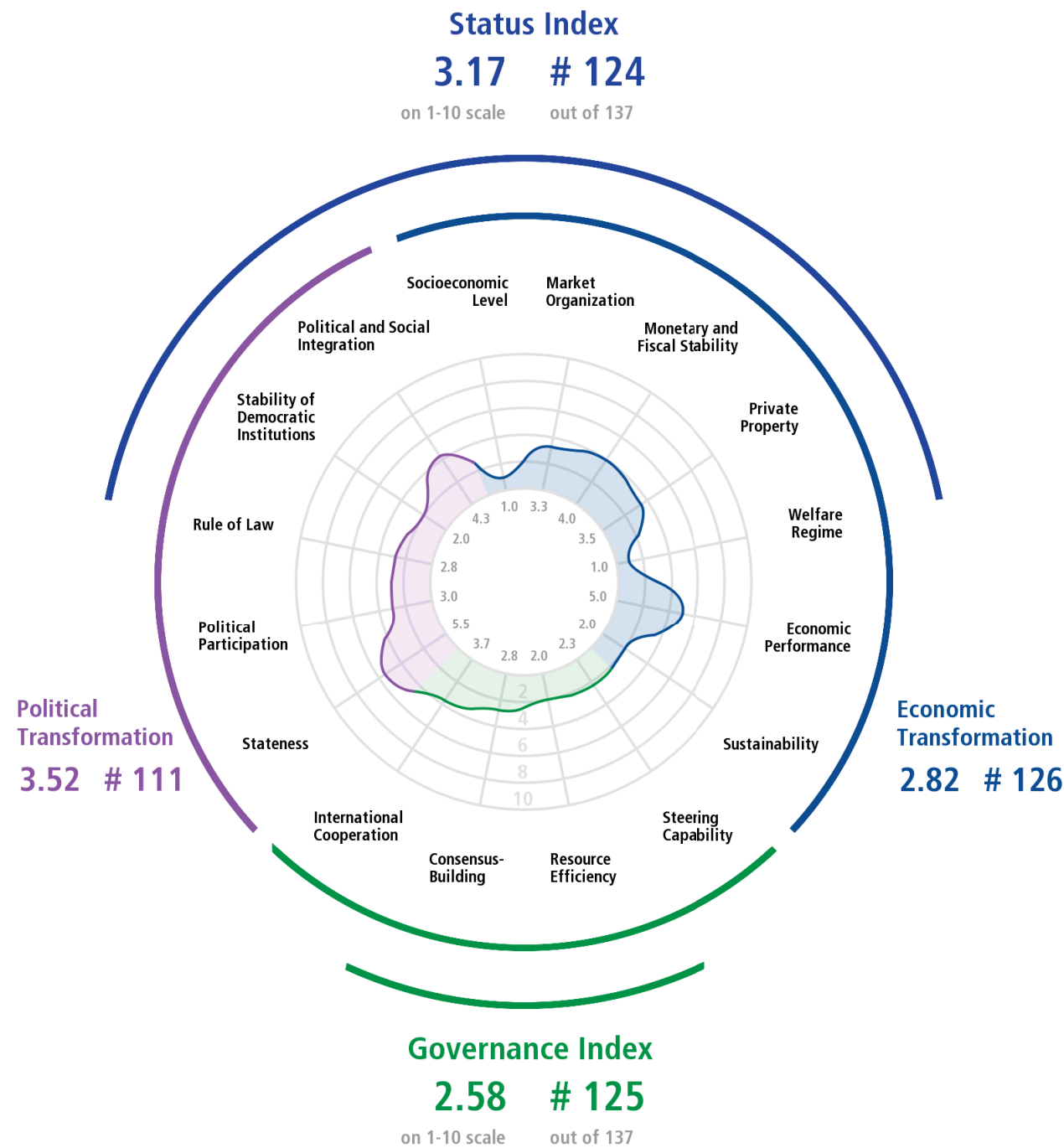


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Key Indicators

Population	M	84.1	HDI	0.459	GDP p.c., PPP \$	931
Pop. growth ¹	% p.a.	3.2	HDI rank of 189	179	Gini Index	42.1
Life expectancy	years	60.0	UN Education Index	0.495	Poverty ³	% 91.0
Urban population	%	44.5	Gender inequality ²	0.655	Aid per capita \$	28.0

Sources (as of December 2019): The World Bank, World Development Indicators 2019 | UNDP, Human Development Report 2019. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

In spite of the organization of the presidential elections, and national and provincial parliamentary elections, the Democratic Republic of the Congo made no substantial progress in terms of democratic, social or economic transformation during the period under review (January 2017 to January 2019).

