the current provinces, and (vi) as regards the comprehensive body of legislation required, supplementing, appropriately interpreting, and widely popularizing the laws currently in force before the process begins. The strategic framework for the implementation of decentralization (CSMOD), adopted in June 2009, should serve as reference document to the Government to prepare the *decoupage*. This framework identifies necessary actions and could serve as a basis for the mobilization of technical and financial support.

104. The new provincial governments must avoid seeking their own financial advantage, as has been the case over the last two years. Rather they must act in the interest of the population and the collective interest. This requires a clear definition of the criteria for being appointed to political and administrative positions.

105. The following recommendations emerged from the discussion of the study during the stakeholder workshop held on July 16th:

- (i) The constitutional timetable for the territorial *decoupage* of the DRC must be respected by adopting a progressive approach;
- (ii) The central government will have to make effective arrangements to create and pass the comprehensive body of legislation needed to establish decentralization, particularly as regards the law establishing the boundaries of the new provinces and those of the city of Kinshasa as well as the law on the *decoupage* of territorial entities within the provinces;
- (iii) The central government must urgently carry out a sensitization and information campaign on decentralization so that the process can be taken into ownership by the population;

and

- (iv) The electoral law should be revised to integrate education level and/or professional experience as conditions of eligibility for provincial deputies and counselors in the legislatures of the DTEs.

## **Chapter 2: Fiscal and Budgetary Impact**

### **2.1. Background: Evolution of the system of intergovernmental fiscal relations**

106. According to the Constitution of 2006, central government public finance is separate from provincial public finance, and government revenue is distributed according to the following formula: 50 percent remains at the central level, 40 percent is remitted to the provinces, and 10 percent is earmarked for the *Caisse Nationale de Péréquation* (National Redistribution Fund) to fund investment in the provinces.

107. However, the Constitution does not prescribe any specific method for implementing this income distribution formula or any details about the criteria for sharing resources, (i) across provinces and the DTEs (vertical distribution), (ii) among the provinces themselves (horizontal distribution), and (iii) among the DTEs within each province (horizontal distribution). This legal vacuum has resulted in various interpretations of income distribution policy in the DRC.

108. Following the national elections, new provincial institutions, governments, and assemblies were established. The installation of these new provincial authorities within the above-mentioned legal vacuum coupled with fiscal decentralization measures taken unilaterally by the central government sparked off a crisis of confidence between the central government and the provinces.

109. As a result, during the first nine months of 2007, there were strong policy debates on fiscal decentralization, with a focus on mechanisms for sharing national income among the central and provincial governments.

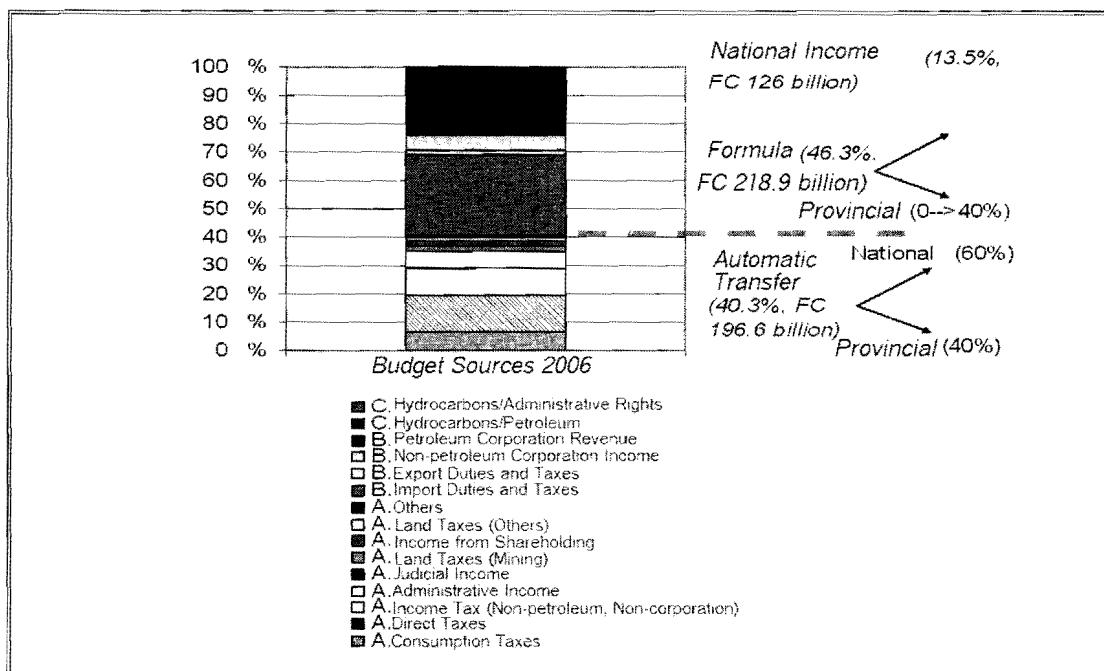
110. Within this context, the Ministry of the Interior, Decentralization, and Security, with the support of development partners and under the ultimate authority of the Prime Minister, held the National Forum on Decentralization (henceforth, “the Forum”) from October 3-5, 2007. Over 300 delegates representing the Central Government, National Assembly, Senate, Provincial Assemblies, Provincial Governments, civil society, traditional leaders, and development partners participated in these meetings.

111. The forum resulted in dialogue and cooperation among stakeholders over the implementation of decentralization. This participatory and collaborative approach allowed for the in-depth analysis of preferred options for securing the transfer of 40 percent of national revenue to the provinces and promoting a sustainable financial system for the DTEs, and the technical options used by the expert committees encouraged a consensus on the tax aspects of fiscal decentralization.

112. The main elements of this consensus include:

- Categorization of revenue based on the “Solidarity” scenario (i.e., dividing revenue into three categories: revenue of which the origin can be clearly identified; revenue of which the original cannot be clearly identified; and offshore income);
- Use of the methods developed in the “Solidarity” scenario to calculate the return for each Category of income; and
- Use of a simpler formula based solely on population to determine the amount of redistribution to apply to unidentifiable income

113. The application of the income redistribution formula agreed at the Forum for the year 2006 is illustrated below:



114. The 2008 national budget was developed based on the income distribution formula devised by the Forum and thus takes financial decentralization into account for the first time. However, budget execution data for 2008 show that actual redistribution to the provinces was only 10.5 percent of national revenue.

115. In 2009, the issue of fiscal decentralization has become even more controversial as the central government opted to return to the previous practice of income distribution based on arbitrary criteria. Despite the central government's commitment during discussions with the IMF and the World Bank in December 2008 to apply the revenue distribution measures described above, the 2009 national budget did not comply with the Forum formula. This reversal has been attributed to the growing impact of the international financial crisis, which has significantly reduced national income. In addition, the central government manages on behalf of the provinces a portion of the capital spending earmarked for the standardization of equipment during this period.

116. Given the economic and financial situation of the country, the key question is whether the various mechanisms for financing the future provinces will enable them to mobilize sufficient resources to confront the many challenges they will face.

117. Within this difficult context, debate continues on the upcoming territorial partition that would create 15 new provinces whose financial situations are relatively unknown. Thus the financial and budgetary impact analysis presented in this chapter was carried out in an effort to better understand the financial sustainability of the future provinces in order to help government develop measures to limit the risks related to a *decoupage* process designed without prior study.

118. This consolidated analysis of the financial and budgetary implications of creating additional provinces within Bandundu, Katanga, Kasaï Oriental, Kasaï Occidental, and Equateur provinces is intended to address this concern.

## **2.2. Specific Methodology**

### **General assumptions**

119. This study was conducted in the capitals of the provinces slated for territorial *decoupage* and in the capitals of the districts proposed as potential new provinces.

120. The main activities of this study included:

- Collection of data on revenue from both current and future provinces based on tax revenue rates for the years 2007 and 2008. For the period 2009–2012, study estimates are based on IMF projections for national income and public spending, which take into account the expected impact of the international financial crisis on national income;
- Collection of data on expenditures of both current and future provinces based on tax revenue for the years 2007 and 2008 (primarily for Education, Agriculture, and Health—the three sectors under the exclusive jurisdiction of the provinces), as well as institutional expenditures (e.g., costs of provincial assemblies and governments) and capital spending;
- Assessment of the financial sustainability of the future provinces in terms of the degree of consistency between their income and respective expenditures;
- Evaluation and analysis of the revenue potential of the future provinces, taking into account their ability to mobilize and recover revenue as well as any structural or situational constraints that may narrow their tax base;
- Analysis of the financial impact of creating new institutions within the framework of the *decoupage* particularly in terms of the basic infrastructure and institutional capacity building that would be required within the new provinces;
- The data are denominated in Congo francs (FC) but can be converted into US dollars using the annual average exchange rate of 516.68 and 561.12 for the years 2007 and 2008, respectively; and
- Assessment of the capacity of the future provinces' authorities to raise revenue and manage expenditures.

### **Specific assumptions: Estimated government revenue by type and future province**

121. Estimated revenue was based on the following assumptions:

- The data used in this study were the actual revenues raised in 2007 and 2008 by the future provinces and by the *régies financières* (revenue-collecting agencies), (i.e., provincial and national income, respectively);
- Projections were generated for the period 2009–2012 to identify the estimated behavior of revenue in the short term taking into account the gradual establishment of decentralization and the proposed territorial *decoupage*;
- For the period 2009–2012, the study is based on IMF estimates of national income, which take into account the impact of the international financial crisis
- Due to a lack of available data on population growth rates by province, the national population growth rate, estimated at 2.9 percent per year, was used and is assumed to be identical for each province ;
- Based on year 2002 data of estimated populations by province and taking into account the statistics provided by the provincial Ministries of the Interior, population trends over the period 2007–2012 were estimated for each future province.

#### **a. Provincial revenues**

122. Provincial revenues include total transfers and own revenue for each province and are calculated based on provincial budget reports and instructions. Exceptional income, which mainly

consists of financial support from development partners, is not taken into account.

**b. National revenue: Category A**

123. Category A revenue is collected through the *régies financières* in each future province, namely DGRAD (Directorate-General of Administrative Revenues) and DGI (Income Tax Service). Revenue collected by OFIDA (Office of Customs and Duties) in the future provinces is not taken into account because total OFIDA revenue collected nationwide is considered Category B national income. The amount of redistribution on Category A income is 40 percent of all receipts, calculated after deducting a 5 percent performance fee for the DGI and a 10 percent performance fee for the DGRAD. The calculations used to estimate revenue for 2007 and 2008 in each future province are shown below.

**Table 2: Hypotheses**

	<b>2007/2008</b>	<b>Residual value</b>	<b>40 percent Redistribution</b>
DGI	Revenue (x) – 5 percent of return to DGI = $Y_1$	$Y_1$	40 percent of $Y_1$
DGRAD	Revenue (x) – 10 percent return to DGRAD = $Y_2$	$Y_2$	40 percent of $Y_2$
<b>TOTAL</b>		$Y_1 + Y_2$	$(Y_1 + Y_2) \times 40\text{ percent}$

124. The estimates apply to the period 2009–2012 and are based on a constant rate of increase equal to the overall trend in revenues projected by the IMF for the period 2009–2012. This calculation allows for consideration of the impact of the international financial crisis on national income in the DRC.

**c. National income: Category B**

125. Category B revenue is calculated based on OFIDA and DGE revenue. This type of revenue is remitted to the provinces based on a formula defined by the size of the population (as per the allocation formula adopted by the Forum).

126. The formula categorizes income from each province into two main categories:

- (i) Category A revenue, which includes all attributable, identifiable, and readily traceable revenue (by origin), 40 percent of which is retained by the source province (as per the Constitution)
- (ii) Category B revenue, which includes all revenue that is not readily attributable and traceable by origin. This revenue is remitted to the future provinces based on the formula below

127. The methodology is as follows:

- Category A revenue

<b>Category Year</b>	<b>Category A revenue (retained at source)</b>	<b>Category B revenue (redistributed according to Forum formula)</b>
2007	40 percent	40 percent
2008	40 percent	40 percent
2009	40 percent	40 percent
2011	40 percent	40 percent
2012	40 percent	40 percent

- Category B revenue: Amount of retrocession for each province determined using mean

weighting by average population.

128. Included in this category is revenue from both DGI's Directorate for Major Corporations (DGE) and OFIDA.

129. Revenue statistics for the years 2007 and 2008 are based on OFIDA and DGE annual reports, Statements of Government Operations prepared by the IMF, and data gathered from the Central Bank of Congo (BCC). For the period 2009–2012, the data are based on revenue projections from the macroeconomic framework revised in April 2009 by IMF services in consultation with the Ministry of Finance and the BCC.

130. Thus actual and projected revenue for this Category of income for the period 2007–2012 is as follows:

**Table 3: Projected revenue (FC billions)**

Régies Financières	2007	2008	2009	2010	2011	2012
OFIDA	278	427.1	575.0	798.5	1,042.4	1,282.1
DGI	265	430.7	576.2	780.2	1,006.9	1,403.6

131. According to data provided by the BCC and the DGI for the years 2007 and 2008, DGE receipts, which comprise nearly 70 percent of all tax revenue, was FC 317 billion for the year 2008 (vs. FC 199 billion in 2007). Projected DGE revenue for 2009–2012 follows the same trend.

132. The redistribution of 40 percent of revenue to the provinces is divided into two phases:

- Distribution to each province (in the current territorial configuration) according to population;
- Distribution of each province's share of income across the districts proposed as future provinces according to population.

**d. National revenue: Category C**

133. Finally, Category C revenue consists mainly of oil revenues. As per the consensus reached at the Forum and at the insistence of the IMF, this revenue is not redistributed to the provinces but used to alleviate external debt, at least until the DRC fulfills the requirements of the HIPC (Heavily Indebted Poor Countries) Initiative.

**Specific assumptions: Expenditures of the future provinces**

134. Three different categories of expenditures were taken into account:

- Sectorial (Education, Health, and Agriculture);
- Capital (investment); and
- Institutional (operating and salary costs).

135. These estimated expenditures provide an indication of the minimum level of commitments future provinces will face within the context of decentralization. An expenditure growth rate based on budget results for the years 2007 and 2008 was used to determine projections for the period 2009–2012.

**a. Sector salary expenditures (Education, Health, and Agriculture)**

136. Expenditures in the three sectors under exclusive provincial jurisdiction are based on data collected in each future province by the *Agence de la Banque Centrale* (BCC agency), payroll services, and the *Ordonnateur Délégué* (Authorizing Officer by delegation). They include the funds

transferred by central government offices to each province for the Education, Health, and Agriculture sector payrolls.

137. The data below include actual expenditures for the years 2007 and 2008 as well as projections for the period 2009–2012 (based on a constant rate of increase). The formula for calculating the growth rate and projected sector expenditures is shown below.

	<b>2007</b>	<b>2008</b>	<b>Constant growth rate</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Education	X <sub>1</sub>	Y <sub>1</sub>	(Y <sub>1</sub> /X <sub>1</sub> ) = A <sub>1</sub>	Y <sub>11</sub> = Y <sub>1</sub> X A <sub>1</sub>	Y <sub>12</sub> = Y <sub>11</sub> A <sub>1</sub>	Y <sub>13</sub> = Y <sub>12</sub> A <sub>1</sub>	Y <sub>14</sub> = Y <sub>13</sub> X A <sub>1</sub>
Health	X <sub>2</sub>	Y <sub>2</sub>	(Y <sub>2</sub> /X <sub>2</sub> ) = A <sub>2</sub>	Y <sub>21</sub> = Y <sub>2</sub> X A <sub>2</sub>	Y <sub>22</sub> = Y <sub>21</sub> A <sub>2</sub>	Y <sub>23</sub> = Y <sub>22</sub> A <sub>2</sub>	Y <sub>24</sub> = Y <sub>23</sub> X A <sub>2</sub>
Agriculture	X <sub>3</sub>	Y <sub>3</sub>	(Y <sub>3</sub> /X <sub>3</sub> ) = A <sub>3</sub>	Y <sub>31</sub> = Y <sub>3</sub> X A <sub>3</sub>	Y <sub>32</sub> = Y <sub>31</sub> A <sub>3</sub>	Y <sub>33</sub> = Y <sub>32</sub> A <sub>3</sub>	Y <sub>34</sub> = Y <sub>33</sub> X A <sub>3</sub>

### **b. Capital expenditures**

138. Capital expenditures cover the investment burden of the provinces. They include projected expenditures or expenditures already incurred for the acquisition of property with a useful life of more than one year and accounted for as capital investment.

139. During the initial period of the *decoupage*, the future provinces will experience a significant increase in expenditure needs due to the many investment needs resulting from their low level of development. These investments include the rehabilitation and construction of roads and public buildings and related equipment to provide the future provinces with an adequate and sustainable base to support the operations of new provincial institutions (e.g., provincial government and provincial assemblies).

140. The basic investment will provide the future provinces with prospects for both growth and development by improving the business environment.

141. The amounts of these expenditures for the years 2007 and 2008 are derived from provincial budget reports and instructions, Volume I of the national budget, and Volume III of the budget allocated to the provinces.

142. Projections for the period 2009–2012 are based on an investment growth rate derived from 2007 and 2008 capital expenditures, using the sector expenditure formula presented above.

### **c. Provincial institutional operating costs**

143. The implementation of the *decoupage* will include the establishment of new institutions responsible for provincial competences.

144. The installation of these new entities will significantly increase provincial institutional operating costs (e.g., remuneration of members of provincial governments and funding for the provincial assembly).

145. The creation of provincial public services including those designed to collect their own revenues and support the efficient devolution of other constitutional powers to the provinces within the context of decentralization will also result in additional expenditures.

146. In the evaluation of operating costs, compensation for members of provincial governments and funding for provincial assemblies (based on the current configuration of provinces) have been

taken into account. The total amount of these expenditures will be shared among the future provinces based on population.

147. These expenditures, which are listed in the budget reports and instructions for the current provinces, provide some indication of the estimated institutional costs for each future province pending the establishment of the new provincial institutions. Projections are also made taking into account the constant growth rate, whose formula is presented above.

### **2.3. Results**

148. The results of this study cover three main points for each future province under study:

- The development of per capita income and tax revenue;
- Trends in expenditures; and
- The development of the financial sustainability of the future provinces.

#### **Trends in income**

149. Sources of income for the provinces within the framework of decentralized financial management include:

##### **a. Provincial revenues**

150. These include: (i) total interest income, (ii) specific revenue, and (iii) exceptional revenue, which consists mainly of financial support from development partners.

151. It should be noted that this study focuses primarily on the first two types of provincial revenue.

##### **b. National revenues**

152. Within the framework of the "Solidarity" scenario, national revenues allocated to the provinces consist of Category A and B income. Category A income includes the 40 percent of revenues redistributed to the provinces based on the outcome of tax collection work by the *régies financières*. Category B income includes the 40 percent of revenues from the DGE and the OFIDA, as explained above.

##### **c. Trends in expenditures**

153. The expenditures of the future provinces included in this study span three categories:

- Costs of salaries for Education, Health, and Agriculture;
- Institutional costs; and
- Capital expenditures.

##### **d. Trends in financial sustainability**

154. The level of financial sustainability is determined based on the amount of revenue available to cover the expenditures of each future province.

#### **Overall trends in revenue for the future provinces**

155. Examination of the general nature of revenue flowing into the future provinces, presented in Figures 1–4 (below), reveals three key lessons, namely: (i) imbalance in the structure of the revenue due to the large proportion of national income; (ii) imbalance in the distribution of income across the

future provinces; and (iii) weakness in provincial tax administration services.

156. The structure of the resources of the future provinces shows a significant imbalance between the three categories of revenue (Category A income, Category B income, and provincial revenues). The first two types of revenue, both of which are national, comprise the bulk of total revenue in the provinces. This imbalance implies that the provinces have a weak capacity for mobilizing local resources and a low level of financial autonomy. Both factors point to their financial vulnerability. Broadly speaking, provincial revenues represent only about 10 percent on average of all provincial resources. National revenues are therefore dominant in provincial budgets.

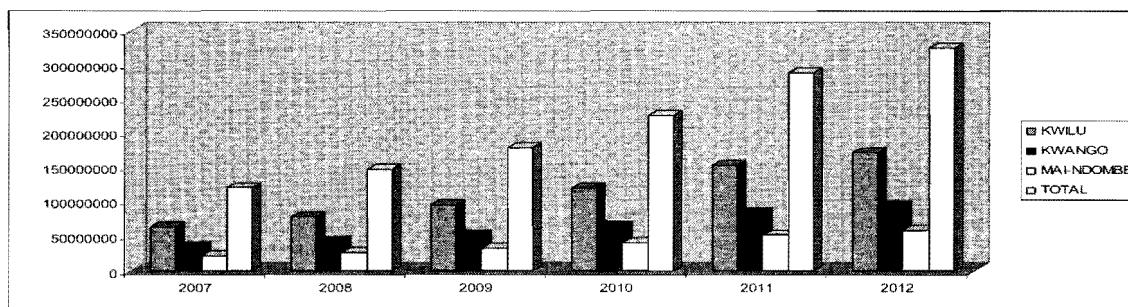
157. One factor contributing to the low level of provincial revenue in the future provinces is linked to the absence of or dysfunction in local tax administrations. This weak fiscal performance is partly explained by the failure of these administrations, which lack a sufficient quality and quantity of staff, and are under-equipped. As a result, the collection of taxes for provincial revenue in the future provinces has so far resulted in a limited return.

158. It is important that the future provinces improve their fiscal performance particularly in terms of increased mobilization of provincial revenue, which should comprise the bulk of total revenue in order to strengthen financial autonomy and thus facilitate the provision of quality public services.

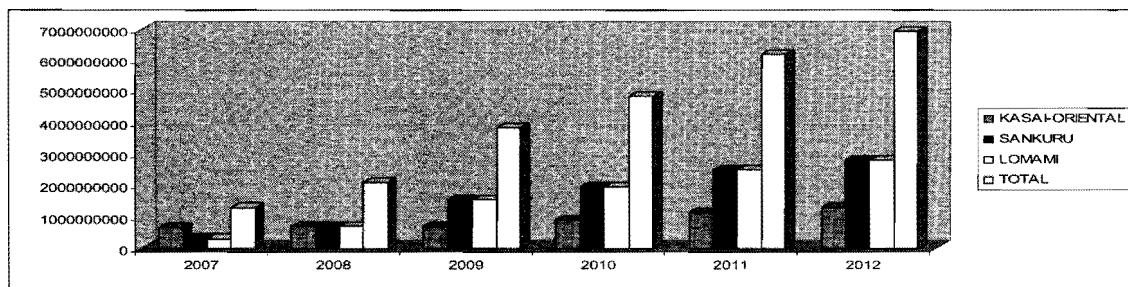
159. Examination of the geographic distribution of income reveals another significant imbalance in the future provinces. For example, Province Orientale and the future provinces (now districts) of Ituri and Tshopo provide nearly 80 percent of all resources, and the future province of Ituri alone could provide nearly 50 percent of the resources of all four future provinces. This is due to the significant proportion of Category B income in provincial resources, resulting from the fact that the distribution of national income is based on population, giving the future province of Ituri, which has nearly 50 percent of the total population of Province Orientale, an important advantage. It should be noted that in terms of geographic area, Ituri is not the largest future province within Province Orientale.

160. This situation highlights a weakness in the Forum income distribution formula, which is based solely on population. The lack of consideration of physical area in the distribution of income may be a source of imbalance in the development of the future provinces due to the resource disparities that result. Geographic area is an important variable in terms of the need for basic investment.

