The preceding chapter has laid down the agenda designed to restructure, refocus and strengthen the Democratic Republic of the Congo’s financial system. This chapter is devoted to an important part of our ‘vision for a strong currency’. The chapter provides additional elements of the reform agenda designed to position the Congolese franc to become a credible currency. In this light, the agenda would be complemented by reforms designed to stabilize the exchange rate, reduce inflation, restructure the overall denominations of the national currency and introduce coins, as well as to promote the efficiency of the payments system.

All these reforms would be driven by medium- and long-term objectives to ensure economic prosperity for the Democratic Republic of the Congo, and for the Democratic Republic of the Congo to become one of Africa’s major financial centres by the year 2025. Only a sustained stable macroeconomic environment and a sound and vibrant financial system can propel the economy to achieve our national desire to become one of the fifty largest economies in the world within the next thirty years. The ‘Strategic Agenda for the Congolese Franc’ should therefore be launched as the first phase of this broad reform agenda.

According to the Central Bank of the Democratic Republic of the Congo Law no. 005/2002 of 7 May 2002, the key objectives of the Central Bank would be to: (i) ensure monetary and price stability; (ii) issue legal tender currency in the Democratic Republic of the Congo; (iii) maintain external reserves to safeguard the international value of the legal tender currency; (iv) promote a sound financial system in the Democratic Republic of the Congo; and (v) act as banker for, and provide economic and financial advice to the central government.

During this phase, the Central Bank would focus on the Congolese franc, which means that the Bank intends to give greater emphasis
to the most important function of central banks everywhere in the world, namely, to issue legal tender currency and to defend its value (domestically by ensuring low inflation, and externally by ensuring an appropriate and stable exchange rate regime). The specific objective of phase one of the reforms is to make the Congolese franc the currency of reference in Africa, and thus a strategic catalyst for achieving the goal of an international financial centre as well as promoting the Democratic Republic of the Congo’s rapid economic development.

**Reforms agenda and expected outcomes**

During phase one of the programme, most of the reforms would focus on structural and institutional aspects, and would include the following: (1) strengthening the institutional framework for the conduct of monetary policy; (2) recapitalization and consolidation of the banking sector, including the recapitalization of the Central Bank, and recapitalization and consolidation of commercial banks; (3) a programme to rationalize government ownership of any commercial bank (to a clearly stated limit to be approved by the government); (4) improving transparency and corporate governance; (5) adoption of a policy of zero tolerance of misreporting and data misreporting, and strict adherence to the anti-money laundering regulations; (6) implementing the Basel II principles and risk-based supervision; (7) reforming the payments system for efficiency – especially the electronic payments system; (8) reforming the exchange rate management system – and increased liberalization of the foreign exchange market; (9) restructuring the Hôtel de Monnaies along more efficient lines; (10) addressing issues of technology and skills in the banking industry, especially in risk management; (11) broadening the scope of the microfinance policy and regulatory framework to serve the as yet unmet banking needs of 95 per cent of the public; (12) reforming the pensions sector, the consumer credit industry and the mortgage system; (13) forging strategic alliances and partnerships between Congolese banks and foreign financial institutions, especially in the area of reserve and asset management; (14) establishing the Congo Finance Corporation (CFC) as the first private sector Congolese investment bank; (15) motivating Congolese banks to develop nationwide and globally; (16) creation of the Congolese Stock Exchange; (17) upgrading the banking supervision to be risk-based, consolidated and more rigorous; (18) reforming the mortgage, SME, and consumer credit sectors; and (19) enactment and enforcement of the dud cheque offences policies to be approved by Parliament.