Initially planned for December 23, 2016, the presidential elections were postponed more than twice. Furthermore, as no provincial parliamentary elections were held between 2006 and 2018, parliamentarians elected for a five-year term in 2006 remained in parliament until the 2018 elections. This situation further undermined public confidence in the political elite and social cohesion.

Between December 2016 and December 2018, two cabinets were formed. The first cabinet was led by Prime Minister Samy Badibanga and the second by Prime Minister Bruno Tshibala Nzenze. Both prime ministers were members of the oldest political opposition force, UDPS (Union pour la Démocratie et le Progrès Social). With this, the ruling elite polarized the political arena. The government continually banned and repressed public rallies and peaceful assemblies organized by civil society organizations and the opposition, especially protests against the political crisis and postponed elections. Opposition protesters were intimidated, harassed and arrested by state security forces, while demonstrations by government supporters took place without interference from the authorities. This atmosphere formed the background to the electoral process. By introducing the voting machine, which was not recognized by the electoral law, the neutrality of the National and Independent Electoral Commission (CENI) was called into question, amplifying protests and suspicion over the credibility of the electoral process.

With the support of the ruling elite, CENI organized the elections on December 30, 2018. However, irregularities surrounding the organization of the electoral process and the repeated postponement of the publication of the results seriously undermined both the credibility of the process and popular support for the official winner, Félix-Antoine Tshisekedi Tshilombo. CENI has been accused of hijacking the vote, with the Catholic Church and several civil society

organizations having declared a contradictory outcome based on their own observations. At the time of writing, presidential candidate Martin Madidi Fayulu, whose case was rejected by the Constitutional Court, continues to claim victory.

In spite of the political instability, the economy remained stable during the period under review. The real GDP growth rate was estimated to be 4% in 2018, compared to 3.9% in 2017, driven by improved commodity prices and increased mining production. The primary sector was the main driver of economic growth in 2018, supported by the extraction sector. The organization of elections resulted in a budget deficit of 0.6% of GDP in 2018, compared to a budget surplus of 0.1% of GDP in 2017. While the government claims that public debt remains under control, with total outstanding public debt estimated at 18.2% of GDP at the end of 2017, no palpable improvement has been noticed in the daily living conditions of the population.

The economy lacks diversity, with economic growth remaining largely dependent on the extraction sector. In 2017, the extraction sector accounted for 99% of the value of exports and 34% of total government revenue and contributed two percentage points to the GDP growth rate. The new government should promote economic diversification and address the infrastructure deficit, which limits the country's performance in terms of trade integration.

History and Characteristics of Transformation

Historically, the Democratic Republic of the Congo has witnessed extensive abuses of power and violence. Colonized by Belgium, DR Congo experienced some of the worst colonial atrocities perpetrated against the native population, with the colonial powers seeking to exploit the country's natural resources. This legacy of extraction and looting established the conditions for persistent tensions between the Congolese and Belgians. Within this context, the first democratically elected prime minister of an independent DR Congo, Lumumba, was in office for only a few months before being deposed in a coup led by Mobutu and later executed in 1961. Following the coup, Mobutu seized power and exercised absolute rule over the country for the following 32 years.

It was only at the beginning of the 1990s that Mobutu agreed to implement a multiparty system. Since then, the country has begun a journey toward democratization. However, democratization has proven to be rather chaotic in several respects. From an early stage, democratization quickly morphed into a political crisis with civil society and opposition parties on one side, and an incumbent president unwilling to relinquish power on the other side. It was in this context of political crisis that, on September 23 and 24, 1991, army soldiers mutinied, demanding payment of unpaid wages. The mutiny turned into a widespread looting. Two years later, soldiers of the Zairean Armed Forces (FAZ) plundered the few remaining economic infrastructures of Kinshasa and other major cities. With the army being the main pillar of the regime, this was a clear sign of the government's loss of authority over the country. The few serious investors who were still in the country started leaving.

At the height of this crisis, in October 1996, with the help of neighboring countries (e.g., Rwanda and Uganda), the rebellion of the Alliance of Democratic Forces for the Liberation of the Congo

(AFDL) was launched. Rebel forces eventually toppled Mobutu in May 1997 and brought Laurent-Désiré Kabila to power. Laurent-Désiré Kabila was assassinated in January 2001, while confronting a rebellion of the Congolese Rally for Democracy (RCD), a movement initiated by Kabila's former ally, the Rwandan military. Joseph Kabila succeeded his father, becoming head of state in a deeply divided country. In addition to the RCD, the Mouvement de Libération du Congo (MLC), led by Jean-Pierre Bemba, and the RCD/KML, led by Antipas Mbusa Nyamwisi, occupied other parts of the country, with the help of Uganda and several other countries.