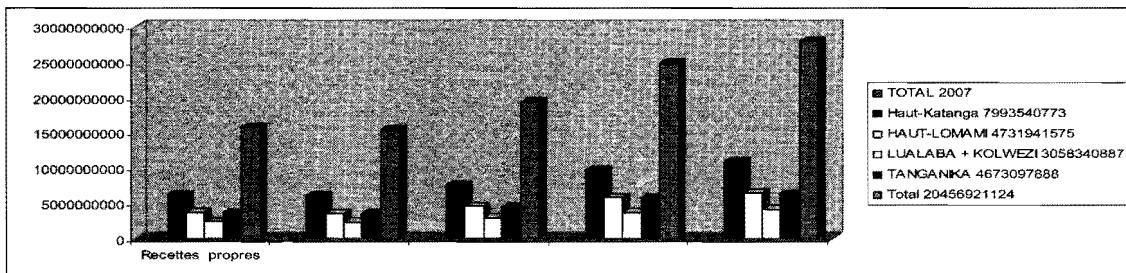
**Figure 1.1: Trends in provincial revenue in the future provinces of Bandundu**



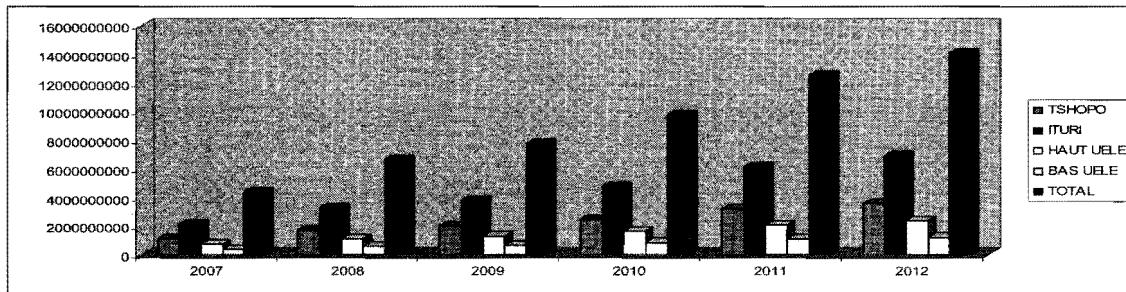
**Figure 1.2: Trends in provincial revenue in the future provinces of Kasaï Oriental**



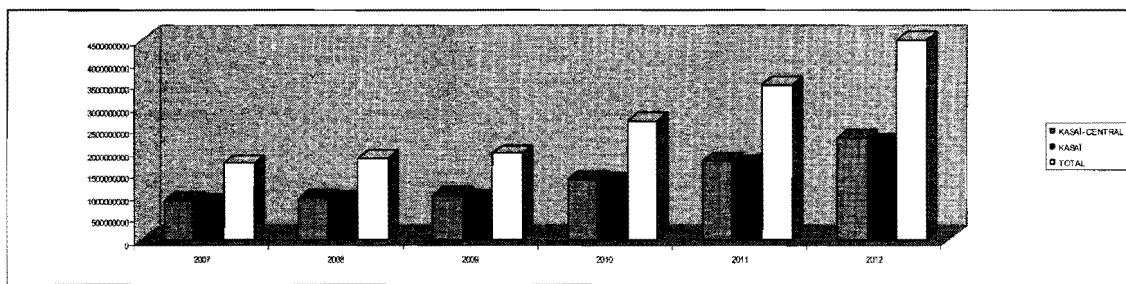
**Figure 1.3: Trends in provincial revenue in the future provinces of Katanga**



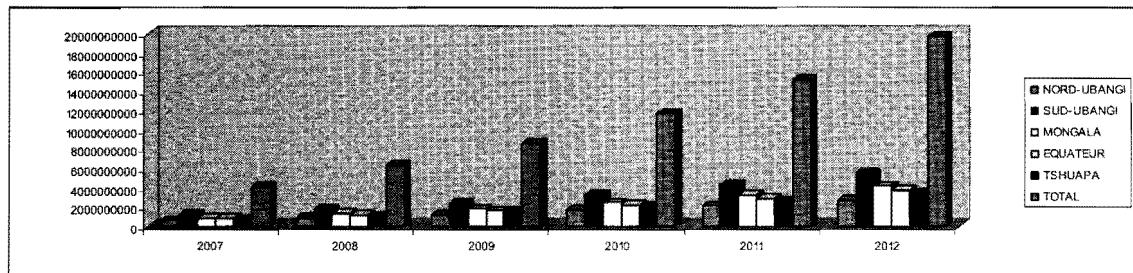
**Figure 1.4: Trends in provincial revenue in the future provinces of Province Orientale**



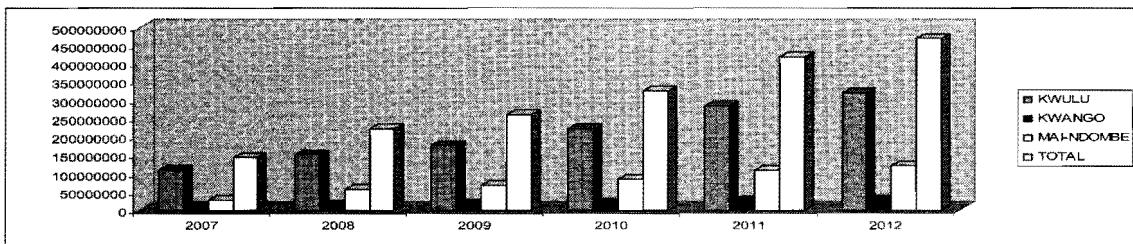
**Figure 1.5: Trends in provincial revenue in the future provinces of Kasaï Occidental**



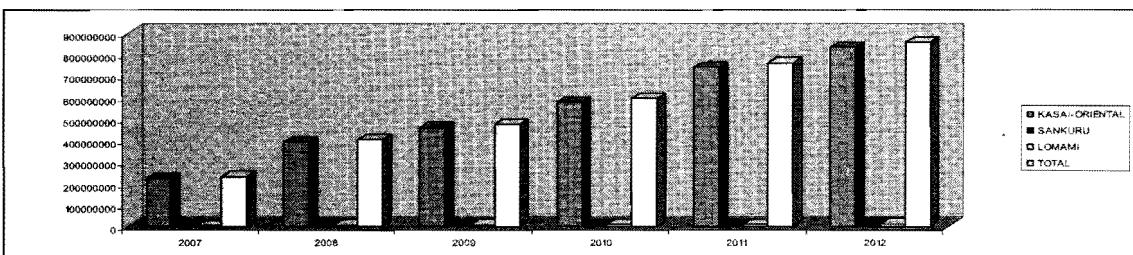
**Figure 1.6: Trends in provincial revenue in the future provinces of Equateur**



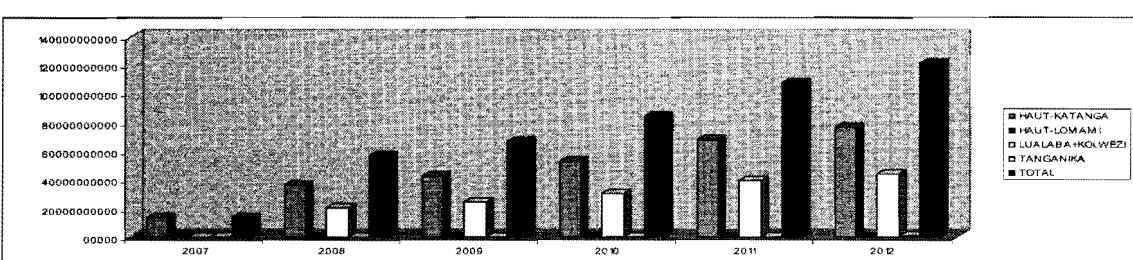
**Figure 2.1: Trends in Category A income in the future provinces of Bandundu**



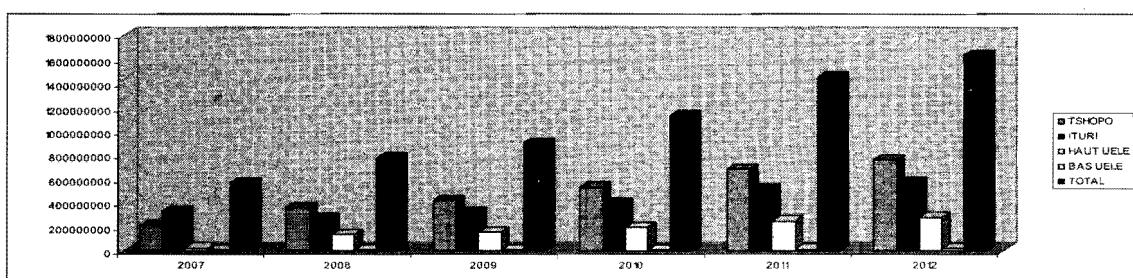
**Figure 2.2: Trends in Category A income in the future provinces of Kasai Oriental**



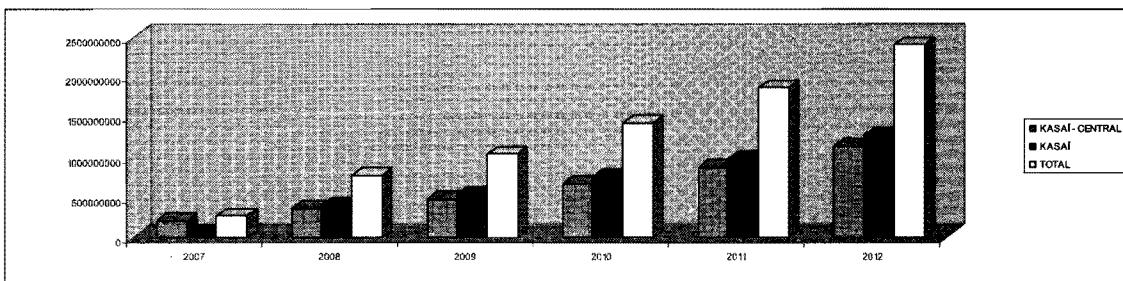
**Figure 2.3: Trends in Category A income in the future provinces of Katanga**



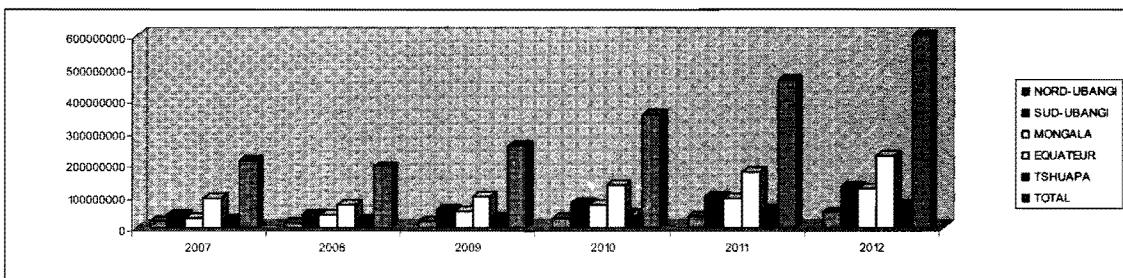
**Figure 2.4: Trends in Category A income in the future provinces of Province Orientale**



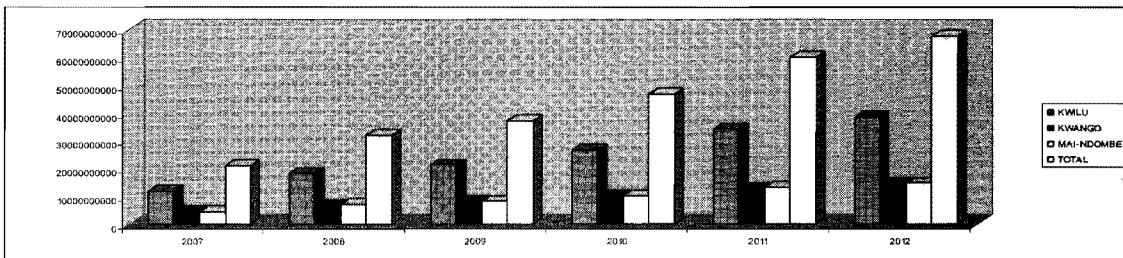
**Figure 2.5: Trends in Category A income in the future provinces of Kasaï Occidental**



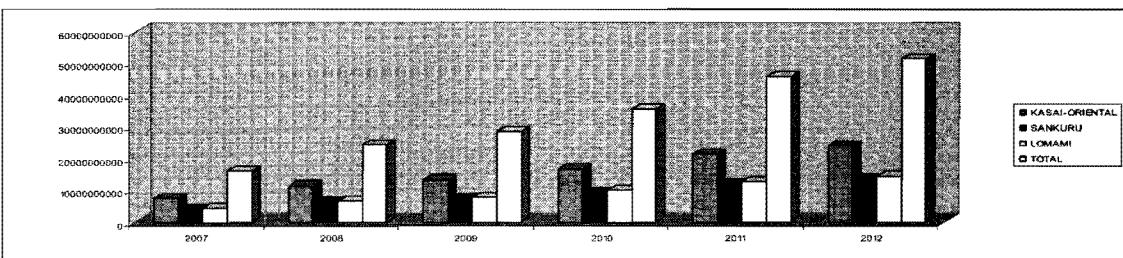
**Figure 2.6: Trends in Category A income in the future provinces of Equateur**



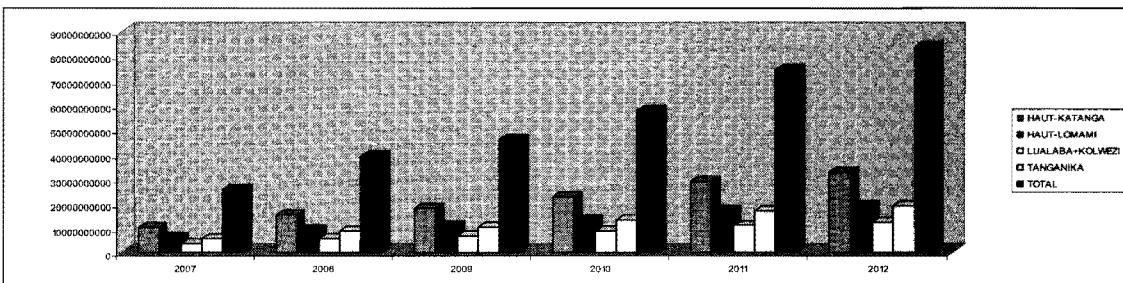
**Figure 3.1: Trends in Category B income in the future provinces of Bandundu**



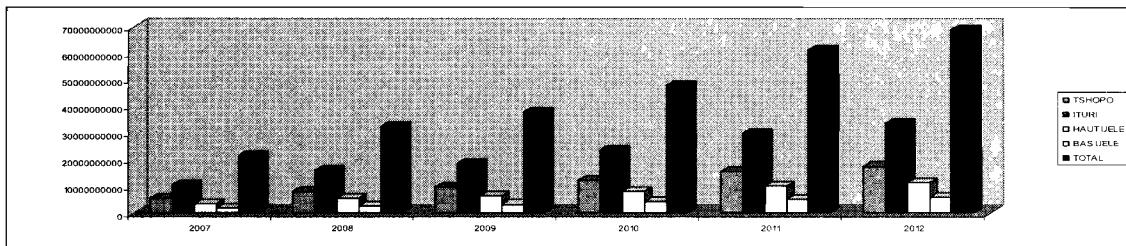
**Figure 3.2: Trends in Category B income in the future provinces of Kasaï Oriental**



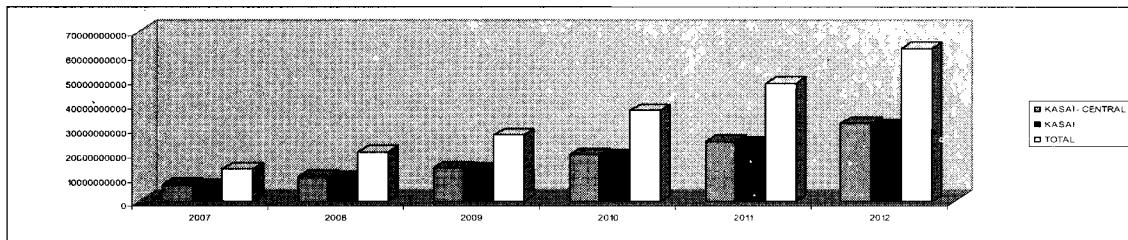
**Figure 3.3: Trends in Category B income in the future provinces of Katanga**



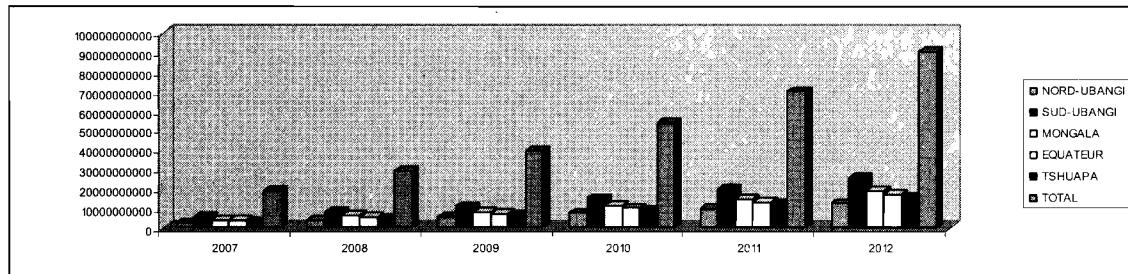
**Figure 3.4: Trends in Category B income in the future provinces of Province Orientale**



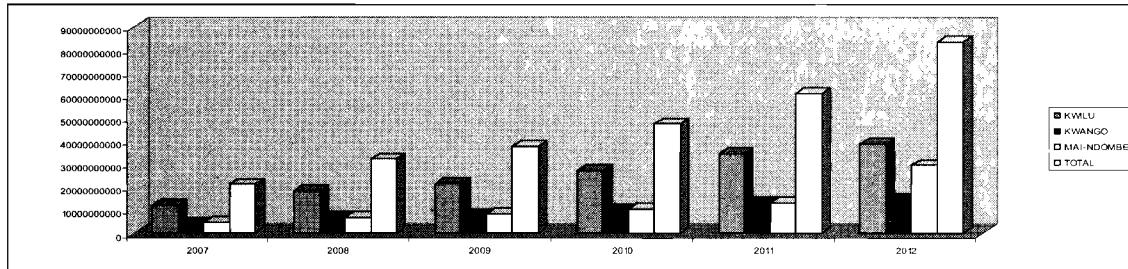
**Figure 3.5: Trends in Category B income in the future provinces of Kasaï Occidental**



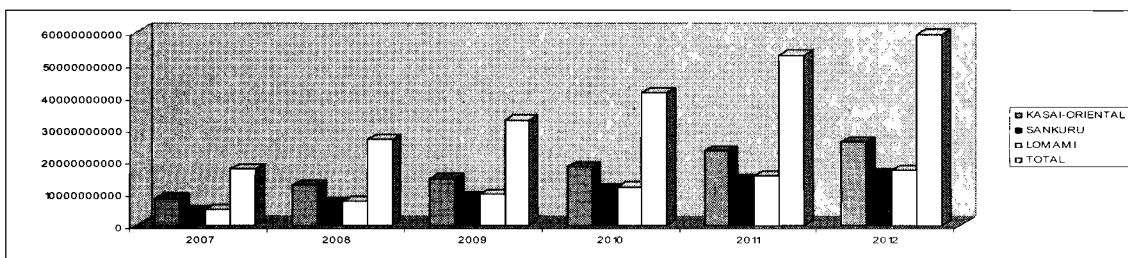
**Figure 3.6: Trends in Category B income in the future provinces of Equateur**



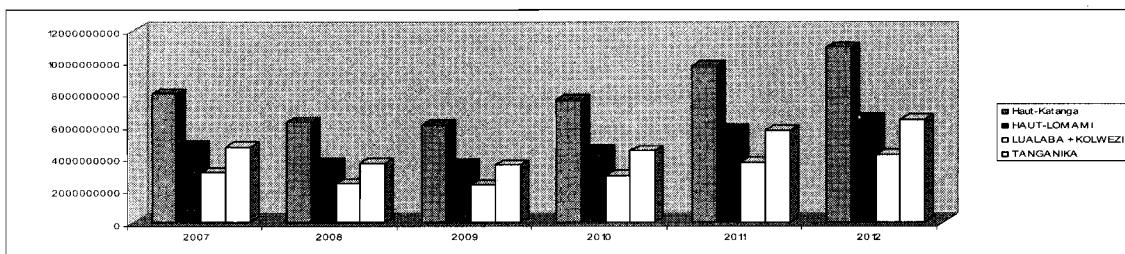
**Figure 4.1: Trends in consolidated revenue in the future provinces of Bandundu**



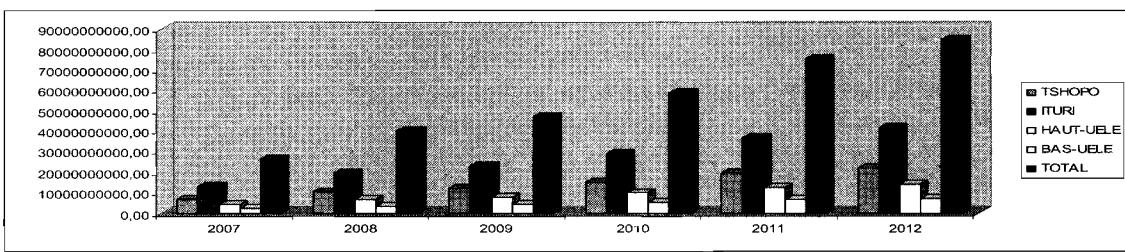
**Figure 4.2: Trends in consolidated revenue in the future provinces of Kasaï-Oriental**



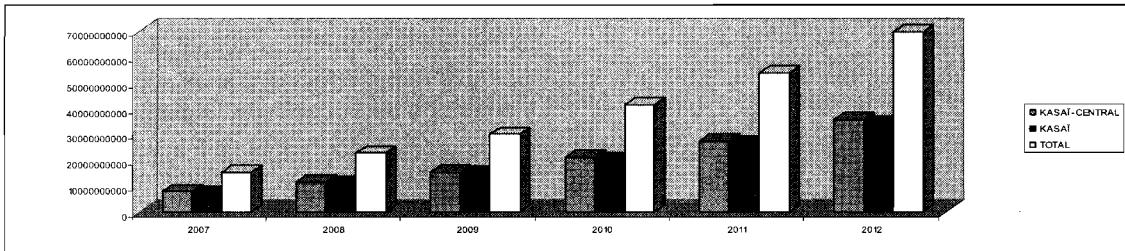
**Figure 4.3: Trends in consolidated revenue in the future provinces of Katanga**



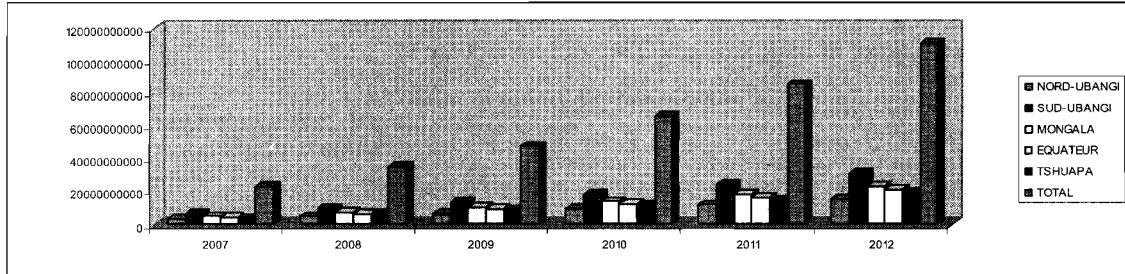
**Figure 4.4: Trends in consolidated revenue in the future provinces of Province Orientale**



**Figure 4.5: Trends in consolidated revenue in the future provinces of Kasaï Occidental**



**Figure 4.6: Trends in consolidated revenue in the future provinces of Equateur**



#### Trends in per capita revenue

161. From the 2007 and 2008 fiscal data base, the overall trend in per capita tax revenue shows disparities between current provinces and future provinces (to be located in several current provinces). The current province of Katanga has the highest tax revenue of all provinces covered in this study. Projections of revenues used in this part of the study were made by the IMF and have obtained the agreement of the Government.

162. Katanga's consolidated per capita tax revenue was FC 26,727 in 2007, and is estimated at FC 98,058 for 2012. In contrast, Kasaï Occidental is expected to generate only about FC 6,920 and FC 27,388 for 2007 and 2012, respectively, or the lowest consolidated income tax of all provinces studied.

163. It should be noted that Katanga's high tax receipts may not be permanent as two districts within it slated for promotion to province level (Tanganyika and Haut-Lomami) are the least prosperous of all future provinces, with an estimated tax revenue for 2012 less than that of the future province of Mai-Ndombe in Bandundu and the future provinces of Equateur.

164. Therefore, the absolute deviation for this indicator between the richest and poorest of the future provinces was FC 19,807 in 2007 and this is expected to reach FC 70,670 by 2012.

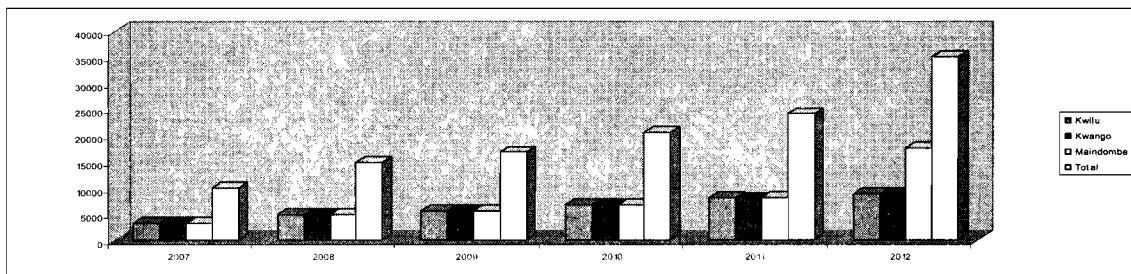
165. There are also considerable disparities in per capita tax revenue across the future provinces. For example, in 2007, the future province of Haut-Katanga had the highest per capita tax revenue (FC 9,774 vs. FC 3,144 in the future province of Sankuru province during the same period). In 2012, the future province of Kolwezi-Lualaba in Katanga is expected to rank first because its per capita tax revenue is estimated at FC 32,107. This estimate contrasts with FC 8,761 for the future Kwango province, which has the lowest per capita tax revenue of all future provinces for the same period. The absolute deviation in per capita tax revenue for all future provinces was FC 6,630 in 2007 and is estimated at FC 23,346 for 2012.