Following the Sun City dialogue process, a political transition was agreed. A transitional government was established, with the leaders of the two main rebel movements (RCD and MLC) appointed vice presidents in the transitional government, while the leaders of other movements were appointed ministers. A new constitution was approved via a referendum and the first national elections were held in 2006. The elections were won by Joseph Kabila. Though the elections were boycotted by the Kabila's old opponent, Etienne Tshisekedi, and the results were challenged by Jean-Pierre Bemba. Bemba was subsequently arrested in Belgium and brought before the International Criminal Court (ICC).

Joseph Kabila's first presidential term was a social debacle and his electoral promises turned out to have been mere slogans. In 2011, Kabila secured a second presidential term after even more chaotic elections than the 2006 elections. With a poor record, Kabila attempted to stay in power beyond the end of his second term by postponing the 2016 presidential elections. To suppress the challenges arising from this constitutional violation, two successive national dialogue processes were organized, with each process concluding with the formation of a new cabinet.

Kabila's second mandate was characterized by a sharp rise in corruption, clientelism and abuse of force. Government policies favored the ruling elite. Due to public pressure, with citizens demanding their right to vote freely, and pressure from the international community, elections were ultimately held on December 30, 2018. The results proclaimed by the Constitutional Court brought Félix Tshisekedi to power. Though the Catholic Church, the only institution to have allocated election observers across the whole country, disputed the Constitutional Court's ruling, suggesting that Martin Fayulu was the winner.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

To date, the Democratic Republic of the Congo's government does not possess a monopoly on the use of force. Since little attention is paid to battles and militias in some parts of the country, bloody confrontations have become an almost daily occurrence.

Some areas have been hit by waves of violence, rebellions, protests and political turmoil in recent months, including Bunia, Beni and Masisi in the far east of DR Congo, and Kasai in central DR Congo.

Across the country, the security situation has deteriorated markedly as government authority has continued to weaken. Rival armed groups challenge the DRC national army and compete for control over the country's natural resources. In some of the country's main cities (e.g., Bukavu, Goma, Beni, Butembo, Tshikapa, Kananga and Yumbi), where relative peace had been the norm following the signing of the 2003 Pretoria final peace agreement and the 2009 Kivu agreement, armed groups with sophisticated arsenals have grown in power and now present a real challenge to the DRC army.

Largely as a result of weak governance and an increase in the prevalence of armed groups, an alarming increase in the number of rapes and abuses of civilian rights has been reported, with abuses some blamed on the DRC forces.

The MONUSCO forces, partly due to the lack of knowledge of the issues at stake and regional dynamics, have also failed to help ensure security. Thus, during the period under review, the DR Congo has remained unstable and a safe haven for emerging armed groups. These armed groups continue to successfully challenge the state's monopoly on the use of force and the resulting violence risks spilling over into neighboring countries.

Question
Score

Monopoly on the
use of force

3

'06 '20 10



Dating back to President Mobutu's policy of "authenticité," the Democratic Republic of the Congo has developed a remarkably strong sense of national identity. This remains the case today in spite of the violent recent history of the country.

Following democratization, the political elite pushed for the adoption of the policy of "administration des originares" in order to secure political legitimacy. The policy aimed to ensure that all state provinces would be governed their native population. This was reinforced by the decentralization process adopted after the first democratic elections in 2006.

This has increased tribalism among the population. However, since such a reality is not a government-based policy, it has not resulted in the exclusion of a particular category of the population or in any discrimination toward a given portion of the population. Yet, due to the different wars and rebellions, which are believed to be supported by Rwanda, there has been a burgeoning anti-Rwandan feeling, especially in the eastern part of the country, which is close to Rwanda. This aversion has extended to the group of people who speak Kinyarwanda, the traditional language spoken in Rwanda. However, these people, who are known as "Rwandophones," continue to benefit from the same liberties and freedoms as people from any other community.

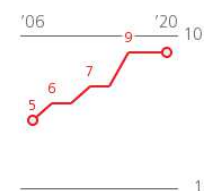
The Democratic Republic of the Congo is a secular state as defined by its constitution and particular religious dogmas are not supposed to directly influence politics. However, the poor quality of governance and limited provision of public services has been partly alleviated by religious organizations. The majority of DRC citizens are Christian, with some 50% being Catholic and 38% being Protestant. Kimbanguists, Muslims and adherents of indigenous beliefs account for some 10% of the population. This has given a particular position to these religious organization even if religious dogmas have very limited influence on politics. In the recent elections, the Catholic Church, via its National Council of Bishops (CENCO), played a key role in the mediation of political negotiations between the incumbent power and the opposition. The Catholic Church was the only organization to deploy electoral observers across the entire country. This led to a parallel computation of the final results, with CENCO's observation contradicting the results proclaimed by CENI. With different results obtained from voting centers, CENCO just mentioned that the result CENI and the Constitutional Court presented were not in accordance with the truth of the ballot boxes.

Protracted civil wars coupled with the continued mismanagement of state resources have placed the Democratic Republic of the Congo among the group of fragile states with the world's poorest infrastructure.

Efforts to improve public administration even in major cities, where state institutions currently exist, have noticeably regressed during the period under review. Rural areas

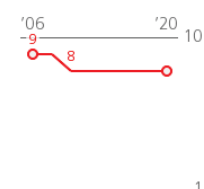
State identity

9



No interference of religious dogmas

8



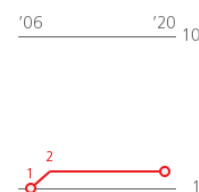
Basic administration

2

remained largely bereft of state representation and service delivery. In 2015, only 29% of DRC citizens had access to sanitation and 51% to water.

In areas where institutions of public administration have been established, performance continues to be undermined by corruption, lack of professionalism and ethnic rivalries. The judicial system, one of the most important state institutions, is extremely dysfunctional and corrupt in major cities, and has still not extended to most rural areas, where law and order is enforced by those with access to guns.

Most newly established provinces (with the number of provinces increased from the initial 11 to 26) lack the most basic state infrastructure, such as schools and community health centers.



2 | Political Participation

The Democratic Republic of the Congo organized its very first presidential election in 2006. In spite of irregularities highlighted by both national and international observers, the results of the 2006 elections were accepted by all political sides. In 2011, though the country was able to organize the elections, the election results were not deemed either credible or acceptable.

Unlike the 2006 elections, in 2011, the presidential elections were not coupled with provincial parliamentary elections, a situation that automatically extended the term of incumbent provincial parliamentarians by five years and prevented the renewal of provincial assemblies.

President Kabila's term in office was supposed to end in December 2016, with presidential, legislative and provincial elections were supposed to take place in 2016. However, evoking logistical difficulties, the Independent National Electoral Commission (CENI) stated that it would be unable to organize the elections in 2016 and suggested that the elections be postponed. The extension of President Joseph Kabila's term in office has been seen by most political actors and civil society as a refusal to respect the constitution and a strategy to maintain power indefinitely.

The period from January 2017 has been marked by the intimidation of civil society actors and some political opponents. Initially scheduled for December 23, 2018, the third elections were held on December 30, 2018. No international mission was approved to observe the elections.

Given the poor state of public infrastructure and the size of the country, serious logistical problems were evident on the day of the elections. For example, some electoral polling stations only opened in the afternoon. After the poll, CENI postponed the announcement of the election results. This postponement has been interpreted as a way to silence the people's victory. The Catholic National Episcopal Conference of the Congo (CENCO) announced that there was no reason to postpone

Free and fair elections

4



an announcement of the results because, based on its own observation mission, it knew the winner of the elections. Following CENI's announcement that Felix-Antoine Tshisekedi had won the election, the opposition challenged the results, even though Tshisekedi was an opposition politician himself.

Martin Madidi Fayulu, a candidate in the elections, argued that the announcement of Tshisekedi as the winner was the result of an agreement Tshisekedi had made with Kabila's political platform, the Common Front for the Congo (FCC). Fayulu and CENCO, which presumably considered Fayulu the winner, requested that CENI publish its reports of the different polls, which at the time of writing has not yet been done. In the meantime, however, Fayulu's appeal to the Supreme Court was declared unfounded on the grounds that only CENI could determine the results of the polls. So far and even if the new president has taken an oath, Fayulu continues to claim his electoral victory. Generally, parts of the population and most observers consider that the electoral process was overwhelmed by several inconsistencies. Several rallies held by Fayulu were violently repressed (e.g., in Lubumbashi and other major cities) and the governor of Kinshasa, who is widely believed to be close to the incumbent president, decided to shorten the campaign period by one day, with Fayulu planning to hold a meeting on that day.

The constitution states that all executive and legislative offices at the national and sub-national levels should be elected. However, this is not the case, since provincial and sub-provincial decision-makers are not elected.

Most governors and sub-provincial political leaders have adopted President Kabila's style of management, characterized by informal channels. These channels are filled with trusted, discreet influential people (mostly family members), whose operations sometimes overshadow the country's government and official channels.