166. Per capita tax revenue gaps were also recorded in the districts slated for development as provinces within current provinces. For example, in Bandundu, the future province of Kwilu has an estimated per capita tax revenue of FC 8,798 (versus FC 8,761 for Kwango and FC 17,553 for Mai-Ndombe) for 2012.

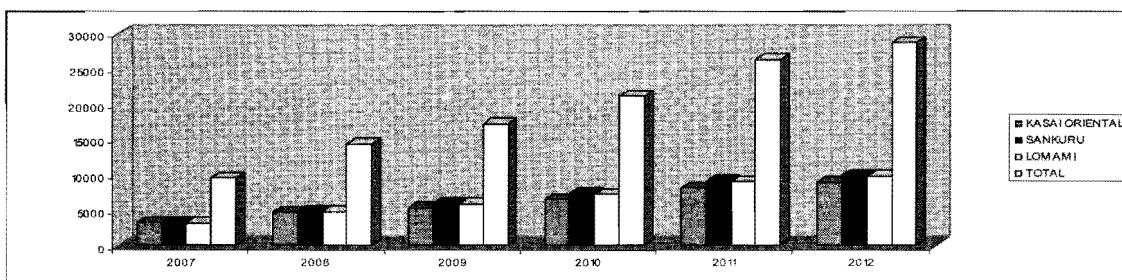
167. In the current province of Katanga, the future province of Haut-Katanga has an estimated per capita tax revenue of FC 32,107 (versus FC 11,650 for Haut-Lomami, FC 42,463 for Kolwezi-Lualaba, and FC 11,839 for Tanganyika) for 2012. In the province of Equateur, this indicator is estimated at FC 14,423, 14,437, 13,136, 14,531, and 14,433, respectively, for the future provinces of Nord-Ubangi, Sud-Ubangi, Mongala, Equateur, and Tshuapa for 2012. For the future provinces of Province Orientale (Tshopo, Ituri, Haut-Uele, and Bas-Uele), per capita tax revenue is estimated at FC 10,120, 9,905, 9,962, and 9,787, respectively.

168. It should be noted that the significant gaps that characterize the per capita tax revenues of the future provinces is mainly attributable to two factors: (i) the use of population as the sole criterion for allocation of Category B income, which thus represents the bulk of all provincial resources, and (ii) the difference in fiscal performance that characterizes the future provinces.

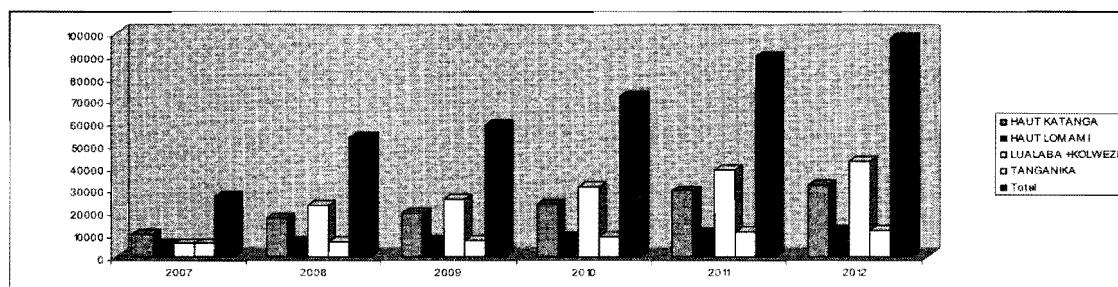
**Figure 5.1: Trends in per capita revenue in the future provinces of Bandundu**



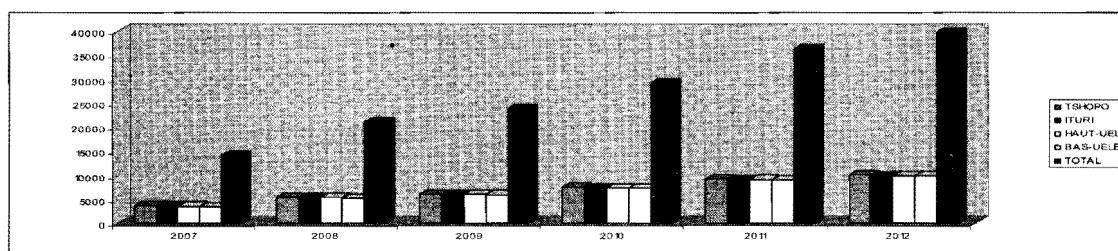
**Figure 5.2: Trends in per capita revenue in the future provinces of Kasaï Oriental**



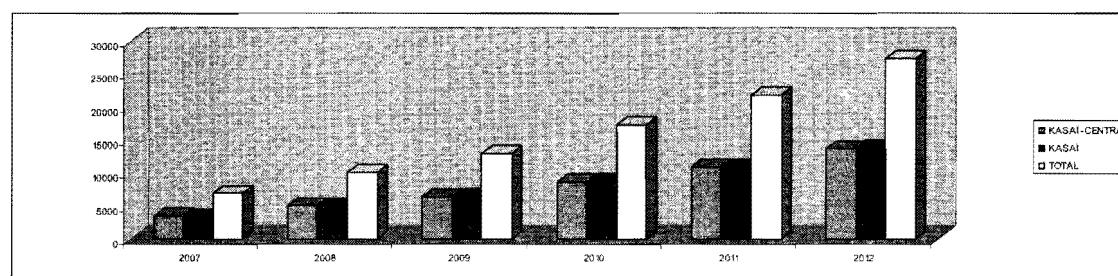
**Figure 5.3: Trends in per capita revenue in the future provinces of Katanga**



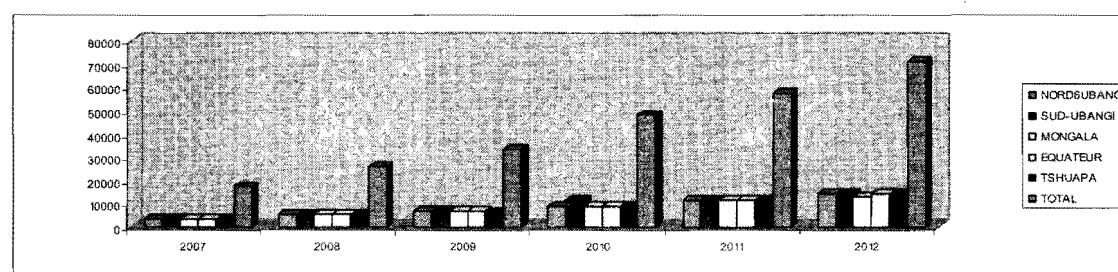
**Figure 5.4: Trends in per capita revenue in the future provinces of Province Orientale**



**Figure 5.5: Trends in per capita revenue in the future provinces of Kasaï Occidental**



**Figure 5.6: Trends in per capita revenue in the future provinces of Equateur**



### **2.3.3. Trends in the expenditures of the future provinces**

169. The examination of expenditure trends in Figures 6.1–6.6 (below) shows that they are generally higher than revenues, which explains the budget deficits that characterize several future provinces.

170. This deficit tends to widen over time because the rate of growth of expenditures is higher than that revenues in most of the future provinces studied.

171. Furthermore, structural analysis of provincial expenditures reveals differences in their composition and future growth by province.

172. For example, for 2007, overall expenditures for Kwilu are characterized by an average annual increase of 50.7 throughout the study period and are structured as follows: 44 percent for sector salaries, 13 percent for investment, and 36 percent for operating expenses. However, this expenditure pattern changes substantially over time, as shown in the data for 2007, when estimated salary costs account for 95 percent of expenditures versus 0.6 percent for investment and 3 percent for operations. This development shows that in Kwilu, increases in the already important category of sector payroll costs grew faster than those in other expenditure categories.

173. In the future province of Mongala in Equateur, these expenditures experienced an average annual increase of 40 percent. During 2007, the first year studied, payroll costs represented 37 percent of expenditures versus 23 percent for investment and 50 percent for institutional operations. The structural composition of these expenditures also changes significantly. By 2012, spending on salaries is estimated at 87 percent. Meanwhile, spending on investment is estimated at 0.4 percent and institutional costs represent 12 percent.

174. In the future province of Sankuru, the average annual increase in expenditures would be 46 percent during the study period.

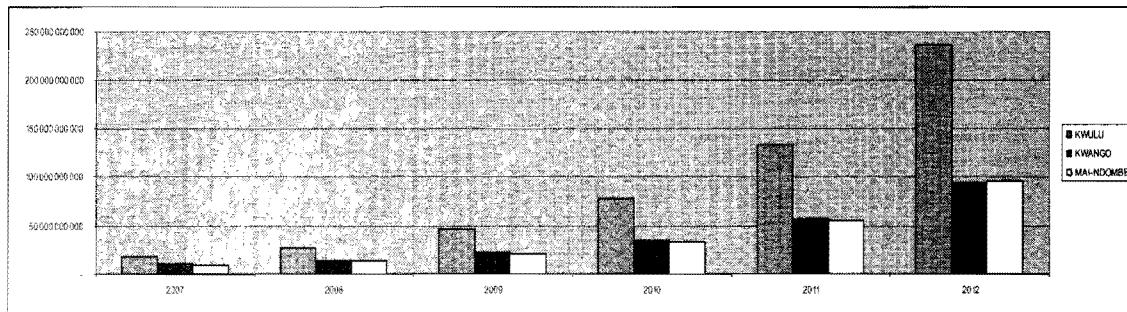
175. In 2007, expenditures for sector payroll accounted for 8 percent (versus 66 percent for investment and 26 percent for institutional operations). For 2012, the composition of expenditures of this future province is estimated at 86 percent for sector payroll, 9 percent for investment, and 6 percent for operations.

176. A review of the expenditure patterns for several of the future provinces shows that despite differences in their composition and growth rates, sector payroll spending represents a significant proportion of costs for all provinces and has a greater rate of increase than that of any other category of provincial expenditures.

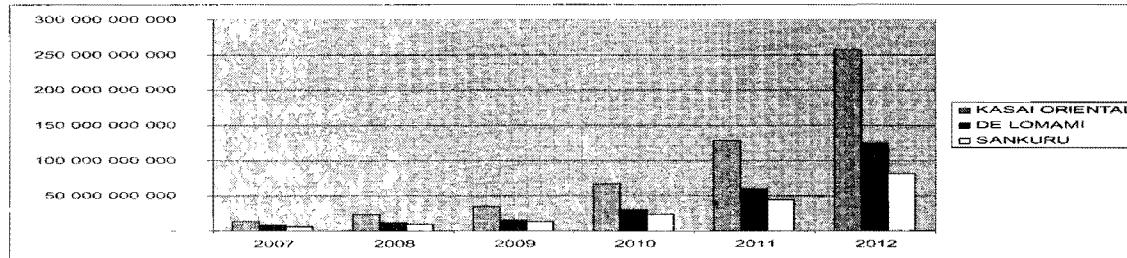
**Table 4: Consolidated expenditures in the future provinces**

Current Province	Future province	2007	2008	2009	2010	2011	2012
Bandundu	Kwilu	18,199,247,423	27,431,881,801	46,431,859,842	77,169,392,125	133,140,745,889	235,939,640,806
	Kwango	9,882,695,314	14,143,553,057	22,150,213,351	34,650,607,326	56,406,071,964	94,909,122,804
	Mai-Ndombe	8,733,074,088	12,772,103,026	20,683,046,638	33,260,295,409	55,701,351,034	96,304,535,213
Kasaï Oriental	Kasaï Oriental	13,724,105,150	23,192,354,211	34,911,634,899	66,165,614,930	128,868,917,908	256,910,119,757
	Lomami	7,937,644,651	10,845,149,046	15,259,554,150	29,588,069,843	59,895,963,018	125,262,799,689
	Sankuru	6,505,891,416	9,550,636,645	13,214,272,567	23,669,142,612	43,606,139,370	82,040,647,136
Katanga	Haut-Katanga	35,740,061,204	46,104,678,953	59,475,035,849	76,722,796,246	98,972,407,157	127,674,405,232
	Haut-Lomami	21,762,469,154	28,073,585,209	36,214,924,920	46,717,253,146	60,265,256,559	77,742,180,961
	Lualaba + Kolwezi	14,590,248,948	18,821,421,143	24,279,633,275	31,320,726,924	40,403,737,732	52,120,821,674
Province Orientale	Tanganyika	21,510,294,377	27,748,279,746	35,795,280,872	46,175,912,325	59,566,926,899	76,841,335,700
	Tshopo	9,282,352,978	10,253,099,397	12,860,891,190	16,534,542,607	22,952,372,123	34,725,362,256
	Ituri	13,353,888,601	15,964,527,406	21,957,678,144	30,388,063,263	44,633,388,667	69,922,459,288
Kasaï Occidental	Haut-Uele	5,603,982,340	7,191,136,844	10,162,174,478	14,402,938,041	21,319,049,982	33,043,074,566
	Bas-Uele	4,817,054,651	5,126,860,845	5,989,084,210	7,204,493,180	9,342,522,191	13,289,741,718
	Central Kasaï	19,151,613,420	24,859,538,613	23,010,797,510	28,649,486,037	35,726,159,835	44,619,552,739
Equateur	Kasaï	16,172,194,679	21,432,946,378	19,272,384,716	24,285,334,058	30,654,558,019	38,764,936,300
	Nord-Ubangi	2,706,441,464	3,862,842,156	5,966,313,694	9,429,998,077	15,318,257,347	25,455,888,723
	Sud-Ubangi	6,307,530,364	8,881,928,681	13,429,870,340	21,515,833,970	35,351,203,155	59,285,951,553
	Mongala	5,071,603,583	7,102,692,212	10,645,348,383	17,151,301,893	28,311,916,769	47,656,114,171
	Equateur	5,636,148,452	7,777,153,890	11,373,021,076	18,616,307,961	31,127,494,671	52,921,876,559
	Tshuapa	5,949,583,546	8,138,558,291	11,725,628,394	19,379,757,466	32,652,944,793	55,841,034,667

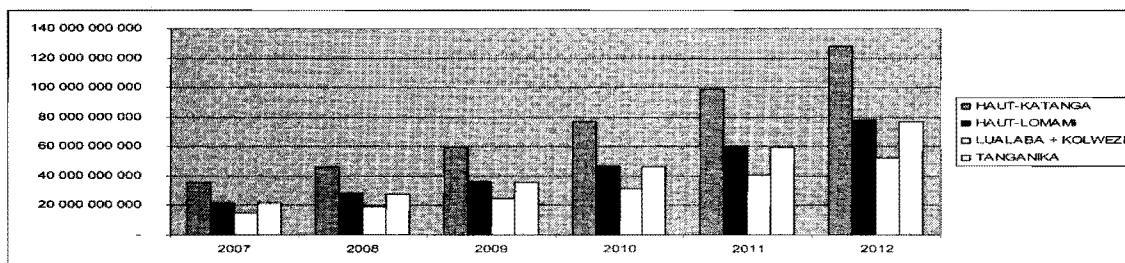
**Figure 6.1: Trends in expenditures in the future provinces of Bandundu**



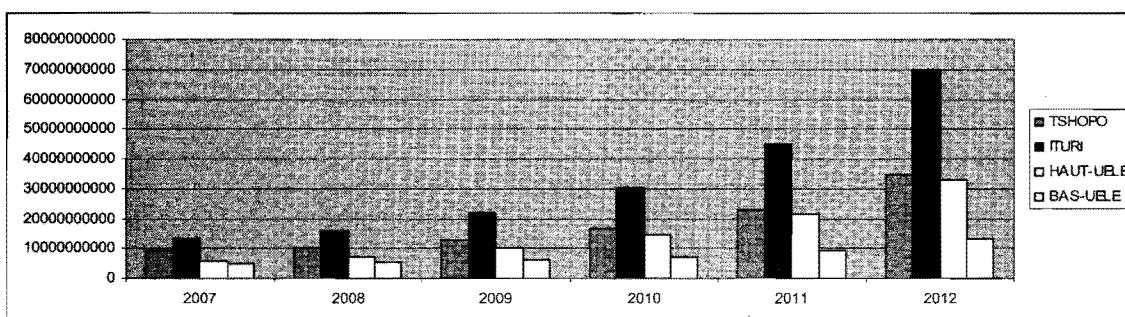
**Figure 6.2: Trends in expenditures in the future provinces of Kasaï Oriental**



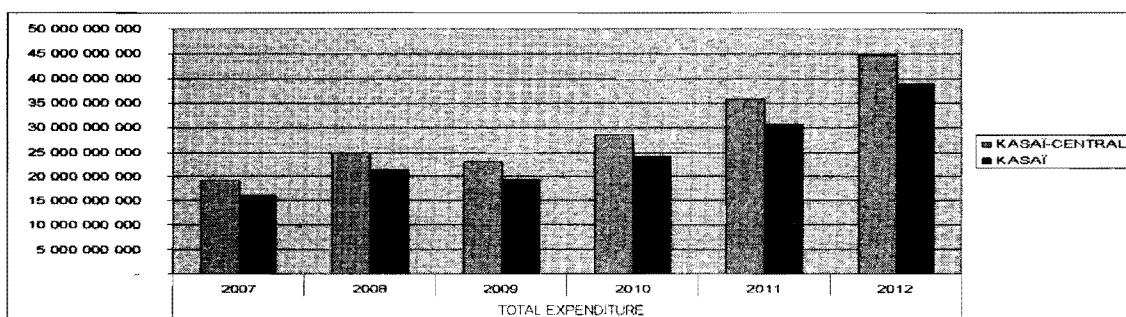
**Figure 6.3: Trends in expenditures in the future provinces of Katanga**



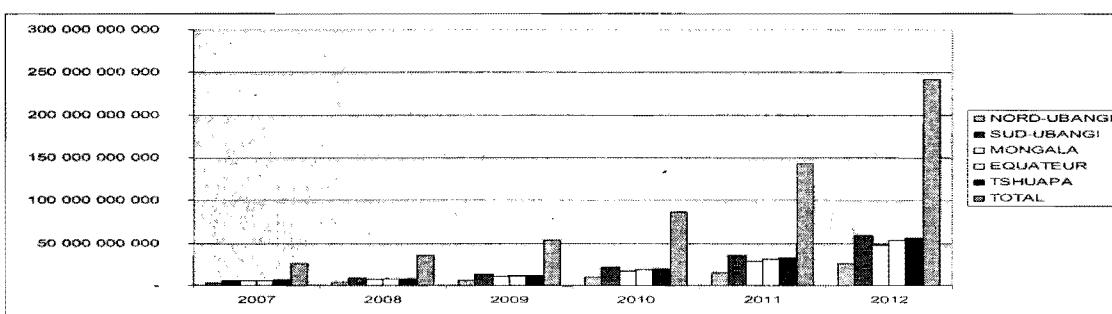
**Figure 6.4: Trends in expenditures in the future provinces of Province Orientale**



**Figure 6.5: Trends in expenditures in the future provinces of Kasaï-Occidental**



**Figure 6.6: Trends in expenditures in the future provinces of Equateur**



### **Trends in financial sustainability in the future provinces**

177. An analysis of the behavior of the financial sustainability indicator for the provinces generally shows that several of the future provinces have little leeway in their operations because their expenses are greater than all of their resources.

178. In addition, trends in the financial sustainability indicator reveal a situation of increasing fiscal deficit due to the fact that the rate of growth in revenues is lower than that of expenditures, which could lead to paralysis in the operations of future provincial institutions and thus limit the effectiveness of the *decoupage*.

179. Broadly speaking, the situation is as follows in 2007 for the 21 future provinces under study: seven have a degree of financial sustainability below 50 percent; 12 have financial sustainability above 50 percent (but less than 100 percent); and two have financial sustainability of more than 100 percent.

180. For 2012, the financial outlook deteriorates further, with two provinces having a degree of financial sustainability of more than 100 percent; ten with financial sustainability higher than 50 percent (but less than 100 percent); and nine with financial sustainability less than 50 percent.

181. This decrease in the rate of funding is linked to the fact that expenditures are generally higher than revenues. In addition, the increase in the rate of spending is higher than that of revenues, resulting in a worsening budget deficit over time.

182. Two of the four future provinces of Katanga (Haut-Katanga and Kolwezi-Lualaba) have a healthy financial outlook, with revenues that cover all of their expenses and a financial sustainability indicator that tends to improve over time (increasing from 89 percent in 2007 to 141 percent in 2012 in Haut-Katanga and from 48 percent in 2007 to 174 percent in 2012 in Kolwezi-Lualaba).

183. The other two future provinces in Katanga present a mediocre financial picture, with a financial sustainability rate increasing from 49 percent in 2007 to 51 percent in 2012 in Haut-Lomami and from 50 percent to 52 percent in Tanganyika.

184. In the current province of Bandundu, all three future provinces (Kwelu, Kwango, and Mai-Ndombe) have weak financial sustainability that tends to deteriorate over time (with a financial sustainability rate dropping from 67 percent in 2007 to 24 percent in 2012 in Kwelu, from 46 percent to 23 percent in Kwango, and from 53 percent to 23 percent in May-Ndombe).

185. The future provinces of Kasai Oriental also present a critical situation, with coverage of expenditures by revenues dropping from 61 percent in 2007 to 15 percent in 2012 in Kasai Oriental, from 56 percent to 18 percent in Lomami, and from 73 percent to 29 percent in Sankuru.

186. The province of Kasai Occidental is characterized by a low level of financial sustainability that tends to improve over time, with the sustainability rate increasing from 41 percent in 2007 to 79 percent in 2012 in Central Kasai and from 46 to 47 percent in Kasai.

187. The province of Equateur is marked by weakness in its financial sustainability indicator. This indicator remained above 100 percent from 2007 to 2009 for the future provinces of Nord- and Sud-Ubangi, but from 2010 to 2012 projections for these two future provinces fall further into the red, with the rate of financial sustainability dropping from 122 percent in 2007 to 61 percent in 2012 in Nord-Ubangi and from 105 to 53 percent in Sud-Ubangi during the same period.

188. In the three other future provinces of Equateur (Mongala, Equateur, and Tshuapa), the degree of financial sustainability tends to show a negative trend, dropping from 98 percent in 2007 to 49

percent in 2012 in Mongala, from 81 to 24 percent in Equateur, and from 69 to 23 percent in Tshuapa.

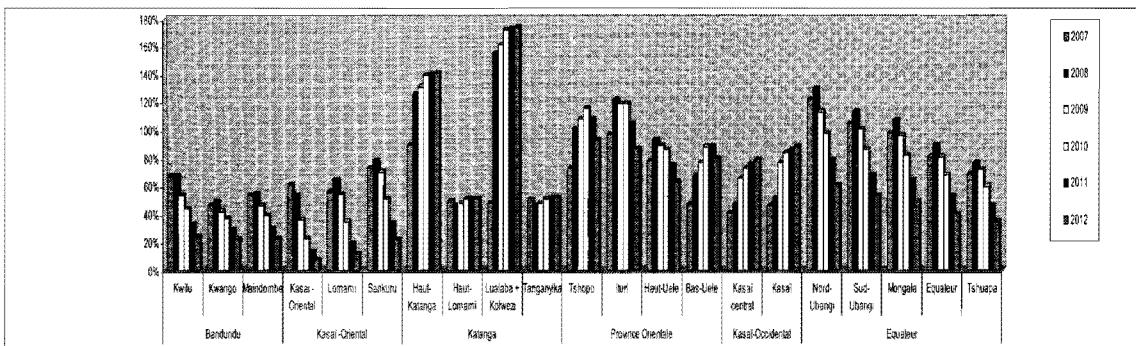
189. The future provinces of Tshopo and Ituri in Province Orientale experience alternating years of financial sustainability and financial crisis. In 2007, the financial sustainability indicator was 73 percent for Tshopo and 97 percent for Ituri, and from 2008 to 2011 this indicator improved simultaneously in both provinces (rising from 101 to 108 percent for Tshopo and from 105 to 122 percent for Ituri). However, in 2012, the situation deteriorates, with financial sustainability in both future provinces dropping below 100 percent.