The true power of government seems to rest on the sole control of the army. From a purely political point of view, all former leaders of armed groups have been appointed to senior positions in the army in order to enjoy all the immunities associated with these positions. In terms of key economic resources, the holders of the mining squares are either themselves senior military officers or persons directly related to them.

However, this reality does not alone account for the country's governance problems. Other factors (e.g., the quasi-nonexistence of state institutions, the never changing culture of corruption and the inadequate expertise of leaders) are far more important.

The constitution of the Democratic Republic of the Congo guarantees freedom of association and assembly. However, during the period under review, which corresponds to the pre-election period, and this mosaic of organizations can barely be seen as an indicator of freedom of assembly.

Throughout the review period, the ruling elite continued to ban peaceful assemblies organized by civil society and the political opposition, especially peaceful protests

Effective power to govern

2

'06 '20 10



Association / assembly rights

3

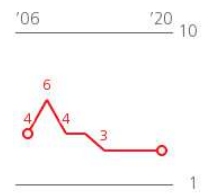
against the political crisis and postponement of elections. Even when demonstrations were allowed, opposition protesters were intimidated, harassed and arrested by security forces, while demonstrations by government supporters took place without interference from the authorities. A commonly used tactic by the regime has been to infiltrate protest groups with disruptive elements to create chaos, which could then be used to justify violent reactions from security forces. For instance, on July 31, 2018, more than 100 people, including 11 journalists, were arrested during country-wide demonstrations organized by the LUCHA (Lutte pour le Changement) to demand the publication of the electoral calendar. During the electoral campaign, rallies convened by the opposition were violently dispersed by the police, especially rallies organized by the Lamuka, a platform led by Martin Fayulu.

Freedom of expression is guaranteed by the constitution, and the opposition uses both newspapers and other media to openly criticize the government. Yet, freedom of expression is in practice constrained by political interference and technical barriers. Journalists and media outlets that cover protests or controversial events are subjected to illegitimate prosecution, harassment and attack, particularly by state security services. Freedom House's Freedom in the World 2018 index characterizes the Democratic Republic of the Congo as not free, with an aggregate score of 17 out of 100 (with 100 being the most free). This marked a decline two points from 2017 and one point from 2013. After five years of improvement, DR Congo's score declined by four points between 2016 and 2017.

Apart from the public TV and radio broadcaster, National Radio and Television of Congo (RTNC), there are many private stations across country, especially in large urban areas. However, newspaper circulation is mainly limited to Kinshasa and a few big cities, and information mostly reaches the public through social media, despite the government frequently blocking access to the internet.

In addition to RTNC, Radio Okapi, the U.N.-sponsored media outlet, is the only nationwide media outlet. Radio Okapi is the only media outlet that offers objective, good quality information comparable to international media outlets that broadcast in DR Congo, such as Radio France International (RFI), British Broadcasting Corporation (BBC) or Deutsche Welle (DW). However, unlike the international media outlets, Radio Okapi sometimes shies away from certain issues of greater national relevance in order to avoid rebuke from the government. Since RFI is the most important international media outlet in DR Congo and the principal source of information for large parts of the population, its frequencies are regularly blocked by the government when sensitive domestic issues develop. In the recent past, the government has refused to renew the accreditation for RFI correspondents.

This context has pushed the development of electronic media platforms, mainly managed by people in the diaspora, as well as the use of social media (e.g., Facebook, Twitter and WhatsApp). Being aware of this development and to avoid criticism, the government blocks internet access and mobile phone messaging services during



Freedom of expression

3



protests as a mean to restrict communication. During the recent electoral period, from December 31, 2018 (a day after the election) to January 20, 2019, public access to the internet and messaging services was blocked, and RFI broadcasting was silenced.

3 | Rule of Law

The constitution of the Democratic Republic of the Congo consecrates horizontal separation of powers between the executive, the legislature and the judiciary, and a vertical separation of powers between the national state, provinces and communal administrations. However, in practice, institutions do not operate independently. The power has substantial influence over the two other branches of government.

The ruling elite controls economic resources, administrative and military posts, and state institutions. The regime of President Joseph Kabila has privileged the consolidation of its power, delaying the adoption of legislation and the creation of institutions necessary for the balance of power and the proper functioning of the state. The centralization of power in the presidency is a result of a mix of intimidation and co-option, and often includes the channeling of state funds into the complex system of neo-patrimonial networks. Since 2005, decentralization has been enshrined in the constitution. It assumes that at all levels of Decentralized Territorial Entities (ETD) are elected, but this is not the case in practice. In all former 11 provinces, for the 12 years that the provinces existed, the provincial assemblies produced very few edicts, sometimes less than eight. They exercised very little control over the provincial executives, except when they wanted to improve their emoluments or secure a monetary claim.

The texts that introduced decentralization provide that the central government returns 40% of government revenue to the provincial governments, but this has never been the case. Since communal administrations have been never elected and are run by officials appointed by the central government, the vertical separation of powers is extremely weak and biased in favor of the presidential camp's interests.

The judicial system is totally controlled by the presidency. The judiciary is highly corrupt, with judges and magistrates prioritizing cases that involve large sums of money, with citizens who lack connections to the political elite at a disadvantage. Cases concerning people who are close to the ruling regime remain unanswered, while cases involving leaders of the opposition and their supporters are arbitrarily pursued.

The judicial system is one of the least financed services in the Democratic Republic of the Congo, with the bulk of operating expenses borne by litigants. Across the country, the judiciary operate in buildings dating back to the colonial era. Work facilities offer poor working conditions, which facilitates the multiplication of informal fees, and exposes litigants to ransom, racketeering and corruption. These

Separation of
powers

3

'06 '20 10



Independent
judiciary

2

'06 '20 10



conditions pose two major problems: a high cost to access justice and a lack of credibility of judgments, which are considered to be favorable to the wealthy and those close to power.

The Democratic Republic of the Congo has anti-corruption laws but in practice their enforcement remains limited. Under the pressure of several development partners, President Kabila showed some willingness to change this situation by dismissing a number of notoriously corrupt officials between 2011 and 2013. However, this only turns out to be a public relations action. In 2015, President Kabila appointed a former minister of justice, Luzolo Bambi Lesa, as Special Advisor on Good Governance, Combating Corruption, Money Laundering and Financing of Terrorism.

When abuses of office are prosecuted, it is usually a means of getting rid of potential political competitors rather than promoting the rule of law. In 2015, a Canadian media outlet, The Voice of Africa in Canada (VAC), published a hidden parliamentary report alleging that DRC officials had misappropriated funds from the Funds for the Promotion of Industry (FPI). The report revealed the names of the various government members, parliamentarians and close relatives of President Kabila, and the amounts they owed to this fund which remained due for a long time after their repayments had expired.

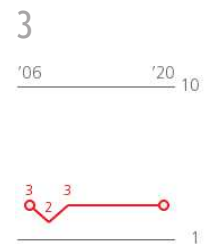
Moreover, on December 24, 2018, a few days before the recent elections, the prime minister signed a decree instituting perpetual bonuses for all those who held a ministerial office or equivalent position. Public officeholders have for a long time enjoyed absolute impunity. This situation is reinforced by the lack of transparency and accountability in government decision-making, which has resulted in corruption at all the levels of administration.

Civil rights are guaranteed by the constitution but are frequently violated, particularly over the past three years. Previously, the most common form of civil rights violations involved sexual violence committed by members of the national army (FRDC) or armed groups contesting state authority. During the period under review, civil rights violations became more varied, reflecting pre-election pressures, and were committed by state agents.

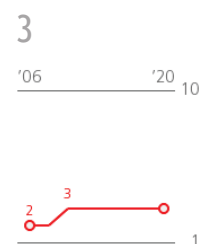
As reported earlier, human rights defenders and youth activists have been targeted by state security forces and sometimes armed groups for their work. This has forced many to operate in secrecy. The LUCHA, Filimbi, Réveil des indignés, the Nouvelles dynamiques de la société civile and the CLC had all operated clandestinely for a long time before the December 2018 elections.

Several other facts illustrate state violations of civil rights: the government's failure to stop the killings in the territory of Beni, where civil rights were seriously compromised by insecurity; the assassination of the Chief Nkamwena N'Sapu in

Prosecution of office abuse



Civil rights



Central Kasai province; the mass killings of civilians by DRC forces; and the assassination of two U.N. investigators, Zaïda Katalan and Mike Sharp.

4 | Stability of Democratic Institutions

Despite the country's stabilization since 2005, the performance of state institutions throughout the national territory, and the enhancement of social cohesion and trust in administrative leaders remain major challenges. Democratic institutions on the local and communal levels do not function according to the constitution, since local elections have never taken place. All officials at this level are appointed by central government. Since this dysfunctional situation is related to the clientelistic system of patronage that the ruling elite has established, there were expectations that the end of former president Kabila's rule could mark the beginning of an improvement in institutional performance. However, the prevailing suspicion of a secret agreement between the 2018 election winner, Felix-Antoine Tshisekedi, and Kabila has diminished such a positive prognosis.