190. In the other two future provinces, namely Haut-Uele and Bas-Uele, the financial sustainability indicator, which was 78 percent in 2007, drops to 63 percent in 2012 in Haut-Uele and from 47 percent to 80 percent in Bas-Uele.

**Table 5: Trends in financial sustainability in the future provinces**

Future provinces	2007	2008	2009	2010	2011	2012
Bandundu	Kwilu	67 percent	67 percent	53 percent	44 percent	33 percent
	Kwango	46 percent	49 percent	42 percent	37 percent	29 percent
	Mai-Ndombe	53 percent	55 percent	46 percent	39 percent	30 percent
Kasai Oriental	Kasaï Oriental	61 percent	53 percent	47 percent	34 percent	23 percent
	Lomami	56 percent	64 percent	65 percent	46 percent	29 percent
	Sankuru	73 percent	78 percent	81 percent	61 percent	43 percent
Katanga	Haut-Katanga	89 percent	126 percent	131 percent	139 percent	140 percent
	Haut-Lomami	49 percent	46 percent	48 percent	51 percent	51 percent
	Lualaba Kolwezi	48 percent	155 percent	161 percent	172 percent	173 percent
Province Orientale	Tanganyika	50 percent	46 percent	48 percent	51 percent	52 percent
	Tshopo	73 percent	101 percent	108 percent	116 percent	108 percent
	Ituri	97 percent	122 percent	119 percent	119 percent	105 percent
Kasaï-Océan	Haut-Uele	78 percent	93 percent	89 percent	86 percent	75 percent
	Bas-Uele	47 percent	67 percent	77 percent	88 percent	88 percent
	Central Kasai	41 percent	47 percent	66 percent	73 percent	76 percent
Equator	Nord-Kasai	46 percent	52 percent	77 percent	84 percent	86 percent
	Ubangi	122 percent	130 percent	113 percent	98 percent	79 percent
	Sud-Ubangi	105 percent	113 percent	101 percent	86 percent	68 percent
Equator	Mongala	98 percent	107 percent	96 percent	82 percent	64 percent
	Equateur	81 percent	89 percent	81 percent	68 percent	53 percent
	Tshuapa	69 percent	77 percent	72 percent	60 percent	46 percent

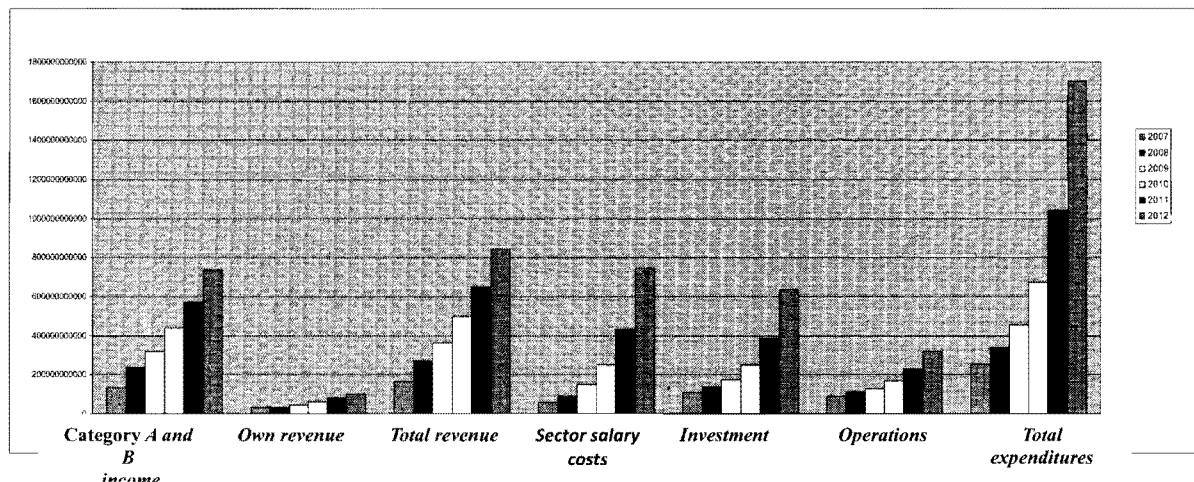
**Figure 7: Summary of financial sustainability in the future provinces (2007–2012)**



**Table 6: Summary of trends in financial sustainability in the future provinces**

	2007	2008	2009	2010	2011	2012
Category A and B revenue	132,329,540,243	237,721,794,046	319,209,349,552	438,724,430,849	570,080,086,412	738,892,283,742
provincial revenue	32,141,519,679	32,933,564,331	44,740,098,071	61,046,650,000	79,235,765,862	101,632,614,976
<b>Total revenue (1)</b>	<b>164,471,059,922</b>	<b>270,655,358,377</b>	<b>363,949,447,623</b>	<b>499,771,080,849</b>	<b>649,315,852,275</b>	<b>840,524,898,718</b>
Sector salary costs	56,658,255,890	90,236,397,275	150,878,178,021	251,340,259,917	429,258,187,296	746,931,378,727
Investment	109,133,258,664	137,488,070,023	173,519,303,098	250,891,031,163	385,653,809,987	635,956,191,563
Operations	86,846,611,249	111,550,460,251	130,411,167,380	170,766,576,361	229,305,387,800	318,384,031,223
<b>Total expenditures (2)</b>	<b>252,638,125,803</b>	<b>339,274,927,549</b>	<b>454,808,648,499</b>	<b>672,997,867,441</b>	<b>1,044,217,385,083</b>	<b>1,701,271,601,514</b>
<b>Shortfall (1)-(2)</b>	<b>-88,167,065,881</b>	<b>-68,619,569,172</b>	<b>-90,859,200,876</b>	<b>-173,226,786,591</b>	<b>-394,901,532,809</b>	<b>-860,746,702,796</b>
<b>Rate of sustainability (1/2)</b>	<b>65.1 percent</b>	<b>79.8 percent</b>	<b>80.0 percent</b>	<b>74.3 percent</b>	<b>62.2 percent</b>	<b>49.4 percent</b>

**Figure 8: Structural evolution of consolidated revenues and expenditures in the future provinces**



## 2.4. Conclusions and recommendations

191. The results of the financial and budgetary data analysis for future provinces in the current provinces of Bandundu, Kasaï Oriental and Kasaï Occidental, Equateur, Katanga, and Province Orientale are presented below.

192. The only future provinces that appear financially viable are Haut-Katanga and Kolwezi-Lualaba (a current district in Katanga slated for development as a province). These current and future provinces are in good financial health due to the rate of coverage of expenditures by revenues, which continues to lie above 100 percent.

193. The financial situation of the four future provinces of Katanga are uneven. Haut-Katanga and Kolwezi-Lualaba are in a relatively viable financial situation compared to Tanganyika and Haut-Lomami, whose financial sustainability appears to be low. These latter two future provinces may face financial problems if adequate measures are not taken to promote their financial recovery and thus ensure wider margins for maneuverability. The development of Tanganyika and Haut-Lomami as provinces should thus be undertaken with caution.

194. Two future provinces of Province Orientale (Tshopo and Ituri) are characterized by a relatively healthy financial position until 2011. By 2012, however, their financial situation deteriorates and their sustainability indicator falls below 100 percent.

195. The poor performance on the financial sustainability indicator that characterizes other future provinces can be attributed to the fact that their expenses exceed their resources. For example, in 2007, coverage of expenses by revenue was on average 55 percent for the three future provinces of Bandundu, 63 percent for the three future provinces of Kasaï Oriental, 50 percent for Tanganyika and Haut-Lomami in Katanga, 70 percent for the future provinces of Bas- and Haut-Uele, almost 100 percent for Tshopo and Ituri in Province Orientale, 43 percent for Kasaï Occidental, and 95 percent for the future provinces of Equateur. However, by 2012, the financial situation seems less stable, with the sustainability indicator further deteriorating to an average of 23 percent in Bandundu, 16 percent in Kasaï Oriental, 52 percent in Tanganyika and Haut-Lomami in Katanga, 83 percent for Province Orientale, 72 percent for Kasaï Occidental, and 47 percent for Equateur.

196. In addition to their weak financial sustainability indicators, most provinces are characterized by an imbalance in revenue structure due to the large proportion of national revenue relative to total revenue. The low proportion of provincial revenue for these provinces is a strong indicator of their

low level of financial autonomy since national income generally consists of Category A and B income, which, in turn, generally represent 90 percent of the total resources of the provinces.

197. Under the current conditions, the *decoupage* could lead to deadlock if a minimum of prerequisites is not met to enable the consolidation of growth as the best way to widen the tax base in order to increase the mobilization of resources at the provincial level.

198. This future success requires the implementation of a comprehensive program of territorial *decoupage* focused on the rehabilitation and construction of basic infrastructure as well as institutional development.

199. In terms of basic infrastructure, it is crucial to provide all future provinces with a minimum base of public buildings to ensure the smooth functioning of future public institutions and administrations in the provinces. A major effort must also be made to equip public services with the necessary hardware and office equipment. To create the core conditions required for economic growth in the future provinces, it is imperative to strengthen transport infrastructure including roads, navigable waterways, and railroads. It is also necessary to gradually develop the future provinces' supply of electricity and drinking water, which are currently lacking, in order to stimulate investment and improve the standard of living.

200. To strengthen institutions and diminish the potential weaknesses of provincial government, a capacity-building program for government agents and officials and other leaders of future provincial institutions is required. It is also necessary to strengthen the capacities of provincial tax administrations to collect the maximum amount of tax revenue. Efforts should focus on training agents and deploying tax authorities in entities they do not currently cover to ensure good geographic coverage and optimal use of existing personnel, improving means of transport and office equipment.

201. Administrative entities responsible for collecting provincial revenue are crucial to the mobilization of provincial revenue. This requires the establishment of small-scale but effective structures.

## 202. Recommendations

### a) General recommendations

- Conduct a study on the fiscal capacity of the future provinces to further identify their real potential for revenue mobilization;
- Develop macroeconomic frameworks by province with assistance from development partners (as needed) to allow for the improved assessment of provincial public finances and, in turn, to provide a more accurate indication of the overall financial sustainability of the provinces
- The Government of the DRC should seek partners for developing a study of the fiscal potential of each future province and the development of the macroeconomic framework of the provinces.

### b) Recommendations on government revenue

Improving the outlook for provincial revenue mobilization calls for the following measures:

- Revising the formula for distributing national revenues to the future provinces in terms of each future province's geographic area (in addition to population) as well as its capacity to mobilize revenue;
- Improving the operations of provincial tax authorities through consistent motivation of staff and improved working conditions;
- Finalizing the body of laws related to decentralization;
- Making available non falsifiable financial documents and forms to the *régies financières*;

- Rehabilitating and building basic infrastructure to promote economic activities at the provincial level;
- Developing campaigns to encourage compliance with tax laws at the provincial level;
- Conducting a study to gain a better understanding of the current and potential fiscal capacity of each province;
- Improving collaboration between basic services and the *régies financières* in each province;
- Encouraging the establishment of financial institutions in the provinces through tax incentives; and
- Organizing and strengthening the capacity of provincial tax authorities responsible for mobilizing provincial revenue for each province

*c) Recommendations on public spending*

Improving the quality of provincial public spending requires the following measures:

- Strengthening the capacity of the institutions responsible for the development, implementation, and monitoring of provincial budgets;
- Establishing and strictly enforcing the mechanisms of the supply chain in all future provinces;
- Defining a standard nomenclature for provincial public spending; and
- Emphasizing the importance of investment in the provinces.

*d) Recommendations on public finance management*

- Strengthening monitoring mechanisms to improve oversight by provincial deputies; and
- Strengthening administrative management mechanisms through the following measures:
  - (i) Creating provincial branches of the Court of Auditors and the office of Inspector General of Finances;
  - (ii) Enabling other public finance administration mechanisms including strengthening accountability in the provinces; and
  - (iii) Establishing and strengthening both positive and negative reinforcement.

## **Chapter 3: Administrative functionality and basic public services**

203. The Constitution of the Third Republic adopted on February 18, 2006 opted for decentralization and plans to create, in addition to the City of Kinshasa, 25 provinces with legal jurisdiction as well as DTEs (cities, municipalities, sectors, chieftainships). In order to bring government closer to the citizens and to actively engage local populations in the operations of public administration, the law plans to subdivide and restructure the national territory.

204. The country's newly configured political and administrative divisions will have a strong impact on existing human and technical capacities in the current provinces because the new provinces and the DTEs will have the administrative freedom and autonomy to manage their own economic, human, financial, and technical resources.

205. This chapter inventories the human and material resources available to the new provinces to be created and proposes capacity building strategies.

### **3.1. Analysis of the human resources situation in the provinces: Overall assessment (reports, problems identified, etc.)**

206. First, it should be stressed that there are as yet no functioning decentralized provincial or local government administration. More than 90 percent of government services in the current provinces are handled by the central government. The new provinces and the DTEs do not have their own staff or assets. They use central government staff, equipment, and property.

207. This situation is expected to change with the implementation of the set of interim regulations on the provincial management of public finance and human resources. These regulations make civil servants available to the provincial governments until final arrangements establishing provincial administrative structures and DTEs are implemented. However, these regulations will only operate at the provincial level and the situation of the DTEs will not be affected. This could pose additional problems, as was found in a study of the future province of Tanganyika, where the local bodies have relationships not with the administrative services in the provincial capital but directly with Lubumbashi. Thus the new provinces do not yet have actual hierarchical links with the DTEs. This will complicate administrative governance after the *decoupage* as all relationships of dependency and responsibility will have to be modified.

208. Second, the still unresolved issue of employee supervision will have more negative implications for the future provinces than it does today. In practice, there are two closely linked problems: (i) A lack of coherent data on public service in general (see Table 1) will pose serious problems, especially in forecasting the financial needs of the new provinces as the actual number of civil service employees cannot be verified and is constantly changing; and (ii) the issue of new recruits and vacant positions remains problematic. Clarifying the status of employees by resolving the problem of new recruits and by rationalizing employment structures to eliminate vacant positions is thus a prerequisite for advancing the *decoupage* agenda.

**Table 7: Example of inconsistencies in workforce data in the province of Equateur**

Services	Nord-Ubangi		Sud-Ubangi		Mongala	
	Prodiv.	Divap	Prodiv.	Divap	Prodiv.	Divap.
Culture and Arts	121	51	125	54	45	58
Public Service/Assets	19	79	12	5	8	6
Public Service/Liabilities	16	0	5	13	18	45
Budget	5	18	6	22	5	20
Human Rights	23	17	22	00	11	00
Small and Medium-sized Enterprises and Handicrafts	8	28	7	46	7	42
Housing and Urban Planning	56	41	44	47	27	41
Social Affairs	00	2	42	00	2	11
Hydrocarbons	25	60	61	17	9	10
Economy	9	30	8	30	16	32
Gender, Family, and Children	56	43	64	8	32	32

*Source:* Prodiv.= Provincial Division (in Mbandaka)

*Divap.= Integrated Public Administration Division (at district level)*

209. The number of non-recognized officials is proportionally much higher in the regional districts than in the provincial capitals at present. A premature *decoupage* thus risks creating new provincial administrative services with 80 percent of employees consisting of new and non-recognized recruits. This is a problem not only in the new provinces to be created within the territory of the current province of Equateur but also in future provinces such as Tanganyika, where half of civil service employees are non-recognized recruits. Similarly, in some parts of the province of Bandundu, the proportion of non-recognized recruits is 90 percent. In Province Orientale, 48 percent of current public administration employees are non-recognized recruits. The three tables below illustrate this situation.

**Table 8: New recruits in the Government workforce for the future provinces of Equateur**

Districts	Total employees	Registered	New non-recognized recruits	
			Number	percent
Nord-Ubangi	2,671	549	2,122	79.45
Sud-Ubangi	2,099	676	1,423	67.79
Mongala	2,115	490	1,625	76.83
<b>Totals</b>	<b>6,885</b>	<b>1,715</b>	<b>5,170</b>	<b>75.09</b>

*Source:* Integrated Public Administration Division for each District, 2008.

Note These figures do not include employees from the Departments of Health, Agriculture, or Primary, Secondary, and Vocational Education.

**Table 9: New recruits in the government workforce for the future provinces of Eastern Province**

Districts	Total employees	Registered	New non-recognized recruits	
			Number	percent
Bas-Uele	12,311	6,076	6,245	50.72
Haut-Uele	13,252	6,723	6,609	49.87
Ituri	18,824	10,191	8,633	45.86
Tshopo	13,931	7,237	6,694	48.05
<b>Totals</b>	<b>6,885</b>	<b>1,715</b>	<b>5,170</b>	<b>75.09</b>

*Source:* Integrated Public Administration Division for each District, 2008.

**Note:** These figures only include employees in sectors where the provinces have sole authority, including Public Health, Agriculture, Livestock and Fisheries, and Primary, Secondary, and Vocational Education.

**Table 10: Officials not included on payroll in some health districts in Equateur**

District	Total employees	On payroll	Not on payroll	
			Number	percent
Mbandaka	11,013	3,624	7,389	67.09
Sud-Ubangi	1,333	338	995	74.64
Mongala	1,744	207	1,537	88.13
<b>Totals</b>	<b>14,090</b>	<b>4,169</b>	<b>9,921</b>	<b>70.41</b>

*Source: Provincial Health Inspectorate from each district concerned, 2009.*

210. The problem with non-recognized recruits is more than a social problem. In the district of Tanganyika, several new recruits have more than ten years of service, but these officials are hard to locate, their careers are unmanageable, and their performance is uncertain. Additionally, the majority of current non recognized recruits is engaged in provincial and district tax collection services, and their remuneration is calculated based on receipts generated, which creates severe risks of corruption and harassment of entrepreneurs. This is happening in the province of Equateur in particular.

211. Moreover, while the number of new recruits is very high in some provinces, the number of vacant positions is simultaneously very high in other locations, especially in the capitals of the provinces to be created. Although in the capitals of the current provinces the number of vacant positions is only 10 percent, across the provinces of Katanga and Equateur, the number of vacancies is close to 50 percent. In other words, in the new provinces the number of vacant positions is close to 70 percent. Even in very large cities such as Likasi in the province of Katanga, the number of vacancies is 300 out of 830 planned positions, or 36 percent.

212. While the integration of non-recognized recruits into vacant positions offers one way to handle this issue, such a method would not prove easy as the profiles of the recruits do not necessarily correspond to administrative needs.

213. The third issue is that the age, gender, and education levels of civil servants do not match the profiles expected of public service officials.

214. For the government, aging civil service officials raise problems especially at the provincial level. In Bandundu, more than 25 percent are over the mandatory retirement age of 55. In Province Orientale, nearly 51 percent of current public administration employees have reached the age limit. In Katanga, most of the full time officials in the provincial divisions are well past retirement age. In Haut-Lomami, officials between 55 and 82 years old occupy most of the management positions, as shown in the table below.

**Table 11: Age range of staff from the Haut-Lomami district**

Age range	Number of officials per age range
20 - 29	6
30 - 39	84
40 - 49	140
50 - 59	110
60 - 69	135
70 - 79	46
80 - 89	2
<b>Total</b>	<b>523</b>

*Source:* Database provided by public administrative services in Kamina district.

215. Regarding gender, women are clearly under-represented. Women make up only 38 percent of employees in the administrative services of the province of Bandundu. In the district of Haut-Lomami, they represent less than 2 percent of the civil service workforce.

216. Education levels must also be raised. In Bandundu, more than half of all officials did not complete secondary education and barely 5 percent have university degrees. The result is that officials are not qualified. In addition, one official in five is under-qualified because he or she holds a position that does not correspond to his or her educational qualifications. In Province Orientale, nearly 42 percent of current government officials are either under-qualified or unqualified as they did not complete secondary education. This situation cannot improve because students are not held back to meet grade levels.

217. In terms of career management, officials are no longer regularly promoted. In Bandundu, over 40 percent have more than ten years of seniority at their rank. However, the vast majority of officials stay in positions with the same functions for a long time. Government officials are no longer evaluated or, if they are, evaluations are not rigorous. Codes of ethics and official procedures are used infrequently.

218. Managers (from office manager to director) represent 2 percent of government personnel in Bandundu. Junior officials are restricted to routine implementation tasks. Typically, promotion of an official is subject to position vacancies organically planned and included in the budget. However, the organization chart is not followed. There are often too many managers (director, division head, office manager) for the required staffing level. In the province of Equateur, there are on average nine managers per office, and three division heads per division. Overall, the number of office managers is greater than the number of offices.

219. Furthermore, public services have been politicized and undermined at both the central and provincial levels. In theory, the recruitment of government officials and civil service employees should be carried out centrally by the Ministry of Public Services based on proposals from the ministries concerned and following a well-defined organization chart. Unfortunately, this principle is no longer followed due to political interference.

### **3.2. Specific problems identified in the new provinces (including additional constraints)**

220. Government services suffer from a lack of material resources. Implementing new institutions requires offices for all new services and housing for all employees in the newly created positions. Currently, almost all government buildings (administrative buildings, public structures, school buildings, etc.) used by the provincial public services and the DTEs date back to the colonial period. Government-owned public land in Lubumbashi provides a typical example (see table below).

**Table 12: Government-owned buildings and houses in Lubumbashi**

<i>Number</i>	<i>Year Built</i>	<i>Services</i>
1	1912	<b>Governor's Residence</b>
2	1922	<b>Veterinary Clinic (Avenue Kabalo)</b>
3	1925	<b>Sendwe Hospital</b>
4	1926	<b>13 Buildings (Provincial Divisions, Avenue Chutes)</b>
5	1927	<b>3 Buildings: Central Post Office, PNC (National Civil Police), Information Division</b>
6	1928	<b>3 Buildings: Regideso (Water Distribution Company), Social Welfare Services, Bureau Atelier</b>
7	1942	<b>DGI (Income Tax Service)</b>
8	1947	<b>CSK (Land Registry)</b>
9	1948	<b>Geographic Institute, Cenafic (Agricultural Office)</b>
10	1950	<b>Lycée Kiwele (High School), Veterinary College, Chipre Boarding School</b>
11	1951	<b>TGI (District Courts), Labor Division, Social Training Center</b>
12	1952	<b>National Civil Police Office (Avenue Mobutu)</b>
13	1954	<b>Central Laboratory, OCPT (Congolese Post and Telecommunication Office), Iv Finances</b>
14	1958	<b>Provincial Health Inspectorate</b>
15	1959	<b>ANR (National Intelligence Agency) Provincial Office</b>

Source: Kyungu Shimbji, 2009.

221. Having fallen victim to deterioration over time, public buildings are in a severely dilapidated state due to lack of maintenance. The makeshift furniture that remains is insufficient and of very poor quality. Office equipment is insufficient, old, and obsolete. Office supplies (binders, folders, staplers, hole punchers, etc.) are rare. The vast majority of government services have no vehicles.

222. Katanga will be divided into four new provinces: Lualaba, Tanganyika, Haut-Lomami, and Haut-Katanga. Some of these provinces are handicapped by poor communication channels. For example, division heads in Kalemie have no information about the territories they are supposed to supervise, especially the territory of Manono.

223. The municipality of Lubumbashi has a total of 70 government-owned public buildings or houses, of which 62 were built before independence and eight after. These buildings house public services. Government-held property also includes all government houses rented to civil service employees, government officials, and private citizens, and all these houses were built before independence. Among them, 47 houses are rented out to private parties and 36 are occupied by civil service employees. The vast majority of these houses are in poor condition.

224. In Kolwezi, government property also includes administrative, public, and school buildings dating back to the colonial period. The municipality of Kamina still has 61 private government buildings in addition to 39 administrative buildings, five public structures, and five schools. The municipality of Kalemie has preserved 34 government-owned public buildings inherited from the colonial period and 69 government-owned private houses. The quality of these buildings leaves much

to be desired.

225. The current province of Equateur is to be subdivided into five new provinces: Equateur, Tshuapa, Mongala, Nord-Ubangi, and Sud-Ubangi. In Nord-Ubangi, the capital, Mobayi Mbongo, has no building infrastructure for provincial institutions. The city of Gbadolite does not have enough buildings for both city and provincial institutions. In these two urban areas in the province of Nord-Ubangi, the few existing government buildings have been scarred by the recent wars as well as looting. In Gemena in Sud-Ubangi, more than 15 government services have no offices, and the directors of these services work out of their homes where their employees come to receive work instructions. In Gemena, the DGRAD (Directorate General of Administrative Services) squats in the premises of a meeting hall and must leave when meetings are being held.