In the period of review, the ruling elite was not committed to democratic institutions, as the extension of Kabila's presidential term indicated. Former president Kabila used extra-legal means (e.g., harassment, intimidation and the outright use of force by security agents) to prolong his rule. Furthermore, the former president held veto power over every aspect of society and promoted a culture of patronage to manipulate the system to the advantage of the ruling elite and their family members.

Institutions (e.g., political parties, associations and civil society organizations) are rarely governed by principles of internal democracy. Instead, the leaders of the respective organizations exercise personal rule. The 2018 elections revealed the prevalence of clientelism. Many party lists included family members of the leading figures. Furthermore, candidates used resources obtained from their current positions.

Performance of democratic institutions

2

'06 '20 10



Commitment to democratic institutions

2

'06 '20 10



5 | Political and Social Integration

The DRC party system is heterogeneous with a very large number of parties. In May 2018, 599 political parties, grouped within 77 political platforms, were registered with the Ministry of Interior.

Only a few of the political parties operate nationally. In general, the majority of a party's members share the same origins as the party leader. Most parties are built around individuals who use the party as a vehicle to launch their own political career, often in the hope of being co-opted by the ruling elite. Parties are strongly identifiable along ethnic, regional and community lines. The most important political parties are former president Kabila's People's Party for Reconstruction and Democracy (PPRD), President Tshisekedi's UDPS, Bahati Lukwebo's Alliance of Democratic Forces of

Party system

4

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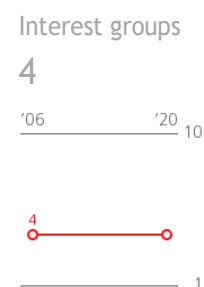
Congo (AFDC), Vital Kamerhe's Union for the Congolese Nation (UNC), and Jean-Pierre Bemba's Movement for the Liberation of the Congo (MLC). The ruling elite has created an electoral platform that has enabled PPRD, AFDC and several other satellite parties to cooperate in the Common Forces for the Congo (FCC). Today, FCC is the most important political platform.

Voter volatility is high. In the December 2018 elections, despite its representation across the whole country, PPRD won 20 seats, fewer than AFDC. The vote essentially divided along ethnic lines. Most members of parliament elected in either 2006 or 2011 were unable to retain their seat in the 2018 election. Due to persistent reports of corruption in the organization of the elections, it is difficult to determine whether voters' political and economic concerns outweighed their ethnic links to candidates and their parties.

All parties lack sustainable funding. No formal party-financing scheme exists. Thus, almost all parties rely on funding from party leaders or influential members, who generally use their government or public enterprise position to source public funds to cover party expenses.

There exist a myriad of interest groups, most of which are very small and confined to specific social segments. Often organizations are created to receive funding from international non-governmental organizations, with some organizations created to serve as a focal point for community development actions. In both cases, however, interest groups have very little influence over policies implemented at the national or sub-national levels. Some interest groups have achieved some success either because they are connected with donors or because they are stranded by politicians seeking anchorage in society. Interest groups are generally poorly organized, locally based, narrowly focused and achieve little impact.

The Federation of Enterprises in the Congo (FEC) and several specific trade unions (e.g., unions for teachers, doctors and judges) are the most audible interest groups, but their demands are rarely taken into account by government. Christian organizations and in particular the Catholic Church are the most influential organizations given their dominant position in the provision of public goods (e.g., health care and education). This is, for instance, the reason why the Catholic Church played a major role in finding a solution to the political crisis caused by the controversial extension of Kabila's presidential term. While Kabila's old opponent, Etienne Tshisekedi, and several other opposition leaders ignored the mediation of Edem Kodjo, on behalf of the African Union, they accepted that of CENCO. This last mediation gave rise to the agreements that enabled the formation of a government led by Bruno Tshibala, which held office at the time of the elections in December 2018.



No public opinion data on public attitudes toward democracy in the Democratic Republic of the Congo is available. There has been a growth in movements consisting mainly of young people, who comprise the majority of the population, which demand a greater political openness. Taking the recent political evolution of the country into account, the controversial result of the 2018 presidential election was peacefully contested. This seems to be an indicator of greater respect for democratic norms. However, the strong public demand for an electoral turnover of power can also be interpreted as a reaction to the social and economic misery the public faces, rather than consent for democratic norms.

Approval of democracy

n/a

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n/a 1

The legacy of violent conflict, and the low-level of economic and social development have negatively affected the ability of citizens to organize in ways that really benefit society. The associational life is existent and visible. There are more than 5,000 registered NGOs. However, these associations rarely act for common social benefit. NGOs are often set up as means to receive funds for the private benefit of a few individuals. The majority of the population relies on the informal sector and subsistence agriculture to survive. Village communities, extended families and local women's groups are the major frameworks of solidarity and self-organization, within which interpersonal trust appears to be high.