226. The current province of Bandundu will be split into three new provinces: Kwango, Kwilu, and Maï-Ndombe. In Kwilu, the city of Bandundu does not have the building infrastructure necessary for provincial government administrative services. Where buildings exist, furniture and office equipment are obsolete and in very poor condition. In the city of Kikwit, the building infrastructure is in a severely dilapidated state. Furniture and office equipment do not allow for proper working conditions. Additionally, there is a lack of vehicles for the administrative services. The city of Kikwit does not have electricity and often lacks potable water. In downtown Bulungu, there is a lack of building infrastructure, and what exists is in a highly dilapidated state. The building infrastructure and office equipment are obsolete and in very poor condition. The administrative services have no vehicles. Bulungu has no electricity and no serviceable roads. The urban area is eaten away by erosion. In Kwango, the municipality of Kenge has no building infrastructure for the provincial government. Building infrastructure and office equipment are defective. Administrative services have no vehicles. Kenge does not have electricity or potable water. There are no paved roads. In Maï-Ndombe, downtown Inongo has aging buildings constructed during the colonial period. Furniture and office equipment are obsolete. Government services have no vehicles. The municipality of Inongo no longer has electricity or potable water.

227. Province Orientale will be divided into four new provinces: Bas-Uele, Haut-Uele, Ituri, and Tshopo. Building infrastructures are numerically insufficient to hold the public services of the future provinces. Additionally, they are in a highly dilapidated state due to deterioration over time and the wars that broke out in Bunia, Buta, and Kisangani. Furniture and office equipment are aging and no longer provide proper working conditions. The majority of the deconcentrated services have no vehicles. Aside from Kisangani, the capital of the future province of Tshopo, the cities of Buta, Isiro, and Yangambi have no electricity or potable water. In addition, they are also isolated due to a lack of roads.

228. In Kasai-Oriental, a region also affected by the territorial *decoupage*, the situation in the seats of the future regional capitals (Mbuji-Mayi, Kabinda, and Lodja) does not give hope that the current condition of offices, furniture, and equipment might allow for even a minimum level of public service.

### **3.3. Detailed Analysis**

#### **The ability of the structures concerned to effectively function and provide public services**

229. Public administrations are painfully aware of the absence of financial resources and the lack of adequate equipment that will mean they are unable to provide the services expected by citizens.

230. In Bandundu, the government fulfills civil registry services but does not carry out a regular population census. In the health sector, administrative services carry out vaccinations, implement hygiene and sanitation measures for the area, and administer healthcare to the sick. However, they are unable to supply and distribute medication or provide laboratories for medical tests.

231. In the agriculture and fisheries sector, attention is directed toward animal production and health, plant, fisheries, and fish farm protection. However, there are no training seminars for inspectors. Agricultural, fish farming, or poultry farming centers do not exist in all areas. There are no properly equipped veterinary clinics, and points of sale for livestock pharmaceuticals and inputs are lacking.

232. In the education sector, Ministry inspectors handle school oversight and student evaluation. As regards pay, the SECOPE (Teacher Salary and Inspection Service) controls teacher salaries and manages schools and supporting staff. The education administrative services supervise the pedagogical management of schools and curriculum. The Ministry's planning service collects school statistics but school training programs and supply services have not been put in place.

233. The observations made in Bandundu are also valid for Province Orientale. There, the government provides various services in the areas of civil registry, primary healthcare, care for the sick and hospitalization, plant production and protection, school administration, primary and secondary school inspection, teacher salaries, and school management.

234. However, it has not been possible to carry out a population census. Reproductive health services, care for people living with HIV/AIDS, and vaccination for children under one year of age has not been organized. The Center for Drug Distribution and Supply as well as the Public Health Laboratory are not operational. Teacher training and school supply services are not being provided. In the agricultural sector, supervisory officials have not been provided with the necessary training seminars in all regions. The provincial government has not created agricultural centers or veterinary clinics in all areas, nor has it opened points of sale for pharmaceutical products and livestock inputs. For example, no fry-rearing ponds have been built.

235. Because the Government does not provide citizens with the services they expect, it has a very low approval rating, as noted in the evaluation carried out in the province of Bandundu (see table below). These figures show greater expectations from citizens in the cities of Kikwit and Bandundu, the old and new provincial capitals, than in the cities of Kenge.

**Table 13: Evaluation of the quality of services provided (Bandundu)**

Territory	Assessment Value <sup>5</sup>
Bandundu (city)	1.9/5
Bulungu (district and territory)	1.2/5
Kikwit (city)	1.9/5
Kenge (district and territory)	2.1/5
Inongo (district and territory)	2.0/5
Total	1.8/5

Source: Jean Luzayamo Lema, April 2009.

236. In Katanga, public services have not been organized in many districts and territories. There is a high rate of attrition in public services that do not generate revenue. The district of Lualaba has no local court or court of first instance. Currently, it is entirely managed by common law courts. The territory of Kaniama has no services covering government pensions, finance, or budget oversight, nor does it offer a court of first instance or a public prosecutor's office. It does not administer primary, secondary and vocational education, culture and arts, veteran services, human rights, labor, social welfare, postal services, burials, or family services.

237. Similarly, the territory of Malemba Nkulu has no services covering pensions, finance, budget oversight, court of first instance, public prosecutor's office, primary, secondary, and vocational

<sup>5</sup> Based on 16 service quality factors ranked from 1 (very weak) to 5 (very strong) by 80 respondents who were civil service employees themselves in each territory.

education, rural development, land title registry, mines, social welfare inspection, culture and arts, veteran services, human rights, sports and leisure, labor, social welfare, energy, postal services, burials, or family services.

238. The territory of Kabongo has no public services for pensions, finance, budget oversight, a court of first instance, a public prosecutor's office, primary, secondary, and vocational education, rural development, land title registry, mines, social welfare inspection, culture and arts, veteran services, human rights, sports and leisure, labor, social welfare, postal services, burials, or family services.

239. The territory of Kamina is in a similar situation, with 21 services currently not being provided. Even the territory of Bukama, which is the most advanced, still has 13 services unprovided for.

240. In the municipalities of Mbandaka and Gbadolite in Equateur, some services have no staff due to a lack of qualified officials. This is the case for land title registry, hydrocarbons, urban planning, and environmental services.

241. The province of Equateur poses particular problems especially for the organization of services in key areas such as health, primary, secondary, and vocational education, and agriculture. As an illustration, the standards set by the Ministry of Health recommend that in every medical structure, healthcare professionals should represent 70 percent of the overall staff. However, this ratio is not adhered to in any of the districts studied.

**Table 14: Distribution of healthcare professionals in the province of Equateur**

Health district	Technical staff	Administrative Staff
Mbandaka-Equateur	59.21	40.79
Sud-Ubangi	57.76	42.24
Mongala	58.65	41.35
Nord-Ubangi	65.30	34.70
<b>Totals</b>	<b>59.88</b>	<b>40.12</b>

Source: Pierre Kita Masandi, March 2009.

242. Although nursing staffing levels are sufficient everywhere, nursing personnel are unequally distributed, with Mbandaka having over 72 percent of the total.

243. Ministerial decrees require a minimum of three doctors per reference hospital (HGR). The data collected show an abundance of hospitals in Mbandaka (Equateur), staffed by 252 doctors, while all the other health districts lack doctors (21 to 36 doctors each). Yet the medical structures in Mbandaka in no way justify the favorable treatment from which this health district benefits. In fact, whereas the districts visited include 56 health districts, Mbandaka only has 18, or just 32.14 percent. Yet this health district has 71.08 percent of the technical staff and 73.83 percent of the support staff. The influence of the municipality of Mbandaka, the capital of the current province of Equateur, is undoubtedly the most influential factor behind these inequalities.

244. As in Bandundu, an evaluation of the quality of services was undertaken in Equateur. The average performance rating did not exceed 2.3/5 overall. This rating reflects the deplorable state of public services in this province.

**Table 15: Evaluation of the quality of services provided (Equateur)**

No.	Item	Rating				
		1	2	3	4	5
1	Provides users of physical facilities with access to public services (for example, transportation)	X				
2	Presents no psychological barriers to accessing public services (intimidation, humiliation, requests for bribes, etc.)	X				
3	Quality of welcome to users		X			
4	Transparency in processing user records	X				
5	Objectivity in processing user records	X				
6	Equality in processing user records	X				
7	Rigor in processing user records		X			
8	Delivers services with diligence and timeliness	X				
9	Clearly and accurately communicates information to users	X				
10	Orients users in ways relevant to their administrative needs	X				
11	Communicates standards and procedures related to the services requested by users			X		
12	Respects these standards and procedures		X			
13	Informs users of their obligations				X	
14	Informs users of their rights			X		
15	Respects users' rights	X				
16	Does not require anything from users beyond their legal obligations	X				
17	Has witnessed users showing satisfaction			X		
18	Has witnessed users showing dissatisfaction			X		
19	Encourages displays of dissatisfaction			X		

**Source:** Pierre Kita Masandi, March 2009.

245. In Province Orientale, the government is aware that it does not meet citizen expectations nor satisfy their needs.

246. In Kasai Oriental, justice is administered in problematic ways in the districts of Kabinda, Sankuru, and Mbuji-Mayi. Only six judges officiate in the Court of Appeals of Mbuji-Mayi, three in the Court of First Instance of Kabinda, one in the Court of First Instance of Lusambo, and one each in the District Courts of Lodja, Mwene-Ditu, and Mbuji-Mayi. The quality of justice is deplorable. Judges and magistrates work under very difficult conditions due to low salaries, poor equipment, lack of documentation, and pitiful archiving conditions. Cases are often processed quickly and with complete disregard for due procedures. The majority of magistrates are too old or unmotivated and lack proper resources to work and to travel to research cases of alleged law-breaking.

**The state of available human resources in the existing de-concentrated and decentralized government units (in terms of responsibilities, qualifications, and legitimacy) as well as staffing needs and capacity building for these units**

247. Currently, neither the provincial government nor the DTEs offer public administrative services equipped with autonomous, competent staff able to effectively deliver their assignments. For the most part, the human resources used by these local government bodies come from various de-concentrated services located either in the provincial capital, the district capital, or within the territory.

248. There is an imbalance in the deployment of human resources. The provincial capital and large urban areas are privileged locations. In Equateur, especially in the health sector, there is an unequal distribution of staff among the various health districts: as already described above, Mbandaka has 71.08 percent of the technical staff and 73.83 percent of the support staff while the other health districts share the remainder.

249. Quantitatively, there is a clear lack of human resources. In the current province of Equateur, the average ratio is one civil service employee for every 645 inhabitants. In Bandundu, the ratio of officials to citizens is 3.67 per thousand for the district of Kwango, 9.57 per thousand for the district of Kwilu, and 3.55 per thousand for the district of Maï-Ndombe.

250. In Province Orientale, the situation is even more acute. If we only take into account the staff in the key sectors that are solely under provincial authority (public health, agriculture, livestock and fisheries, and primary, secondary, and vocational education), the ratio of public employees to citizens is 3 per million in Ituri, 7 per million in Haut-Uele and Tshopo, and 10 per million in Bas-Uele.

251. In Katanga vacant positions and a lack of staff co-occur. The number of employees in place does not meet the requirements for professional staff to deliver the necessary public services. In the province of Equateur, current employees represent barely 50 percent of the staff needs planned by the relevant ministries. In the ministries themselves, there is a significant lack of human resources to carry out the work set out in the Priority Action Plan. Some future provinces such as Sud-Ubangi and Mongala are especially disadvantaged.

252. Ministerial decrees on staff distribution ratios have not been complied with. For example, each medical structure should have 70 percent technical staff and 30 percent administrative staff. Yet in the health districts of Equateur, healthcare professionals represent only 60 percent of personnel versus 40 percent for administrative staff.

253. Qualitatively, the civil service employees surveyed were self-critical and acknowledged the problems the public has with their performance: absenteeism, late opening and early closing, lack of professionalism and professional ethics, corruptibility, incompetence or lack of knowledge, and the tendency to privilege personal interests and cases involving friends, family, and acquaintances.

254. The future provinces and DTEs must be adequately equipped with human, material, and technical resources to be able to implement their mandated duties under the decentralization framework specified in the Constitution.

#### **Minimum staff forecasts for the new provinces**

255. The number of civil service employees depends on several factors: population size, geographic area, and the province's specific needs. Determining minimum staffing numbers for the new provinces requires each future province and DTE to develop an organization chart covering all of the provincial and local services needed to meet its needs. This organization chart must take into account the primary responsibilities of each body so that the tasks for which they have sole authority are carried out.

#### **Number of de facto administrations and their operating modes**

256. With decentralization, there will be at least two sources of legitimacy for those working for the new institutions: those elected, in particular at the level of the provinces and the decentralized territorial entities (Vice-Governor, mayors and their assistants, Mayors and their assistants, heads of sectors and their assistants) and those appointed, either by the central government (territorial administrators and their deputies), by the provincial government (district heads and their deputies), or by customs recognized by government authorities (tribal leaders). These two simultaneous sources of legitimacy may raise tensions among government employees.

257. Additionally, officers and civil servants working in sectors where the provinces have sole authority (agriculture, public health, and education) are administratively dependent upon the provincial government. However, from the perspective of standards and regulations, they fall under the central government. This situation poses a problem for staff management and is often the source

of conflict.

#### **Existing capacity for managing the civil service career and salary structure**

258. Career management for government officials covers several parameters. These include:

- Human resources planning;
- An effective recruitment and selection strategy;
- Coherent vocational training and continuing education policies;
- A monitoring and evaluation system for ranking and promotion;
- The fair application of disciplinary measures;
- The coherent management of officials' administrative tasks and documents; and
- A rewarding retirement system.

259. Managing the civil service career structure must be entrusted to specialized human resources managers and not left in the hands of ordinary civil servants.

260. The government in place in Bandundu estimates that it only has an average of 45 percent of the capacity it needs to fulfill its duties. In Province Orientale, the capacity of public administrative structures is estimated at 52 percent.

261. To date, provincial governments do not control the civil service salary structure operating in the provinces as the central government works directly with the provincial directors of the de-concentrated services. The new provinces and DTEs must find the quantity and quality of human, material, and technical resources to provide salaries for their officials.

#### **3.4. Investment management capacity in the new provinces**

262. Article 204 of the Constitution specifies the areas where the provincial governments and DTEs have sole authority. Thus the provincial authorities integrated components of their Priority Action Plans into their 2009 investment budget. In the current province of Equateur, for example, the following points were listed:

**Table 16: Investment budget in the province of Equateur (2009)**

Infrastructure, improvements, and public works	27.95 percent
Public health	16.97 percent
Teaching, education, and training	18.79 percent
Agriculture	25.61 percent
Mines	1.10 percent
Improvements to urban roads in the future provincial capitals	2.05 percent
Renovation of administrative assembly buildings in the four future provinces	5.00 percent

263. The provincial government in Bandundu listed the following actions in its 2009 annual program:

**Table 17: Investment budget in the province of Bandundu (2009)**

<b>1. Infrastructure</b>	<b>43.2 percent</b>
Roads : renovation	7.6 percent
: construction	0.3 percent
Bridges : renovation	2.1 percent
: construction	10.8 percent
Ferries	1 percent
Public buildings: renovation	3.4 percent
: construction	16.8 percent
<b>2. Social sectors</b>	<b>24 percent</b>
Education : construction	10.1 percent
: school equipment	1.3 percent
Justice	2.4 percent
Health	2.3 percent
<b>3. Energy</b>	<b>11.9 percent</b>
Water	6 percent
Electricity	6 percent

264. However, the capacities of the provincial and local governments to manage the authority granted to them are very limited overall, especially with respect to highly technical skills.

### **3.5. Proposed capacity building strategy**

265. The public administration services must build their capacities to become more effective. A true rationalization of administrative services is required. This must start with a census of civil servants and an understanding of the workforce. The provincial government must have through its divisions the necessary mechanisms to build this understanding.

266. Human resource needs for all the future provinces and DTEs must be identified based on an organic framework, a detailed organization chart that includes job descriptions and clearly specified duties. The profiles of the officials called to occupy each function must be outlined.

267. First, officials who have exceeded the age limit must be gradually retired through a system of compensation and/or pension and replaced with new recruits.

268. Second, a continuing education and training program for government officials must be established in the various areas related to their authority. Human resource managers must have the necessary tools for their work including information on staff employment conditions and government regulations.

269. Third, government services must be equipped with appropriate office furniture, materials, and equipment to improve working conditions and help them provide quality services.

### **3.6. Conclusions**

270. The most visible impact of the *decoupage* on governance is the increase in government services and the resulting increase in staff and support structures. The success of decentralization will depend upon the human, material, and technical resources and the basic infrastructures made available to the future provincial governments and DTEs. The *decoupage* may bring significant positive changes in making basic public services available to citizens provided the process is well planned and implemented. The reform should bring hope to all citizens that they will benefit from local administrative services through better access to modern infrastructures such as courts, schools, healthcare centers, hospitals, sports installations, cultural infrastructures, telecommunication facilities,

and transportation and information resources. An analysis of the situation in four current provinces clearly shows the lack of government structures on the ground, a situation that can only be resolved by local government. The creation of new provinces should aim to contribute to better coverage of the country in terms of basic services.

271. However, an analysis of the situation in five of the six provinces that will be subdivided raises questions about the viability of this process, at least within the current context. In particular, the lack of staff supervision has created unacceptable risks for the decentralization process, the most serious of which can be found within the new provinces to be created. Considerable work remains to be done especially in the most heavily impacted future provinces, which are three of the provinces to be created in Equateur and the province of Tanganyika. Additionally, the retirement of staff who have exceeded the mandatory retirement age must also be tackled.

272. Yet the *decoupage* process does offer an opportunity. If the political will exists to deal with the staff management problems, this could free up a substantial number of employees to serve in the new provinces. This process must be carried out based on detailed analyses of human resource needs in order to guarantee the proper performance of all the functions allocated to the provinces. In principle, the *decoupage* could also contribute to solving problems that will remain unresolved if left to the sole intervention of the central government.

273. This detailed process of needs evaluation could be managed by the current provinces together with the Ministries of the Civil Service and the Budget.

274. Moreover, where necessary, it will be important to build or renovate infrastructures for the various provincial government services and allocate modern materials, equipment, and transportation resources to them. A cost estimate for such an operation must be conducted to obtain external support since, according to the analyses carried out to identify current needs, the government budget will not cover the expense of building renovation and construction or the purchase of necessary equipment.

275. All future provinces and DTEs must be autonomous and must have their own human resources. Without staff support or renovated infrastructures, decentralization and the territorial *decoupage* will not achieve the planned objectives given that government remains every country's managerial backbone.

### **3.7. Recommendations**

#### *a) Human resources:*

- Accelerate the development of the framework law establishing the organization and operation of public services, the law on the status of public service officials, and the law on staff status in provincial governments and DTEs;
- Accelerate the approval of the law on the DTEs, currently before Parliament;
- Enforce existing organization charts and continue to monitor and carry out a census of government staff to better understand the workforce; Comply with legal criteria for hiring and promotion;
- Restore coherence to public administration by taking the following measures:
  - (i) Regularizing the administrative status of new recruits in public services by granting them an appropriate status;
  - (ii) Activating new recruits while taking into account legal criteria, especially age;
  - (iii) Scheduling retirement for eligible officials and establish a changeover policy;
- Implement a recruiting policy that accounts for the gender dimension to improve the representation of women;
- Organize training seminars within government to build the capacity of government officials and public servants, for which purpose a National School of Public Administration should be created

- in the DRC;
- Ensure compliance with the status of government officials and civil servants; and
- Take measures designed to depoliticize the civil service.

*b) Material resources:*

- Ensure that the public infrastructures in the future provinces are built or renovated;
- Open up communication channels; and
- Finance electricity and potable water production and distribution projects in the future provinces.

*c) Administrative capacities and services provided to the public:*

- Establish the future provincial governments and the DTEs and recruit staff by taking current needs and the organization chart into account;
- Ensure the deployment of human resources within the provinces and the DTEs;
- Implement the services that are missing in the provinces and allocate adequate resources to these services to ensure the proper delivery of public services to citizens; and
- Revisit ethical and professional codes and integrate both positive and negative reinforcement into government operations.

## **Conclusions**

276. The analyses made in the six provinces to be divided show that there are significant risks in a process for which planning has not really begun. These risks fall into two categories. The first obstacle involves unresolved problems within the legal and political frameworks for managing the decentralization process. It does not seem possible to move forward to a complex second phase in this process without a final resolution of major issues (such as how the reassignment will be distributed, the reallocation of human resources, etc.). Secondly, there are risks linked to the fact that a *decoupage* policy has not been prepared, a problem that was clearly documented in the chapters above. Solid work in preparation for the reform should be started now to prevent the policy of gradual decentralization from failing.

### **Problems in the national political context**

277. Instability in the institutional and fiscal arrangements between levels of government in general is the first important issue to consider. As regards the management of these relationships, the lack of institutionalized dialogue between the central government and the provinces creates serious problems. Even though the legal framework for setting up a Governors' Conference was promulgated in October 2008, the Conference never met and there was therefore no discussion on how to implement the legal framework for decentralization (including laws regulating the self-government of the provinces and the DTEs). In addition, other laws that are crucial for stabilizing institutional and fiscal relationships are still being drafted. These are the Finance Bill, the legal framework for the organization of the civil service, and a series of secondary instruments including the demarcation between DTEs within the provinces.

278. An impasse also remains in the implementation of the legal and institutional framework despite the adoption of a legal package on decentralization. In fact, the 2009 budget was a serious step backward in the fiscal decentralization process. This shows in the lack of compliance with the "Solidarity" formula used to calculate the distribution of the 40 percent share of funds to be redistributed, as agreed during the National Forum. It is also evident in the inclusion in the budget for provincial investment of amounts managed by the central government for its own account, demonstrating the government's increased reluctance to make progress on the agenda of reform provided for in its programs. In practice, the 2009 budget seems to show a return to the old practice of distributing resources on the basis of political priorities and not of the real needs of the provinces. In such circumstances, it is difficult to imagine that there will be progress either on the *decoupage* itself or in the process of real consolidation of the DTEs within the provinces.

279. Therefore, as a first precondition for pushing the *decoupage* forward, it is necessary to consider returning to the agreements made at the Forum on the distribution of the reassigned amounts (as these appear in the draft Organic Law) and to find an acceptable way of co-managing the investments in the provinces provided for in the 2009 budget.

280. Second, it is hard to imagine that the *decoupage* can take place when there is a legal vacuum on important aspects of the management of public finances and human resources. These instruments will come into effect in 2010 at the earliest and at least a year must be allowed for to make sure that they work effectively. Within this context, the *decoupage* should be delayed at least until the end of 2010.

281. Finally, there remains the problem of the political timetable. With presidential elections planned for 2011, harmonizing the political timetable seems rational. From a logistical and operational point of view, the logical choice is to hold the elections for the new provinces and the DTEs at the same time even though the deadlines set in the Constitution would have been missed.

## **Lack of preparation and institutional weaknesses**

282. On the issue of the preparedness of the *decoupage* process, the foregoing chapters have raised significant doubts that must be taken into account when preparing the reform and developing the implementation timetable.

283. The first important risk is a potential increase in economic imbalance between the provinces. The "Solidarity" formula worked out on the basis of discussions in the 2007 National Forum largely guarantees the viability of the current 11 provinces even when taking account of the payroll in the Education, Health, and Agriculture sectors. The analytical memorandum of September 2008, which updated the fiscal scenarios for the distribution of the reassigned amounts, confirmed that the use of this formula would in the long term enable the transfer of human resources in the three sectors to the provincial level as soon as the arrangements for managing public finances have been established at that level.

284. However, the scenarios in the studies of the fiscal impact of the *decoupage* show that the viability of all the new provinces is not guaranteed and that the application of the formula could create losers as well as winners among the provinces. As most of the new provinces will have a fairly weak tax base (even though the provinces in which the new capital city is to be located are bound to be much wealthier than they are now), their dependence on the reassigned amount will become even greater than at present. For example, of the three provinces that will be created out of the current province of Bandundu, the province of Mai-Ndombe will find itself in a much more favorable position than at present and could have a considerable surplus if the "Solidarity" formula is applied. By contrast, the two other provinces to be created (Kwango and Kwilu) will have large deficits even if the "Solidarity" scenario is played out. In the case of Province Orientale, an even more extreme situation could arise. The future province of Ituri will be in a relatively comfortable fiscal position, but the three other provinces to be created will not be fiscally viable. A similar situation will occur in Katanga, with two viable provinces and two provinces with potential deficits.

285. The studies of the various provinces are somewhat pessimistic regarding the potential for increasing the tax base of the new provinces through the addition of its own revenue. Except for some isolated cases, the economic (and productive) base of the new provinces is weak and the capacity for collecting revenue almost nonexistent. It will take many years before an effective local revenue collection system can be established, and this will also require a considerable investment in infrastructure. Since most of the central government agencies for collecting revenue are not represented in most of these new provinces, using their services will not work everywhere and most of the new provinces will depend for 90 percent of their operating budget on the revenue provided from the reassigned amount.

286. Clearly, the *decoupage* will require the revision of a formula that has already been called into question by the 2009 Budget. If the demographic weight element is not enough to ensure that all the provinces receive minimum revenue to pay salaries as well as minimum funds for operations and investment, perhaps other elements could be introduced. For example using land area or even establishing a minimum entitlement as proposed in the analytical work on fiscal decentralization in 2007-2008 are both possible ways to establish revenue distribution. As data from the provinces are available, examining new scenarios could be easily done but only if based on a decision by the Governors' Conference.

287. The second risk arises from the failure of the management system for human resources to function at the provincial level. The conclusions of the studies on the current provinces of Bandundu, Equateur, Province Orientale, and Katanga reveal a largely chaotic situation in this area as there is no consistency in the available data at the various levels of government.

288. For example, in the province of Equateur, there is a considerable difference between data at the provincial level and at the district level. Furthermore, the problem of the new recruits is relatively

greater at the sub-provincial level. In some districts, the new recruits make up 70 percent to 90 percent of all civil servants. Finally, there is a large number of vacancies at district level, a different situation from that in the provinces themselves, where most jobs are filled. The situation in Province Orientale is much the same, as it is in the future province of Tanganyika.

289. If the *decoupage* is implemented before these problems are effectively resolved, the new provinces will be created with inadequate staffing both in terms of quantity and quality and they will be immediately exposed to the enormous social problem of the new recruits.

290. This is confirmed by observing the current state of public services on the ground in the three provinces. There is a distinct lack of key public services in most of the future provinces, which in turn leads to a very low level of satisfaction with public services among the citizens of the provinces of Equateur and Bandundu.

291. An increase in personnel is necessary to guarantee a minimum level of public service in each province. Even though integrating the new recruits into administrative services may seem a possible solution to the problem, the observation made about the new recruits in the study on Equateur Province should be taken into account. Most of the new recruits work in services generating revenue and are not necessarily motivated to work in the traditional format, which provides public services.

292. If the problem of the age profile of provincial civil servants, most of whom are of retiring age, is added in, the situation becomes extremely complex and serious and could further exacerbate difficulties with the *decoupage* process.

293. Finally, even if a solution is found to the issue of human resources, there still needs to be enough quality infrastructure to house all the various administrations. At the moment, the inventory of available infrastructure in the new provinces reveals an almost total lack of administrative buildings, which will therefore require considerable investment. In the current fiscal context, it is not at all clear that the resources can be mobilized, which will make the creation of the new provinces even more difficult.

294. There is no obvious solution to this complex problem linked to the administrative/human resources dimension of the *decoupage*. Nevertheless, it is clear that without a coherent strategy for developing capacity at the current district level, a successful implementation of the *decoupage* is impossible. Apart from completing the census, which has been in abeyance for three years, it is important that the government act rapidly in three areas:

- Conducting an inventory of vacancies at every administrative level and examining the possibility of using some of these posts to assign an adequate number of personnel at district level;
- Considering the possibility of appointing new recruits to these new posts since most of these people have some experience in public service; and
- Carrying out an analysis of the training these officials need in order to achieve the required capacity.

295. As for the institutional base, the operational experience of the provincial institutions that have been up and running for more than two years is a good basis for establishing the governments and provincial assemblies in the new provinces. It is important that this experience be assessed properly before establishing the new institutions in the districts. This particularly involves the transfer of knowledge on managing budget procedures (including parliamentary monitoring), which could be carried out among the provinces given the fact that the current provincial assemblies are in fact composed of representatives from the provinces that are to be created. Establishing the executive structures could create greater problems, even though there is also some experience of managing governmental affairs that can be transferred. Finally, as regards the legal and customary bodies, the greatest challenge is the lack of legal institutions on the ground. The various provincial studies

indicate that in several districts only customary justice operates. This is the case especially for the future provinces in the north of the current province of Katanga as well as for part of the future provinces to be created in the current Province Orientale. A strategy for extending the official legal system into all the new provinces will therefore have to be developed quickly and include a cost estimate.

296. Finally, the results of the study of the impact on the population make two important points. First, there is risk of social and tribal conflict should the current district boundaries be used as a basis for the demarcation of the new provinces. The most explicit case is the province of Lualaba, which is composed of two districts where the planned demarcation would bring together two tribal groups who do not wish to share the same province. Even though this case is the most explicit example in the four provinces in the study, it is obvious that an appropriate demarcation from a political and social perspective has to be found. The second important point, arising from the participative analysis, is the population's very poor knowledge of the actual decentralization and *decoupage* process. Responses, such as "if I had known my vote in favor of the Constitution was going to separate me from my brothers in the province, I would have voted against it," show how much educational work remains to be done. An objective popularization campaign on the Constitutional laws and principles is imperative before the *decoupage* really begins to avoid negative reactions at the grass roots level. Apart from these concerns expressed by some stakeholders, there are also positive opinions on how *decoupage* could bring the government and the people closer together, and the goal of the popularization campaign should be to make effective use of these feelings to generate popular support for decentralization.

## **Alternatives**

From the conclusions of the various thematic aspects of the study on the impact of the *decoupage* process, three alternatives for implementing this process emerge, with specific implications. These are: (i) respecting the Constitutional timetable, (ii) delaying the *decoupage*, and (iii) implementing the *decoupage* gradually.

### **1. Respecting the Constitutional timetable**

297. There are significant advantages in the medium term particularly from the point of view of the political system and effective public services in a change from 11 to 26 provinces. However, a number of important measures must urgently be taken.

298. An effective *decoupage* requires reviewing the formula for distributing the reassigned funds as well as drafting a more complex formula for this redistribution, a considerable investment in creating an institutional basis for the generation of the new provinces' own revenues, a solution to the very complex problems concerning the organization and deployment of the civil service, and a considerable investment in the hard infrastructure of buildings and the soft infrastructure of institutions and services. As regards the latter, there is a deplorable absence of an official legal system in the future provinces. It is proposed that based on the analysis and conclusions of this study, a precise road map be drafted along with a detailed estimate of costs and benefits. This could serve as the technical foundation for a political discussion, which should be held urgently.

### **2. Delaying the *decoupage***

299. While logic argues for delaying the process, legislative measures must be taken into account to ensure the legitimacy of the process, including:

- A proposal to revise Paragraph 1 of Article 226 of the Constitution (planning for a 36-month time limit). This proposal should be submitted to Parliament convened as a Congress, which would have to approve it with a three-fifths majority (Article 218, last paragraph);
- The drafting and adoption of a programmatic law for decentralization, which would indicate

the essential stages to be achieved and establish a realistic timetable for a coherent implementation of the process. The *Decoupage* would be one of these important stages.

These actions would have the advantage not only of avoiding the predictable impasse created by a cut-off date of May 2010 but also of providing both vision and visibility to the whole process of decentralization.

### **3. Implementing a gradual process of the *decoupage***

300. This scenario enables the *decoupage* to be started with one or two provinces where the political, administrative, and financial situation creates the fewest problems. It would then be necessary to carefully select the first provinces to subdivide, and that experience could be used to draw useful lessons for continuing the process with other provinces.

301. From this perspective, Province Orientale could be one of the pilot provinces for the *decoupage* because it contains two financially viable future provinces with few potential ethnic conflicts between people belonging to one or another of the future provinces.

302. Katanga also has two financially viable future provinces. However, the *decoupage* of this province requires the prior resolution of severe conflicts over which of the numerous ethnic groups should belong in which of the future provinces, if any.

## Annexes

### Annex 1: Details of the Revenue and Expenditure Calculations

#### 1.1. Own Revenue Projections

Future Bandundu's Provinces

	2007	2008	2009	2010	2011	2012
KWILU	63 669 434	77 749 787	104 401 278	143 490 131	186 451 586	241 663 657
KWANGO	34 837 992	42 542 337	57 125 228	78 513 468	102 020 679	132 231 057
MAI-NDOMBE	21 623 581	26 405 588	35 457 038	48 732 497	63 323 180	82 074 449
<b>TOTAL</b>	<b>120 131 008</b>	<b>146 697 712</b>	<b>196 983 543</b>	<b>270 736 095</b>	<b>351 795 446</b>	<b>455 969 164</b>

Future Kasai-Oriental's Provinces

	2007	2008	2009	2010	2011	2012
<b>KASAI-ORIENTAL</b>	<b>677 647 962</b>	<b>697 299 753</b>	<b>717 521 445</b>	<b>903 006 207,9</b>	<b>1 156 820 597</b>	<b>1 299 887 065</b>
<b>SANKURU</b>	<b>311 857 604</b>	<b>697 299 753</b>	<b>1 559 131 281</b>	<b>1 962 178 599</b>	<b>2 513 702 119</b>	<b>2 824 577 017</b>
<b>LOMAMI</b>	<b>311 857 604</b>	<b>697 299 753</b>	<b>1 559 131 281</b>	<b>1 962 178 599</b>	<b>2 513 702 119</b>	<b>2 824 577 017</b>
<b>TOTAL</b>	<b>1 301 363 170</b>	<b>2 091 899 259</b>	<b>3 835 784 008</b>	<b>4 827 363 407</b>	<b>6 184 224 834</b>	<b>6 949 041 098</b>

Future Katanga's Provinces

	2007	2008	2009	2010	2011	2012
<b>Haut-Katanga</b>	<b>7 993 540 773</b>	<b>6 196 543 235</b>	<b>6 034 377 836</b>	<b>7 594 310 495</b>	<b>9 728 897 455</b>	<b>10 932 090 935</b>
<b>HAUT-LOMAMI</b>	<b>4 731 941 575</b>	<b>3 668 171 764</b>	<b>3 572 174 606</b>	<b>4 495 608 966</b>	<b>5 759 221 809</b>	<b>6 471 477 043</b>
<b>LUALABA + KOLWEZI</b>	<b>3 058 340 887</b>	<b>2 370 806 889</b>	<b>2 308 762 160</b>	<b>2 905 594 774</b>	<b>3 722 291 000</b>	<b>4 182 634 660</b>
<b>TANGANIKA</b>	<b>4 673 097 888</b>	<b>3 622 556 503</b>	<b>3 527 753 110</b>	<b>4 439 704 174</b>	<b>5 87 603 459</b>	<b>6 391 001 499</b>
<b>TOTAL</b>	<b>20 456 921 124</b>	<b>15 858 078 391</b>	<b>21 293 995 818</b>	<b>29 266 674 703</b>	<b>38 029 221 239</b>	<b>49 290 439 709</b>

Future Province Orientale's Provinces

	2007	2008	2009	2010	2011	2012
<b>TSHOPO</b>	<b>1 117 198 023</b>	<b>1 698 140 995</b>	<b>2 280 238 901</b>	<b>3 133 982 495</b>	<b>4 072 308 005</b>	<b>5 278 200 438</b>
<b>ITURI</b>	<b>2 150 211 185</b>	<b>3 268 321 001</b>	<b>4 388 653 657</b>	<b>6 031 808 218</b>	<b>7 837 753 059</b>	<b>10 158 669 624</b>
<b>HAUT UELE</b>	<b>734 260 285</b>	<b>1 116 075 633</b>	<b>1 498 650 044</b>	<b>2 059 759 178</b>	<b>2 676 458 404</b>	<b>3 469 011 652</b>
<b>BAS UELE</b>	<b>382 211 415</b>	<b>580 961 350</b>	<b>780 106 407</b>	<b>1 072 185 824</b>	<b>1 393 202 075</b>	<b>1 805 757 274</b>
<b>TOTAL</b>	<b>4 383 880 907</b>	<b>6 663 498 979</b>	<b>8 947 649 009</b>	<b>12 297 735 715</b>	<b>15 979 721 543</b>	<b>20 711 638 988</b>

Future Kasai Occidental's Provinces

	2007	2008	2009	2010	2011	2012
<b>KASAÏ-CENTRAL</b>	<b>874 206 491</b>	<b>929 929 932</b>	<b>989 205 283</b>	<b>1 359 573 351</b>	<b>1 766 634 449</b>	<b>2 289 770 497</b>
<b>KASAÏ</b>	<b>842 002 310</b>	<b>895 673 001</b>	<b>952 764 755</b>	<b>1 309 489 135</b>	<b>1 701 554 841</b>	<b>2 205 419 506</b>
<b>TOTAL</b>	<b>1 716 208 800</b>	<b>1 825 602 933</b>	<b>1 941 970 038</b>	<b>2 669 062 485</b>	<b>3 468 189 290</b>	<b>4 495 190 003</b>

**Futures Equateur's Provinces**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>NORD-UBANGI</b>	584 278 696	890 911 283	1 196 302 646	1 644 209 978	2 136 492 295	2 769 150 701
<b>SUD-UBANGI</b>	1 171 937 224	1 786 976 154	2 399 525 454	3 297 931 093	428 5343 396	5 554 319 899
<b>MONGALA</b>	881 174 564	1 343 619 693	1 804 192 880	2 479 700 220	3 222 131 289	4 176 269 270
<b>EQUATEUR</b>	796 565 863	1 214 607 892	1 630 957 720	2 241 604 133	2 912 748 387	3 775 271 858
<b>TSHUAPA</b>	729 058 323	1 111 672 034	1 492 736 955	2 051 632 171	2 665 898 143	3 455 324 285
<b>TOTAL</b>	<b>4 163 014 669</b>	<b>6 347 787 057</b>	<b>8 523 715 655</b>	<b>11 715 077 596</b>	<b>15 222 613 510</b>	<b>19 730 336 015</b>

**1.2. Category A Revenue Projections**

**Future Bandundu's Provinces**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>KWILU</b>	108 351 579	150 877 252	202 595 768	278 449 591	361 818 389	468 960 103
<b>KWANGO</b>	7 920 270	13 487 273	18 110 513	24 891 265	32 343 798	41 921 448
<b>MAI-NDOMBE</b>	27 046 093	57 434 262	77 121 888	105 997 072	137 732 972	178 518 480
<b>TOTAL</b>	<b>143 317 942</b>	<b>221 798 786</b>	<b>297 828 168</b>	<b>409 337 927,5</b>	<b>531 895 159</b>	<b>689 400 030</b>

**Future Kasai-Oriental's Provinces**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>KASAI-ORIENTAL</b>	223 878 581	392 824 393	527 478 852	724 972 058	942 031 272	1 220 985 708
<b>SANKURU</b>	5 359 796	6 750 594	9 064 599	12 458 473	16 188 584	20 982 350
<b>LOMAMI</b>	2 892 673	5 358 847	7 195 782	9 889 953	12 851 040	16 656 491
<b>TOTAL</b>	<b>232 131 051</b>	<b>404 933 835</b>	<b>543 739 233</b>	<b>747 320 484</b>	<b>971 070 895</b>	<b>1 258 624 549</b>

**Future Katanga's Provinces**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>HAUT-KATANGA</b>	13637656517	36281735766	48718584347	66959295579	87007146917	112771715791
<b>HAUT-LOMAMI</b>	22185384	22058913	29620385	40710546	52899428	68564014
<b>LUALABA+KOLWEZI</b>	124505961	20901658344	28066441242	38574789480	50124218700	64967009559
<b>TANGANIKA</b>	193792076	218099884	292861335	402511464	523024828	677903016
<b>TOTAL</b>	<b>13978139938</b>	<b>57423552906</b>	<b>77107507310</b>	<b>105977307069</b>	<b>137707289873</b>	<b>178485192380</b>

**Future Province Orientale's Provinces**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>TSHOPO</b>	208424311	363996249	488768841	671768644	872898566	1131381415
<b>ITURI</b>	329518558	274979203	369238053	507484367	659426992	854696608
<b>HAUT UELE</b>	21288049	132161722	177464828	243909383	316936720	410788067
<b>BAS UELE</b>	3619694	7062628	9483594	13034344	16936873	21952222
<b>TOTAL</b>	<b>562850613</b>	<b>778199802</b>	<b>1044955316</b>	<b>1436196737</b>	<b>1866199151</b>	<b>2418818312</b>

Future Kasai-Occidental's Provinces

	2007	2008	2009	2010	2011	2012
<b>KASAÏ-CENTRAL</b>	214 672 467	364 563 065	489 529 954	672 814 725	874 257 847	1 133 143 207
<b>KASAÏ</b>	58 551 496	407 316 794	546 939 036	751 718 324	976 785 465	1 266 031 318
<b>TOTAL</b>	273 223 963	771 879 859	1 036 468 990	1 424 533 049	1 851 043 312	2 399 174 525

Future Equateur's Provinces

	2007	2008	2009	2010	2011	2012
<b>NORD-UBANGI</b>	18 528 441	15 683 920	21 060 138	28 945 259	37 611 572	48 749 116
<b>SUD-UBANGI</b>	41 256 819	41 200 756	55 323 773	76 037 530	98 803 438	128 061 126
<b>MONGALA</b>	32 004 606	39 077 636	52 472 878	72 119 233	93 711 988	121 461 995
<b>EQUATEUR</b>	91 047 820	72 624 645	97 519 312	134 031 490	174 160 995	225 733 574
<b>TSHUAPA</b>	27 570 871	23 893 536	32 083 891	44 096 411	57 299 034	74 266 432
<b>TOTAL</b>	210 408 557	192 480 493	258 459 992	355 229 923	461 587 026	598 272 243

### 1.3. Category B Revenue Projections

Future Bandundu's Provinces

	2007	2008	2009	2010	2011	2012
<b>KWILU</b>	11 999 636 067	18 259 576 987	24 518 693 022	33 698 729 865	43 788 249 486	56 754 832 230
<b>KWANGO</b>	4 491 428 802	6 834 506 441	9 177 275 328	12 613 336 359	16 389 814 143	21 243 168 267
<b>MAI-NDOMBE</b>	4 570 764 803	6 955 230 253	9 339 381 499	12 836 136 655	16 679 321 640	21 618 404 766
<b>TOTAL</b>	21 061 829 672	32 049 313 681	37 449 601 597	59 148 202 878	76 857 385 269	99 616 405 263

Future Kasai-Oriental's Provinces

	2007	2008	2009	2010	2011	2012
<b>KASAI-ORIENTAL</b>	7 427 523 695	11 302 296 168	15 176 558 054	20 858 808 821	27 104 010 394	35 130 053 867
<b>SANKURU</b>	4 108 470 792	6 251 767 829	8 394 782 440	11 537 870 536	14 992 350 024	19 431 886 879
<b>LOMAMI</b>	4 441 945 264	6 759 208 451	9 076 166 288	12 474 371 115	16 209 242 209	21 009 125 354
<b>TOTAL</b>	15 977 939 751	24 313 272 447	28 410 042 591	44 871 050 472	58 305 602 627	75 571 066 100

Future Katanga's Provinces

	2007	2008	2009	2010	2011	2012
<b>HAUT-KATANGA</b>	10 145 490 964	15 438 165 982	20 730 143 574	28 491 710 701	37 022 230 259	47 985 258 414
<b>HAUT-LOMAMI</b>	6 005 832 942	9 138 941 244	12 271 636 691	16 866 256 674	21 916 073 933	28 405 864 902
<b>LUALABA+KOLWEZI</b>	3 881 680 311	5 906 665 842	7931 384 538	10 900 971 954	14 164 761 743	18 359 233 030
<b>TANGANIKA</b>	5 931 147 879	9 025 294 659	12 119 033 718	16 656 517 667	21 643 538 320	28052 626 004
<b>TOTAL</b>	25 964 152 096	39 509 067 727	46 166 319 210	72 915 456 997	94 746 604 255	122 802 982 350

**Future Province Orientale's Provinces**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>TSHOPO</b>	5 459 985 950	8 308 338 124	11 156 314 964	15 333 347 660	19 924 206 505	25 824 165 404
<b>ITURI</b>	10 508 542 461	15 990 613 300	21 471 961 756	29 511 272 816	38 347 052 899	49 702 387 725
<b>HAUT UELE</b>	3 588 487 233	5 460 520 513	7 332 307 112	10 077 594 120	13 094 861 656	16 972 513 975
<b>BAS UELE</b>	1 867 949 022	2 842 416 118	3 816 754 808	5 245 784 883	6 816 391 542	8 834 862 387
<b>TOTAL</b>	<b>21 424 964 666</b>	<b>32 601 888 054</b>	<b>43 777 338 640</b>	<b>60 167 999 480</b>	<b>78 182 512 602</b>	<b>101 333 929 492</b>

**Future Kasaï-Occidental's Provinces**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>KASAÏ-CENTRAL</b>	6 751 571 469	10 273 714 830	13 795 394 072	18 960 523 627	24 637 371 859	31 932 993 973
<b>KASAÏ</b>	6 502 855 824	9 895 249 814	13 287 196 781	18 262 052 333	23 729 775 775	30 756 640 405
<b>TOTAL</b>	<b>13 254 427 294</b>	<b>20 168 964 644</b>	<b>27 082 590 853</b>	<b>37 222 575 960</b>	<b>48 367 147 634</b>	<b>62 689 634 378</b>

**Future Equateur's Provinces**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>NORD-UBANGI</b>	2 701 195 902	4 110 349 201	5 519 316 814	7 585 802 644	9 857 018 946	12 775 880 816
<b>SUD-UBANGI</b>	5 418 017 208	8 244 475 229	11 070 560 804	15 215 486 308	19 771 057 045	25 625 665 304
<b>MONGALA</b>	4 073 783 862	6 198 985 506	8 323 907 108	11 440 458 788	14 865 772 854	19 267 827 652
<b>EQUATEUR</b>	3 682 626 903	5 603 770 737	7 524 661 419	10 341 967 749	13 438 389 690	17 417 767 580
<b>TSHUAPA</b>	3 370 530 826	5 128 861 138	6 886 959 752	9 465 504 383	12 299 510 074	15 941 642 768
<b>TOTAL</b>	<b>19 246 154 700</b>	<b>29 286 441 812</b>	<b>39 325 405 897</b>	<b>54 049 219 872</b>	<b>70 231 748 608</b>	<b>91 028 784 120</b>

**1.4. Consolidated Revenue Projections (Category A, Category B and Own Revenue)**

**Future Bandundu's Provinces**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>KWILU</b>	12 171 657 080	18 488 204 026	24 825 690 068	34 120 669 586	44 336 519 462	57 465 455 989
<b>KWANGO</b>	4 534 187 065	6 890 536 050	9 252 511 068	12 716 741 091	16 524 178 620	21 417 320 772
<b>MAI-NDOMBE</b>	4 619 434 477	7 039 070 104	9 451 960 425	12 990 866 224	16 880 377 793	21 878 997 696
<b>TOTAL</b>	<b>21 325 278 622</b>	<b>32 417 810 180</b>	<b>43 530 161 561</b>	<b>59 828 276 901</b>	<b>77 741 075 874</b>	<b>100 761 774 457</b>

**Future Kasaï-Oriental's Provinces**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>KASAÏ-ORIENTAL</b>	8 329 050 239	12 392 420 314	16 421 558 352	22 486 787 087	29 202 862 263	37 650 926 640
<b>SANKURU</b>	4 425 688 192	6 955 818 176	9 962 978 320	13 512 507 608	17 522 240 727	22 277 446 245
<b>LOMAMI</b>	4 756 695 541	7 461 867 051	10 642 493 351	14 446 439 667	18 735 793 68	23 850 358 861
<b>TOTAL</b>	<b>17 511 433 972</b>	<b>26 681 010 541</b>	<b>37 027 030 023</b>	<b>50 445 734 363</b>	<b>65 460 898 357</b>	<b>83 778 731 747</b>

**Future Katanga's Provinces**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Haut-Katanga</b>	31776688255	57916444983	77 769 355 585	106 886 957 767	138 889 293 226	180 017 210 736
<b>HAUT-LOMAMI</b>	10759959901	12829171920	17 226 824 492	23 676 714 923	30 765 607 613	39 875 923 770
<b>LUALABA + KOLWEZI</b>	7064527160	29179131076	39 181 310 610	53 851 173 909	69 974 406 980	90 695 238 451
<b>TANGANIKA</b>	10798037843	12865951045	17 276 210 963	23 744 592 169	30 853 807 548	39 990 241 482
<b>TOTAL</b>	60399213158	112790699024	151 453 701 649	208 159 438 768	270 483 115 367	350 578 614 439

**Future Province Orientale's Provinces**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>TSHOPO</b>	6 785 608 284	10 370 475 367	13 925 322 707	19 139 098 799	24 869 413 076	32 233 747 257
<b>ITURI</b>	12 988 272 205	19 533 913 503	26 229 853 466	36 050 565 401	46 844 232 950	60 715 753 957
<b>HAUT-UELE</b>	4 344 035 567	6 708 757 868	9 008 421 983	12 381 262 681	16 088 256 780	20 852 313 694
<b>BAS-UELE</b>	2 253 780 131	3 430 440 097	4 606 344 809	6 331 005 052	8 226 530 490	10 662 571 883
<b>TOTAL</b>	26 371 696 186	40 043 586 835	53 769 942 965	73 901 931 932	96 028 433 296	124 464 386 791

**Future Kasaiï-Occidental's Provinces**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>KASAÏ-CENTRAL</b>	7 840 450 427	11 568 207 828	15 274 129 310	20 992 911 702	27 278 264 155	35 355 907 677
<b>KASAÏ</b>	7 403 409 630	11 198 239 608	14 786 900 572	20 323 259 792	26 408 116 081	34 228 091 229
<b>TOTAL</b>	15 243 860 057	22 766 447 436	30 061 029 881	41 316 171 494	53 686 380 236	69 583 998 906

**Future Equateur's Provinces**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>NORD-UBANGI</b>	3 304 003 039	5 016 944 405	6 736 679 599	9 258 957 881	12 031 122 814	15 593 780 634
<b>SUD-UBANGI</b>	6 631 211 251	10 072 652 139	13 525 410 030	18 589 454 931	24 155 203 879	31 308 046 329
<b>MONGALA</b>	4 986 963 032	7 581 682 834	10 180 572 866	13 992 278 241	18 181 616 130	23 565 558 917
<b>EQUATEUR</b>	4 570 240 586	6 891 003 275	9253 138 451	12 717 603 372	16 525 299 071	21 418 773 012
<b>TSHUAPA</b>	4 127 160 019	6 264 426 708	8 411 780 598	11 561 232 966	15 022 707 251	19 471 233 485
<b>TOTAL</b>	3 619 577 927	5 826 709 361	8 107 581 544	6 119 527 391	5 915 949 145	11 357 392 377

### 1.5. Projections of per Capita Tax Revenue

**Future Bandundu's Provinces**

**Table 5 : Projections of per Capita Tax Revenue in the future Provinces**

<b>Year</b>	<b>Kwilu</b>	<b>Kwango</b>	<b>Maindombe</b>	<b>Total</b>
<b>2007</b>	3343	3327	3331	10001
<b>2008</b>	4935	4914	4933	14781
<b>2009</b>	6440	6412	6437	19288
<b>2010</b>	8601	8565	8597	25763
<b>2011</b>	10254	10210	10249	30712
<b>2012</b>	12915	12860	12909	38685

Future Kasaï-Oriental's Provinces

**Table 5 : Projections of per Capita Tax Revenue in the future Provinces**

<b>Year</b>	<b>Kasaï-Oriental</b>	<b>Lomami</b>	<b>Sankuru</b>	<b>Total</b>
<b>2007</b>	3293	3163	3144	<b>9600</b>
<b>2008</b>	4761	4831	4794	<b>14386</b>
<b>2009</b>	6131	6725	6644	<b>19500</b>
<b>2010</b>	8159	8864	8765	<b>25788</b>
<b>2011</b>	10297	11170	11047	<b>32514</b>
<b>2012</b>	12902	13801	13666	<b>40370</b>

Future Katanga's Provinces

**Table 5 : Projections of per Capita Tax Revenue in the future Provinces**

<b>Year</b>	<b>Haut-Katanga</b>	<b>Haut-Lomami</b>	<b>Lualaba+Kolwezi</b>	<b>Tanganika</b>	<b>Total</b>
<b>2007</b>	9774	5591	5680	5681	<b>26727</b>
<b>2008</b>	17313	6478	22798	6579	<b>53168</b>
<b>2009</b>	19310	7006	25538	7120	<b>58974</b>
<b>2010</b>	23616	8569	31234	8708	<b>72128</b>
<b>2011</b>	29402	10668	38886	10842	<b>89797</b>
<b>2012</b>	32107	11650	42463	11839	<b>98058</b>

Future Province Orientale's Provinces

**Table 5 : Projections of per Capita Tax Revenue in the future Provinces**

<b>Year</b>	<b>Tshopo</b>	<b>Ituri</b>	<b>Haut-Uele</b>	<b>Bas-Uele</b>	<b>Total</b>
<b>2007</b>	3610	3591	3517	3505	<b>14223</b>
<b>2008</b>	5362	5248	5278	5185	<b>21073</b>
<b>2009</b>	6088	5959	5993	5887	<b>23927</b>
<b>2010</b>	7445	7288	7329	7201	<b>29263</b>
<b>2011</b>	9267	9071	9123	8962	<b>36423</b>
<b>2012</b>	10120	9905	9962	9787	<b>39774</b>

Future Kasaï-Occidental's Provinces

<b>Year</b>	<b>KASAÏ-CENTRAL</b>	<b>KASAÏ</b>	<b>Total</b>
<b>2007</b>	3494	3426	<b>6920</b>
<b>2008</b>	5011	5036	<b>10046</b>
<b>2009</b>	6429	6462	<b>12891</b>
<b>2010</b>	8587	8631	<b>17219</b>
<b>2011</b>	10844	10900	<b>21744</b>
<b>2012</b>	13659	13729	<b>27388</b>

Future Equateur's Provinces

<b>Year</b>	<b>NORD UBANGI</b>	<b>SUD- UBANGI</b>	<b>MONGALA</b>	<b>EQUATEUR</b>	<b>TSHUAPA</b>	<b>TOTAL</b>
<b>2007</b>	3525	3528	3528	3577	3230	<b>17 389</b>
<b>2008</b>	5202	5207	5213	5241	5206	<b>26 070</b>
<b>2009</b>	6789	6795	6803	6840	6218	<b>33 444</b>
<b>2010</b>	9068	11794	9086	9135	9074	<b>48 157</b>
<b>2011</b>	11450	11461	11474	11536	11458	<b>57 380</b>
<b>2012</b>	14423	14437	13136	14531	14433	<b>70 959</b>

## 1.6. Expenditure Projections

### 1.6.1. Future Bandundu's Provinces

**KWILU's Expenditure Projections**

	2007	2008	2009	2010	2011	2012
<b>Sector Salary</b>	8 047 351 019	15 796 218 148	33 028 164 707	61 645 567 477	115 058 648 376	214 751 734 926
<b>Investment</b>	2 466 197 945	3 181 395 349	4 104 000 000	5 294 160 000	6 829 466 400	8 810 011 656
<b>Operating</b>	7 685 698 459	8 454 268 305	9 299 695 135	10 229 664 648	11 252 631 113	12 377 894 225
<b>Total</b>	<b>18 199 247 423</b>	<b>27 431 881 801</b>	<b>46 431 859 842</b>	<b>77 169 392 125</b>	<b>133 140 745 889</b>	<b>235 939 640 806</b>

**KWANGO's Expenditure Projections**

	2007	2008	2009	2010	2011	2012
<b>Sector Salary</b>	3 078 312 205	5 912 478 408	12 133 364 570	22 390 233 667	<b>41 317 687 339</b>	<b>76 245 353 773</b>
<b>Investment</b>	3 927 648 579	5 066 666 667	6 536 000 000	8 431 440 000	10 876 557 600	14 030 759 304
<b>Operating</b>	2 876 734 530	3 164 407 983	3 480 848 781	3 828 933 659	4 211 827 025	4 633 009 728
<b>Total</b>	<b>9 882 695 314</b>	<b>14 143 553 057</b>	<b>22 150 213 351</b>	<b>34 650 607 326</b>	<b>56 406 071 964</b>	<b>94 909 122 804</b>

**MAINDOMBE's Expenditure Projections**

	2007	2008	2009	2010	2011	2012
<b>Sector Salary</b>	3 065 305 363	6 016 915 640	12 580 712 607	23 481 327 975	43 826 830 857	81 800 786 778
<b>Investment</b>	2 740 219 939	3 534 883 721	4 560 000 000	5 882 400 000	7 588 296 000	9 788 901 840
<b>Operating</b>	2 927 548 786	3 220 303 665	3 542 334 031	3 896 567 434	4 286 224 177	4 714 846 595
<b>Total</b>	<b>8 733 074 088</b>	<b>12 772 103 026</b>	<b>20 683 046 638</b>	<b>33 260 295 409</b>	<b>55 701 351 034</b>	<b>96 304 535 213</b>

### 1.6.2. Future Equateur's Provinces

#### NORD-UBANGI's Expenditures

	2007	2008	2009	2010	2011	2012
Sector Salary	1 272 677 287	2 013 286 367	3 580 386 726	6 367 285 507	11 323 448 508	20 137 386 012
Investment	140 289 613	180 973 601	233 455 945	415 173 211	738 335 429	1 313 040 415
Operating	1 293 474 565	1 668 582 189	2 152 471 023	2 647 539 359	3 256 473 411	4 005 462 295
<b>Total</b>	<b>2 706 441 464</b>	<b>3 862 842 156</b>	<b>5 966 313 694</b>	<b>9 429 998 077</b>	<b>15 318 257 347</b>	<b>25 455 888 723</b>

#### SUD-UBANGI's Expenditures

	2007	2008	2009	2010	2011	2012
Sector Salary	2 552 716 534	4 038 218 840	7 181 484 645	12 771 403 370	22 712 398 913	40 391 259 239
Investment	1 160 382 436	1 496 893 343	1 930 992 412	3 434 036 862	6 107 019 945	10 860 597 628
Operating	2 594 431 394	3 346 816 498	4 317 393 283	5 310 393 738	6 531 784 298	8 034 094 686
<b>Total</b>	<b>6 307 530 364</b>	<b>8 881 928 681</b>	<b>13 429 870 340</b>	<b>21 515 833 970</b>	<b>35 351 203 155</b>	<b>59 285 951 553</b>

#### MONGALA's Expenditures

	2007	2008	2009	2010	2011	2012
Sector Salary	1 919 376 595	3 036 319 397	5 399 727 452	9 602 763 327	17 77 355 168	30 370 014 297
Investment	1 201 485 169	1 549 915 869	1 999 391 470	3 555 676 329	6 323 341 049	11 245 298 595
Operating	1 950 741 819	2 516 456 947	3 246 229 461	3 992 862 238	4 911 220 552	6 040 801 279
<b>Total</b>	<b>5 071 603 583</b>	<b>7 102 692 212</b>	<b>10 645 348 383</b>	<b>17 151 301 893</b>	<b>28 311 916 769</b>	<b>47 656 114 171</b>

#### EQUATEUR's Expenditures

	2007	2008	2009	2010	2011	2012
Sector Salary	1735081714	2 744 777 798	4 881 255 918	8 680 724 302	15 437 620 087	27 453 943 432
Investment	2137631428	2 757 544 543	3 557 232 460	6 326 108 440	11 250 220 065	20 007 158 068
Operating	1763435309	2 274 831 549	2 934 532 698	3 609 475 219	4 439 654 519	5 460 775 059
<b>Total</b>	<b>5 636 148 452</b>	<b>7 777 153 890</b>	<b>11 373 021 076</b>	<b>18 616 307 961</b>	<b>31 127 494 671</b>	<b>52 921 876 559</b>

#### TSHUAPA's Expenditures

	2007	2008	2009	2010	2011	2012
Sector Salary	1 588 036 626	2 512 162 763	4 467 578 164	7 945 048 363	14 129 309 252	25 127 270 574
Investment	2 747 559 616	3 544 351 905	4 572 213 957	8 131 130 487	14 460 233 843	25 715 780 005
Operating	1 613 987 304	2 082 043 623	2 685 836 273	3 303 578 616	4 063 401 698	4 997 984 088
<b>Total</b>	<b>5 949 583 546</b>	<b>8 138 558 291</b>	<b>11 725 628 394</b>	<b>19 379 757 466</b>	<b>32 652 944 793</b>	<b>55 841 034 667</b>

### 1.6.3. Future Kasai Occidental's Provinces

**KASAÏ-CENTRAL's Expenditures**

	2007	2008	2009	2010	2011	2012
Sector Salary	4 313 567 680	4 775 259 969	5 645 094 865	6 680 703 949	7 915 545 446	9 390 291 220
Investment	4 986 324 288	6 121 041 328	7 513 981 197	9 223 906 587	11 322 952 572	13 899 669 706
Operating	9 851 721 452	13 963 237 316	9 851 721 449	13 963 237 312	19 790 652 552	28 050 080 341
<b>Total</b>	<b>19 151 613 420</b>	<b>24 859 538 613</b>	<b>23 010 797 510</b>	<b>29 867 847 848</b>	<b>39 029 150 570</b>	<b>51 340 041 268</b>

**KASAÏ's Expenditures**

	2007	2008	2009	2010	2011	2012
Sector Salary	1 880 755 626	2 088 536 124	2 546 403 053	3 125 842 048	3 868 436 213	4 833 456 865
Investment	4 802 637 147	5 895 553 270	7 237 179 761	8 884 114 601	10 905 835 541	13 387 631 090
Operating	9 488 801 906	13 448 856 984	9 488 801 903	13 448 856 980	19 061 600 814	27 016 766 267
<b>Total</b>	<b>16 172 194 679</b>	<b>21 432 946 378</b>	<b>19 272 384 716</b>	<b>25 458 813 629</b>	<b>33 835 872 568</b>	<b>45 237 854 223</b>

### 1.6.4. Future Kasai Oriental's Provinces

**KASAÏ-ORIENTAL's Expenditures**

	2007	2008	2009	2010	2011	2012
Sector Salary	3 809 970 695	10 403 120 764	18 413 523 752	32 591 937 042	57 687 728 564	102 107 279 557
Investment	7 822 490 187	10 091 012 341	13 017 405 919	29 292 410 459	65 915 230 407	148 325 710 705
Operating	2 091 644 268	2 698 221 106	3 480 705 227	4 281 267 429	5 265 958 938	6 477 129 494
<b>Total</b>	<b>13 724 105 150</b>	<b>23 192 354 211</b>	<b>34 911 634 899</b>	<b>66 165 614 930</b>	<b>128 869 179 08</b>	<b>256 910 119 757</b>

**LOMAMI's Expenditures**

	2007	2008	2009	2010	2011	2012
Sector Salary	1 580 474 656	2 644 399 752	4 680 587 561	8 284 639 983	14 663 812 770	25 954 948 603
Investment	4 678 150 439	6 034 814 066	7 784 910 145	17 866 740 434	41 005 022 254	94 108 483 653
Operating	1 679 019 557	2 165 935 228	2 794 056 444	3 436 689 426	4 227 127 994	5 199 367 433
<b>Total</b>	<b>7 937 644 651</b>	<b>10 845 149 046</b>	<b>15 259 554 150</b>	<b>29 588 069 843</b>	<b>59 895 963 018</b>	<b>125 262 799 689</b>

**SANKURU's Expenditures**

	2007	2008	2009	2010	2011	2012
Sector Salary	546 016 910	1 862 398 532	3 296 445 402	5 834 708 361	10 327 33 799	18 279 57 824
Investment	4 326 943 107	5 581 756 608	7 200 466 024	14 492 80 047	29 167 09 900	58 704 41 636
Operating	1 632 931 400	2 106 481 505	2 717 361 142	3 342 354 205	4 111 095 672	5 056 647 676
<b>Total</b>	<b>6 505 891 416</b>	<b>9 550 636 645</b>	<b>13 214 72 567</b>	<b>23 669 42 612</b>	<b>43 606 39 370</b>	<b>82 040 47 136</b>

### 1.6.5. Future Province Orientale's Provinces

#### TSHOPO's Expenditures

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Sector Salary	3 585 644 004	3 685 196 448	3 811 971 432	3 977 915 131	4 197 804 143	4 492 240 378
Investment	4 949 058 907	5 700 628 872	6 566 333 143	7 563 504 295	8 712 107 043	10 035 37 969
Operating	747 650 067	867 274 077	2 482 586 615	4 993 123 181	10 042 60 937	20 197 83 909
<b>Total</b>	<b>9 282 352 978</b>	<b>10 253 099 397</b>	<b>12 860 91 190</b>	<b>16 534 542 607</b>	<b>22 952 72 123</b>	<b>34 725 62 256</b>

#### ITURI 's Expenditures

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Sector Salary	2 389 738 018	3 323 636 449	4 541 707 045	6 220 995 031	8 537 476 378	11 734 389 231
Investment	9 525 188 552	10 971 695 001	12 637 69 636	14 557 071 532	16 767 25 709	19 314 92 455
Operating	1 438 962 031	1 669 195 956	4 778 101 463	9 609 996 700	19 328 86 580	38 873 77 602
<b>Total</b>	<b>13 353 888 601</b>	<b>15 964 527 406</b>	<b>21 957 78 144</b>	<b>30 388 063 263</b>	<b>44 633 88 667</b>	<b>69 922 59 288</b>

#### HAUT-UELE's Expenditures

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Sector Salary	1 859 912 739	2 874 489 128	4 214 918 694	6 150 298 236	8 992 914 280	13 172 845 437
Investment	3 252 688 718	3 746 645 891	4 315 615 986	4 970 990 557	5 725 891 088	6 595 431 711
Operating	491 380 883	570 001 825	1 631 639 798	3 281 649 248	6 600 244 614	13 274 797 418
<b>Total</b>	<b>5 603 982 340</b>	<b>7 191 136 844</b>	<b>10 162 174 478</b>	<b>14 402 938 041</b>	<b>21 319 049 982</b>	<b>33 043 074 566</b>

#### BAS-UELE 's Expenditures

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Sector Salary	2 868 118 875	2 879 875 596	2 893 303 202	2 908 668 937	2 926 282 802	2 946 504 400
Investment	1 693 152 662	1 950 276 836	2 246 448 193	2 587 596 484	2 980 551 961	3 433 182 122
Operating	255 783 114	296 708 413	849 332 815	1 708 227 759	3 435 687 428	6 910 055 196
<b>Total</b>	<b>4 817 054 651</b>	<b>5 126 860 845</b>	<b>5 989 084 210</b>	<b>7 204 493 180</b>	<b>9 342 522 191</b>	<b>13 289 741 718</b>

1.6.6. Future Katanga's Provinces

**HAUT KATANGA's Expenditures**

	2007	2008	2009	2010	2011	2012
Sector Salary	4 128 351 046	5 325 572 849	6 869 988 976	8 862 285 779	11 432 348 654	14 747 729 764
Investment	18 199 260 650	23 477 046 238	30 285 389 647	39 068 152 645	50 397 916 912	65 013 312 817
Operating	13 412 449 508	17 302 059 865	22 319 657 226	28 792 357 822	37 142 141 590	47 913 362 651
<b>Total</b>	<b>35 740 061 204</b>	<b>46 104 678 953</b>	<b>59 475 035 849</b>	<b>76 722 796 246</b>	<b>98 972 407 157</b>	<b>127 674 405 232</b>

**HAUT-LOMAMI's Expenditures**

	2007	2008	2009	2010	2011	2012
Sector Salary	2 443 862 677	3 152 582 854	4 066 831 881	5 246 213 127	6 767 614 933	8 730 223 264
Investment	10 773 428 266	13 897 722 463	17 928 061 977	23 127 199 950	29 834 087 936	38 485 973 437
Operating	8 545 178 212	11 023 279 893	14 220 031 062	18 343 840 070	23 663 553 690	30 525 984 260
<b>Total</b>	<b>21 762 469 154</b>	<b>28 073 585 209</b>	<b>36 214 924 920</b>	<b>46 717 253 146</b>	<b>60 26 256 559</b>	<b>77 742 180 961</b>

**LUALABA + KOLWEZI's Expenditures**

	2007	2008	2009	2010	2011	2012
Sector Salary	1 579 513 405	2 037 572 292	2 628 468 257	3 390 724 051	4 374 034 026	5 642 503 894
Investment	6 963 064 872	8 982 353 685	11 587 236 254	14 947 534 767	19 282 319 850	24 874 192 607
Operating	6 047 670 671	7 801 495 166	10 063 928 764	12 982 468 106	16 747 383 856	21 604 125 174
<b>Total</b>	<b>14 590 248 948</b>	<b>18 821 421 143</b>	<b>24 279 633 275</b>	<b>31 320 726 924</b>	<b>40 403 737 732</b>	<b>52 120 821 674</b>

**TANGANIKA's Expenditures**

	2007	2008	2009	2010	2011	2012
Sector Salary	2 413 472 215	3 113 379 158	4 016 259 113	5 180 974 256	6 683 456 790	8 621 659 260
Investment	10 639 456 146	13 724 898 429	17 705 118 973	22 839 603 475	29 463 088 483	38 007 384 143
Operating	8 457 366 015	10 910 002 160	14 073 902 786	18 155 334 594	23 420 381 626	30 212 292 298
<b>Total</b>	<b>21 510 294 377</b>	<b>27 748 279 746</b>	<b>35 795 280 872</b>	<b>46 175 912 325</b>	<b>59 566 926 899</b>	<b>76 841 335 700</b>

## **Annex 2: Projections of the growth rates and structure of future provinces' Expenditures**

### **2.1. Bandundu's Expenditure Projections**

#### **1. 1. Projections of Expenditure Growth Rates of Future Bandundu's Provinces**

	2007	2008	2009	2010	2011	2012
Kwilu	Sector Salary		1,96	2,09	1,87	1,87
	Investment		1,29	1,29	1,29	1,29
	Operating		1,1	1,1	1,1	1,1
Kwango	Sector Salary		1,92	2,05	1,85	1,85
	Investment		1,29	1,29	1,29	1,29
	Operating		1,1	1,1	1,1	1,1
ndombé	Sector Salary		1,96	2,09	1,87	1,87
	Investment		1,29	1,29	1,29	1,29
	Operating		1,1	1,1	1,1	1,1

#### **1.2. Projected percent Changes in Expenditure Composition in Future Bandundu's Provinces**

	2007	2008	2009	2010	2011	2012
Kwilu	Sector Salary	44 percent	58 percent	71 percent	80 percent	86 percent
	Investment	14 percent	12 percent	9 percent	7 percent	5 percent
	Operating	42 percent	31 percent	20 percent	13 percent	8 percent
Kwango	Sector Salary	31 percent	42 percent	55 percent	65 percent	73 percent
	Investment	40 percent	36 percent	30 percent	24 percent	19 percent
	Operating	29 percent	22 percent	16 percent	11 percent	7 percent
Mai-ndombé	Sector Salary	35 percent	47 percent	61 percent	71 percent	79 percent
	Investment	31 percent	28 percent	22 percent	18 percent	14 percent
	Operating	34 percent	25 percent	17 percent	12 percent	8 percent

## 2.2. Katanga's Expenditure Projections

### 2.1. Projections of Expenditure Growth Rates of Future Katanga's Provinces

		2007	2008	2009	2010	2011	2012
Katanga	Sector Salary		1,29	1,29	1,29	1,29	1,29
	Investment		1,29	1,29	1,29	1,29	1,29
	Operating		1,29	1,29	1,29	1,29	1,29
Haut-Lomami	Sector Salary		1,29	1,29	1,29	1,29	1,29
	Investment		1,29	1,29	1,29	1,29	1,29
	Operating		1,29	1,29	1,29	1,29	1,29
Lualaba + Kolwezi	Sector Salary		1,29	1,29	1,29	1,29	1,29
	Investment		1,29	1,29	1,29	1,29	1,29
	Operating		1,29	1,29	1,29	1,29	1,29
Tanganyika	Sector Salary		1,29	1,29	1,29	1,29	1,29
	Investment		1,29	1,29	1,29	1,29	1,29
	Operating		1,29	1,29	1,29	1,29	1,29

### 2.2. Projected percent Changes in Expenditure Composition in Future Katanga's Provinces

		2007	2008	2009	2010	2011	2012
Katanga	Sector Salary	12 percent					
	Investment	51 percent					
	Operating	38 percent					
Haut-Lomami	Sector Salary	11 percent					
	Investment	50 percent					
	Operating	39 percent					
Lualaba + Kolwezi	Sector Salary	11 percent					
	Investment	48 percent					
	Operating	41 percent					
Tanganyika	Sector Salary	11 percent					
	Investment	49 percent					
	Operating	39 percent					

### 3. Equateur's Expenditure Projections

#### 3.1. Projections of Expenditure Growth Rates of Future Equateur's Provinces

	2007	2008	2009	2010	2011	2012
Nord-Ubangi	Sector Salary	1,58	1,78	1,78	1,78	1,78
	Investment	1,29	1,29	1,78	1,78	1,78
	Operating	1,29	1,29	1,23	1,23	1,23
Sud-Ubangi	Sector Salary	1,58	1,78	1,78	1,78	1,78
	Investment	1,29	1,29	1,78	1,78	1,78
	Operating	1,29	1,29	1,23	1,23	1,23
Mongala	Sector Salary	1,58	1,78	1,78	1,78	1,78
	Investment	1,29	1,29	1,78	1,78	1,78
	Operating	1,29	1,29	1,23	1,23	1,23
Equateur	Sector Salary	1,58	1,78	1,78	1,78	1,78
	Investment	1,29	1,29	1,78	1,78	1,78
	Operating	1,29	1,29	1,23	1,23	1,23
Tshuapa	Sector Salary	1,58	1,78	1,78	1,78	1,78
	Investment	1,29	1,29	1,78	1,78	1,78
	Operating	1,29	1,29	1,23	1,23	1,23

#### 3.2. Projected percent Changes in Expenditure Composition in Future Equateur's Provinces

	2007	2008	2009	2010	2011	2012
Nord-Ubangi	Sector Salary	47 percent	52 percent	60 percent	68 percent	74 percent
	Investment	5 percent	5 percent	4 percent	4 percent	5 percent
	Operating	48 percent	43 percent	36 percent	28 percent	21 percent
Sud-Ubangi	Sector Salary	40 percent	45 percent	53 percent	59 percent	64 percent
	Investment	18 percent	17 percent	14 percent	16 percent	17 percent
	Operating	41 percent	38 percent	32 percent	25 percent	18 percent
Mongala	Sector Salary	38 percent	43 percent	51 percent	56 percent	60 percent
	Investment	24 percent	22 percent	19 percent	21 percent	22 percent
	Operating	38 percent	35 percent	30 percent	23 percent	17 percent
Equateur	Sector Salary	31 percent	35 percent	43 percent	47 percent	50 percent
	Investment	38 percent	35 percent	31 percent	34 percent	36 percent
	Operating	31 percent	29 percent	26 percent	19 percent	14 percent
Tshuapa	Sector Salary	27 percent	31 percent	38 percent	41 percent	43 percent
	Investment	46 percent	44 percent	39 percent	42 percent	44 percent
	Operating	27 percent	26 percent	23 percent	17 percent	12 percent

## 4. Kasaï-Oriental's Expenditure Projections

### 4.1. Projections of Expenditure Growth Rates of Future Kasaï Oriental's Provinces

		2007	2008	2009	2010	2011	2012
Kasaï-Oriental	Sector Salary		2,73	1,77	1,77	1,77	1,77
	Investment		1,29	1,29	2,25	2,25	2,25
	Operating		1,29	1,29	1,23	1,23	1,23
Lomami	Sector Salary		1,67	1,77	1,77	1,77	1,77
	Investment		1,29	1,29	2,3	2,3	2,3
	Operating		1,29	1,29	1,23	1,23	1,23
Sankuru	Sector Salary		3,41	1,77	1,77	1,77	1,77
	Investment		1,29	1,29	2,01	2,01	2,01
	Operating		1,29	1,29	1,23	1,23	1,23

### 4.2. Projected percent Changes in Expenditure Composition in Future Kasaï Oriental's Provinces

		2007	2008	2009	2010	2011	2012
Kasaï-Oriental	Sector Salary	28 percent	45 percent	53 percent	49 percent	45 percent	40 percent
	Investment	57 percent	44 percent	37 percent	44 percent	51 percent	58 percent
	Operating	15 percent	12 percent	10 percent	6 percent	4 percent	3 percent
Lomami	Sector Salary	20 percent	24 percent	31 percent	28 percent	24 percent	21 percent
	Investment	59 percent	56 percent	51 percent	60 percent	68 percent	75 percent
	Operating	21 percent	20 percent	18 percent	12 percent	7 percent	4 percent
Sankuru	Sector Salary	8 percent	20 percent	25 percent	25 percent	24 percent	22 percent
	Investment	67 percent	58 percent	54 percent	61 percent	67 percent	72 percent
	Operating	25 percent	22 percent	21 percent	14 percent	9 percent	6 percent

## 5. Kasai-Occidental's Expenditure Projections

### 5.1. Projections of Expenditure Growth Rates of Future Kasai-Occidental's provinces

	2007	2008	2009	2010	2011	2012
Kasai-Central	Sector Salary		1,11	1,18	1,18	1,18
	Investment		1,23	1,23	1,23	1,23
	Operating		1,42	0,71	1,29	1,29
Kasai	Sector Salary		1,11	1,22	1,23	1,24
	Investment		1,23	1,23	1,23	1,23
	Operating		1,42	0,71	1,29	1,29

### 5.2. Projected percent Changes in Expenditure Composition in Future Kasai-Occidental's Provinces

	2007	2008	2009	2010	2011	2012
Kasai-Central	Sector Salary	23 percent	19 percent	25 percent	23 percent	22 percent
	Investment	26 percent	25 percent	33 percent	32 percent	31 percent
	Operating	51 percent	56 percent	43 percent	44 percent	46 percent
Kasai	Sector Salary	12 percent	10 percent	13 percent	13 percent	12 percent
	Investment	30 percent	28 percent	38 percent	37 percent	36 percent
	Operating	59 percent	63 percent	49 percent	51 percent	52 percent

## 6. Province Orientale's Expenditure Projections

### 6.1. Projections of Expenditure Growth Rates of Future Province Orientale's Provinces

	2007	2008	2009	2010	2011	2012
Tshopo	Sector Salary	1,03	1,03	1,04	1,06	1,07
	Investment	1,15	1,15	1,15	1,15	1,15
	Operating	1,16	2,86	2,01	2,01	2,01
Ituri	Sector Salary	1,39	1,37	1,37	1,37	1,37
	Investment	1,15	1,15	1,15	1,15	1,15
	Operating	1,16	2,86	2,01	2,01	2,01
Haut-Uélé	Sector Salary	1,55	1,47	1,46	1,46	1,46
	Investment	1,15	1,15	1,15	1,15	1,15
	Operating	1,16	2,86	2,01	2,01	2,01
Bas-Uélé	Sector Salary	1	1	1,01	1,01	1,01
	Investment	1,15	1,15	1,15	1,15	1,15
	Operating	1,16	2,86	2,01	2,01	2,01

### 6.2. Projected percent Changes in Expenditure Composition in Future Province Orientale's Provinces

	2007	2008	2009	2010	2011	2012
Tshopo	Sector Salary percent	39	36	30	24	18
	Investment percent	53	56	51	46	38
	Operating percent	8	8	19	30	44
Ituri	Sector Salary percent	18	21	21	20	19
	Investment percent	71	69	58	48	38
	Operating percent	11	10	22	32	43
Haut-Uélé	Sector Salary percent	33	40	41	43	42
	Investment percent	58	52	42	35	27
	Operating percent	9	8	16	23	31
Bas-Uélé	Sector Salary percent	60	56	48	40	31
	Investment percent	35	38	38	36	32
	Operating percent	5	6	14	24	37

### Annex 3: Financial Sustainability Indicators for the Future Provinces

#### Bandundu's Future Provinces

KWILU'S FINANCIAL SUSTAINABILITY						
	2007	2008	2009	2010	2011	2012
Total Revenue	12 171 657 080	18 488 204 026	24 825 690 068	34 120 669 586	44 336 519 462	57 465 455 989
Total Expenditures	18 199 247 423	27 431 881 801	46 431 859 842	77 169 392 125	133 140 745 889	235 939 640 806
<b>Total Revenue / Total Expenditures</b>	<b>67 percent</b>	<b>67 percent</b>	<b>53 percent</b>	<b>44 percent</b>	<b>33 percent</b>	<b>24 percent</b>

KWANGO'S FINANCIAL SUSTAINABILITY						
	2007	2008	2009	2010	2011	2012
Total Revenue	4 534 187 065	6 890 536 050	9 252 511 068	12 716 741 091	16 524 178 620	21 417 320 772
Total Expenditures	9 882 695 314	14 143 553 057	22 150 213 351	34 650 607 326	56 406 071 964	94 909 122 804
<b>Total Revenue / Total Expenditures</b>	<b>46 percent</b>	<b>49 percent</b>	<b>42 percent</b>	<b>37 percent</b>	<b>29 percent</b>	<b>23 percent</b>

#### MAINDOMBE'S FINANCIAL SUSTAINABILITY

	2007	2008	2009	2010	2011	2012
Total Revenue	4 619 434 477	7 039 070 104	9 451 960 425	12 990 866 224	16 880 377 793	21 878 997 696
Total Expenditures	8 733 074 088	12 772 103 026	20 683 046 638	33 260 295 409	55 701 351 034	96 304 535 213
<b>Total Revenue / Total Expenditures</b>	<b>53 percent</b>	<b>55 percent</b>	<b>46 percent</b>	<b>39 percent</b>	<b>30 percent</b>	<b>23 percent</b>

### Kasai-Oriental's Future Provinces

	KASAI ORIENTAL'S FINANCIAL SUSTAINABILITY					
	2007	2008	2009	2010	2011	2012
Total Revenue	8329050239	12 392 420 314	16 421 558 352	22 486 787 087	29 202 862 263	37 650 926 640
Total Expenditures	13724105150	23 192 354 211	34 911 634 899	66 165 614 930	128 868 917 908	256 910 119 757
<b>Total Revenue / Total Expenditures</b>	<b>61 percent</b>	<b>53 percent</b>	<b>47 percent</b>	<b>34 percent</b>	<b>23 percent</b>	<b>15 percent</b>

	LOMAMI'S FINANCIAL SUSTAINABILITY					
	2007	2008	2009	2010	2011	2012
Total Revenue	4 425 688 192	6 955 818 176	9 962 978 320	13 512 507 608	17 522 240 727	22 277 446 245
Total Expenditures	7 937 644 651	10 845 149 046	15 259 554 150	29 588 069 843	59 895 963 018	12 526 279 989
<b>Total Revenue/Total Expenditures</b>	<b>56 percent</b>	<b>64 percent</b>	<b>65 percent</b>	<b>46 percent</b>	<b>29 percent</b>	<b>18 percent</b>

	SANKURU'S FINANCIAL SUSTAINABILITY					
	2007	2008	2009	2010	2011	2012
Total Revenue	4 756 695 541	7 461 867 051	10 42 493 351	14 446 439 667	18 735 795 368	23 850 358 861
Total Expenditures	6 505 891 416	9 550 636 645	13 14 272 567	23 669 142 612	43 606 139 370	82 040 647 136
<b>Total Revenue/Total Expenditures</b>	<b>73 percent</b>	<b>78 percent</b>	<b>81 percent</b>	<b>61 percent</b>	<b>43 percent</b>	<b>29 percent</b>

### Katanga's Future Provinces

#### HAUT KATANGA'S FINANCIAL SUSTAINABILITY

	2007	2008	2009	2010	2011	2012
Total Revenue	31 776 688 255	57 916 444 983	77 769 355 585	106 886 957 767	138 889 293 226	180 017 210 736
Total Expenditures	35 740 061 204	46 104 678 953	59 475 035 849	76 722 796 246	98 972 407 157	127 674 405 232
<b>Total Revenue / Total Expenditures</b>	<b>89 percent</b>	<b>126 percent</b>	<b>131 percent</b>	<b>139 percent</b>	<b>140 percent</b>	<b>141 percent</b>

#### HAUT LOMAMI'S FINANCIAL SUSTAINABILITY

	2007	2008	2009	2010	2011	2012
Total Revenue	10 759 959 901	12 829 171 920	17 226 824 492	23 676 714 923	30 765 607 613	39 875 923 770
Total Expenditures	21 762 469 154	28 073 585 209	36 214 924 920	46 717 253 146	60 265 256 559	77 742 180 961
<b>Total Revenue / Total Expenditures</b>	<b>49 percent</b>	<b>46 percent</b>	<b>48 percent</b>	<b>51 percent</b>	<b>51 percent</b>	<b>51 percent</b>

LUALABA AND KOLWEZI'S FINANCIAL SUSTAINABILITY

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total Revenue	7 064 527 160	29 179 131 076	39 181 310 610	53 851 173 909	69 974 406 980	90 695 238 451
Total Expenditures	14 590 248 948	18 821 421 143	24 279 633 275	31 320 726 924	40 403 737 732	52 120 821 674
<b>Total Revenue / Total Expenditures</b>	<b>48 percent</b>	<b>155 percent</b>	<b>161 percent</b>	<b>172 percent</b>	<b>173 percent</b>	<b>174 percent</b>

TANGANIKA'S FINANCIAL SUSTAINABILITY

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total Revenue	10 798 037 843	12 865 951 045	17 276 210 963	23 744 592 169	30 853 807 548	39 990 241 482
Total Expenditures	21 510 294 377	27 748 279 746	35 795 280 872	46 175 912 325	59 566 926 899	76 841 335 700
<b>Total Revenue / Total Expenditures</b>	<b>50 percent</b>	<b>46 percent</b>	<b>48 percent</b>	<b>51 percent</b>	<b>52 percent</b>	<b>52 percent</b>

Future Province Orientale's Provinces

TSHOPO's FINANCIAL SUSTAINABILITY

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total Revenue	6 785 608 284	10 370 475 367	13 925 322 707	19 139 098 799	24 869 413 076	32 233 747 257
Total Expenditures	9 282 352 978	10 253 099 397	12 860 891 190	16 534 542 607	22 952 372 123	34 725 362 256
<b>Total Revenue / Total Expenditures</b>	<b>73 percent</b>	<b>101 percent</b>	<b>108 percent</b>	<b>116 percent</b>	<b>108 percent</b>	<b>93 percent</b>

ITURI's FINANCIAL SUSTAINABILITY

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total Revenue	12 88 272 205	19 533 913 503	26 29 853 466	36 050 565 401	46 44 232 950	60 15 753 957
Total Expenditures	13 53 888 601	15 964 527 406	21 57 678 144	30 388 063 263	44 33 388 667	69 22 459 288
<b>Total Revenue / Total Expenditures</b>	<b>97 percent</b>	<b>122 percent</b>	<b>119 percent</b>	<b>119 percent</b>	<b>105 percent</b>	<b>87 percent</b>

HAUT-UELE's FINANCIAL SUSTAINABILITY

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total Revenue	4 344 035 567	6 708 757 868	9 008 421 983	12 381 262 681	16 88 256 780	20 52 313 694
Total Expenditures	5 603 982 340	7 191 136 844	10 62 174 478	14 402 938 041	21 19 049 982	33 43 074 566
<b>Total Revenue/ Total Expenditures</b>	<b>78 percent</b>	<b>93 percent</b>	<b>89 percent</b>	<b>86 percent</b>	<b>75 percent</b>	<b>63 percent</b>

BAS-UELE's FINANCIAL SUSTAINABILITY

	2007	2008	2009	2010	2011	2012
Total Revenue	2 253 780 131	3 430 440 097	4 606 344 809	6 331 005 052	8 226 530 490	10 62 571 883
Total Expenditures	4 817 054 651	5 126 860 845	5 989 084 210	7 204 493 180	9 342 522 191	13 89 741 718
<b>Total Revenue / Total Expenditures</b>	47 percent	67 percent	77 percent	88 percent	88 percent	80 percent

Future Kasaï-Occidental's Provinces

KASAÏ-CENTRAL's FINANCIAL SUSTAINABILITY

	2007	2008	2009	2010	2011	2012
Total Revenue	7 840 450 427	11 568 207 828	15 274 129 310	20 992 911 702	27 278 264 155	35 355 907 677
Total Expenditures	19 151 613 420	24 859 538 613	23 010 797 510	28 649 486 037	35 726 159 835	44 619 552 739
<b>Total Revenue / Total Expenditures</b>	41 percent	47 percent	66 percent	73 percent	76 percent	79 percent

KASAÏ's FINANCIAL SUSTAINABILITY

	2007	2008	2009	2010	2011	2012
Total Revenue	7 403 409 30	11 198 239 608	14 786 900 572	20 323 259 792	26 408 116 081	34 228 091 229
Total Expenditures	16 172 194 679	21 432 946 378	19 272 384 716	24 285 334 058	30 654 558 019	38 764 936 300
<b>Total Revenue / Total Expenditures</b>	46 percent	52 percent	77 percent	84 percent	86 percent	88 percent

Future Equateur's Provinces

NORD-UBANGI's FINANCIAL SUSTAINABILITY

	2007	2008	2009	2010	2011	2012
Total Revenue	3 304 003 039	5 016 944 405	6 736 679 599	9 258 957 881	12 031 122 814	15 593 780 634
Total Expenditures	2 706 441 464	3 862 842 156	5 966 313 694	9 429 998 077	15 318 257 347	25 455 888 723
<b>Total Revenue / Total Expenditures</b>	122 percent	130 percent	113 percent	98 percent	79 percent	61 percent

SUD UBANGI's FINANCIAL SUSTAINABILITY

	2007	2008	2009	2010	2011	2012
Total Revenue	6 631 211 251	10 072 652 139	13 525 410 030	18 589 454 931	24 155 203 879	31 308 046 329
Total Expenditures	6 307 530 364	8 881 928 681	13 429 870 340	21 515 833 970	35 351 203 155	59 285 951 553
<b>Total Revenue / Total Expenditures</b>	105 percent	113 percent	101 percent	86 percent	68 percent	53 percent

MONGALA's FINANCIAL SUSTAINABILITY

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total Revenue	4 986 963 032	7 581 682 834	10 180 572 866	13 992 278 241	18 181 616 130	23 565 558 917
Total Expenditures	5 071 603 583	7 102 692 212	10 645 348 383	17 151 301 893	28 311 916 769	47 656 114 171
<b>Total Revenue / Total Expenditures</b>	<b>98 percent</b>	<b>107 percent</b>	<b>96 percent</b>	<b>82 percent</b>	<b>64 percent</b>	<b>49 percent</b>

EQUATEUR's FINANCIAL SUSTAINABILITY

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total Revenue	4 570 240 586	6 891 003 275	9 253 138 451	12 717 603 372	1 625 299 071	21 418 773 012
Total Expenditures	5 636 148 452	7 777 153 890	11 373 021 076	1 861 6307 961	31 127 494 671	52 921 876 559
<b>Total Revenue / Total Expenditures</b>	<b>81 percent</b>	<b>89 percent</b>	<b>81 percent</b>	<b>68 percent</b>	<b>53 percent</b>	<b>40 percent</b>

TSHUAPA's FINANCIAL SUSTAINABILITY

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total Revenue	4 127 160 019	6 264 426 708	8 411 780 598	11 561 232 966	15 022 707 251	19 471 233 485
Total Expenditures	5 949 583 546	8 138 558 291	11 725 628 394	19 379 757 466	32 652 944 793	55 841 034 667
<b>Total Revenue / Total Expenditures</b>	<b>69 percent</b>	<b>77 percent</b>	<b>72 percent</b>	<b>60 percent</b>	<b>46 percent</b>	<b>35 percent</b>

**Annex 4: Trends in Projected and Actual Reassigned Amounts**

N°	Provinces	2007			2008			2009		
		Projected	Actual	Change (percent)	Projected	Actual	Change (percent)	Projected	Actual	Change (percent)
1	Kinshasa	2 493 238 504	8 321 288 456	334	14 037 382 451	14 065 665 083	100	17 980 113 385	8 223 058 326	45
2	Bas Congo	4 424 247 262	7 559 965 880	171	27 544 985 121	18 467 097 469	67	24 318 594 475	9 423 537 886	38
3	Bandundu	5 581 626 321	2 704 904 022	48	7 934 792 862	7 490 320 707	94	16 322 877 947	5 316 947 644	32
4	Equateur	5 904 729 707	5715594503	97	15 677 503 393	9 903 964 589	63	3 755 866 356	8 674 085 000	230
5	Province Orientale	5 586 607 314	2 659 821 277	48	20 458 423 933	12 482 885 003	61	15 518 125 855	11 283 062 331	72
6	Nord Kivu	3 963 601 423	1 957 027 833	49	10 726 298 757	6 771 634 270	63	11 396 902 967	5 620 406 344	49
7	Maniema	3 228 948 440	1 470 364 786	46	3 784 845 476	6 473 103 549	171	9 740 985 227	3 804 488 399	39
8	Sud Kivu	3 258 206 803	2 383 184 256	73	9 656 854 072	6 247 659 882	65	11 014 960 280	3 649 306 901	33
9	Katanga	6 224 244 045	8797 578 654	141	37 474 634 379	24 696 444 800	66	28 952 535 103	10 091 492 260	34
10	Kasaï Occidental	5 137 070 860	620 306 3720	121	15 282 232 385	8 787 379 475	58	14 119 805 065	3 654 340 063	25
11	Kasaï Oriental	5 483 207 705	2 901 366 957	53	18 236 151 049	9 549 864 870	52	3 674 742 811	5 167 087 452	40

## Annex 5: Population Projections of the Future Provinces

2007- 2009 Overall Population Growth Rate in the Future Provinces (Population Growth Rate: 2.9)						
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### KASAI ORIENTAL

Future Provinces	2007	2008	2009	2010	2011	2012
<b>KASAI-ORIENTAL</b>	2 529 516	2 602 872	2 678 355	2 756 028	2 835 952	2 918 195
<b>SANKURU</b>	1 399 180	1 439 756	1 481 509	1 524 473	1 568 683	1 614 174
<b>LOMAMI</b>	1 512 748	1 556 618	1 601 760	1 648 211	1 696 009	1 745 193
<b>TOTAL</b>	<b>5 441 444</b>	<b>5 599 246</b>	<b>5 761 624</b>	<b>5 928 711</b>	<b>6 100 644</b>	<b>6 277 562</b>

### EQUATEUR

Future Provinces	2007	2008	2009	2010	2011	2012
<b>Nord-Ubangi</b>	937 185	964 364	992 330	1 021 108	1 050 720	1 081 191
<b>Sud-Ubangi</b>	1 879 792	1 934 306	1 990 401	2 048 123	2 107 518	2 168 636
<b>Mongala</b>	1 413 408	1 454 396	1 496 574	1 539 975	1 584 634	1 630 588
<b>Equateur</b>	1 277 695	1 314 748	1 352 876	1 392 109	1 432 480	1 474 022
<b>TSHUAPPA</b>	1 169 413	1 203 326	1 238 222	1 274 130	1 311 080	1 349 102
<b>TOTAL</b>	<b>6 677 493</b>	<b>6 871 140</b>	<b>7 070 403</b>	<b>7 275 445</b>	<b>7 486 433</b>	<b>7 703 539</b>

### KASAI OCIDENTAL

Future Provinces.	2007	2008	2009	2010	2011	2012
<b>KASAÏ-CENTRAL</b>	2 243 709	2 308 777	2 375 732	2 444 628	2 515 522	2 588 472
<b>KASAÏ</b>	2 161 055	2 223 726	2 288 214	2 354 572	2 422 855	2 493 118
<b>TOTAL</b>	<b>4 404 765</b>	<b>4 532 503</b>	<b>4 663 946</b>	<b>4 799 200</b>	<b>4 938 377</b>	<b>5 081 590</b>

### PROVINCE ORIENTALE

Future Provinces	2007	2008	2009	2010	2011	2012
<b>TSHOPO</b>	1 879 477	1 933 981	1 990 067	2 047 779	2 107 164	2 168 272
<b>ITURI</b>	3 617 328	3 722 231	3 830 175	3 941 250	4 055 547	4 173 157
<b>HAUT UELE</b>	1 235 256	1 271 078	1 307 939	1 345 869	1 384 900	1 425 062
<b>BAS UELE</b>	642 999	661 646	680 834	700 578	720 895	741 801
<b>TOTAL</b>	<b>7 375 059</b>	<b>7 588 936</b>	<b>7 809 015</b>	<b>8 035 477</b>	<b>8 268 506</b>	<b>8 508 292</b>

**BANDUNDU**

Future Provinces	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
KWILU	3 640 910	3 746 496	3 855 145	3 966 944	4 323 969	4 449 364
KWANGO	1 362 782	1 402 303	1 442 969	1 484 816	1 618 449	1 665 384
MAI-NDOMBE	1 386 854	1 427 073	1 468 458	1 511 043	1 647 037	1 694 801
<b>TOTAL</b>	<b>6 390 546</b>	<b>6 575 872</b>	<b>6 766 572</b>	<b>6 962 803</b>	<b>7 589 455</b>	<b>7 809 549</b>

**KATANGA**

Future Provinces	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>HAUT-KATANGA</b>	3 251 000	3 345 279	3 442 292	3 542 118	3 644 840	3 750 540
<b>HAUT-LOMAMI</b>	1 924 496	1 980 307	2 037 736	2 096 830	2 157 638	2 220 210
<b>LUALABA + KOLWEZI</b>	1 243 837	1 279 909	1 317 026	1 355 220	1 394 521	1 434 962
<b>TANGANIKA</b>	1 900 565	1 955 681	2 012 396	2 070 755	2 130 807	2 192 600
<b>TOTAL</b>	<b>8 319 898</b>	<b>8 561 175</b>	<b>8 809 449</b>	<b>9 064 923</b>	<b>9 327 806</b>	<b>9 598 313</b>