Social capital

5

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II. Economic Transformation

6 | Level of Socioeconomic Development

Despite becoming one of Africa's fastest growing economies, the Democratic Republic of the Congo's economy remains highly inefficient and has not improved in terms of gross welfare indicators. The country has missed all the Millennium Development Goals (MDG) and its ranking in the Human Development Index (HDI) has been stuck at 176 out of 188 countries since 2016. Human development is low even though the country's HDI score increased from 0.379 in 2007 to 0.457 in 2017. The HDI loss due to inequality stood at 30.4% in 2017. The high level of inequality is also reflected in the GINI coefficient for the DR Congo, which stood at 42.1 in 2012, well below the global average of 40. In the DR Congo, the wealthiest 10% of the population account for 32% of total income, while the poorest 10% account for 2.1% of total income.

Question
Score

Socioeconomic barriers

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Poverty is widespread, with 91.2% of the population living on less than \$3.20 a day in 2012. Decades of violent conflict have left public institutions weak, and unable to alleviate poverty or promote development across the country. Regions like South Kivu, North Kivu and Katanga are still prone to violent conflict, and the large number of internally displaced people suffer especially harshly from poverty.

For many Congolese, survival is only ensured through subsistence farming (with farming often undermined by the ongoing instability) and informal small-scale trading. Churches and family members often provide some social assistance. Poverty has little systematic relation to ethnicity or identity. Those with access to power, which is controlled by the ruling presidential alliance and in some instances by armed groups, live relatively comfortable lives. Women are increasingly major providers for their families. Yet, rapes and violations of women's civic rights are widespread, especially in war-torn regions, and women suffer from inequality, as the Gender Inequality Index shows (2017: 0.652).

Economic indicators		2015	2016	2017	2018
GDP	\$ M	37917.7	37134.8	38019.3	47227.5
GDP growth	%	6.9	2.4	3.7	5.8
Inflation (CPI)	%	0.7	2.9	-	-
Unemployment	%	4.2	4.3	4.1	4.2
Foreign direct investment	% of GDP	3.1	2.5	2.8	2.7
Export growth	%	4.1	-0.9	7.3	14.1
Import growth	%	-6.5	-3.7	9.7	4.7
Current account balance	\$ M	-1483.8	-1504.1	-1241.4	-2169.1
Public debt	% of GDP	17.0	21.8	19.1	15.3
External debt	\$ M	5373.7	5063.8	5125.8	4973.9
Total debt service	\$ M	389.0	486.6	398.6	380.9
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	9.1	8.7	6.1	6.3
Public education spending	% of GDP	2.2	2.1	1.5	-
Public health spending	% of GDP	0.7	0.5	-	-
R&D expenditure	% of GDP	0.4	-	-	-
Military expenditure	% of GDP	1.3	0.9	0.7	0.7

Sources (as of December 2019): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

The government does not prohibit outward investment, but nor does it particularly promote it. Currently, there are no government restrictions preventing domestic investors from investing abroad and there are no countries with which domestic investors are precluded from doing business. In the country, there is a National Agency for Investment Promotion (ANAPI), whose mandate is to simplify the investment process, make procedures more transparent, assist new foreign investors and improve the image of the country as an investment destination. There is also a Steering Committee for the Improvement of the Business and Investment Climate (CPCAI), which is charged with improving the Democratic Republic of the Congo's ranking in the World Bank's "Doing Business" by reducing administrative delays, red tape and the overall cost of establishing a business. The country ranked 62 out of 190 countries for the subcategory "starting a business" in the World Bank's Doing Business report. It takes four procedures and seven days, and costs 26.7% of GNI per capita with an initial capital investment of 6% of GNI per capita to start a business. Since its inception, CPCAI has eliminated 46 out of 117 taxes applied to cross-border trade. However, DR Congo remains a challenging environment in which to conduct business.

In 2019, the country ranked 184 out of 190 countries. Still, during the period under review, some serious reform efforts were undertaken, including a reduction in fees to secure property titles, a reduction in the time required to export and import goods through the implementation of a single window of trade, and the improvement of contract enforcement through the adoption of a law that regulates all aspects of mediation as an alternative dispute resolution mechanism. However, in spite of the improvement of the legal framework, in practice progress is still slow. Irrespective of economic sector, market competition remains severely constrained largely due to high levels of economic opportunism, such as corruption at all levels of public administration, and the direct intervention in the economy by the ruling elite for personal gain.

Market-based competition is confined to only a few segments of the economy. Heavily dependent on exports from the extractive sector and, given the quality of its governance, the state remains dependent of customs duties, which makes investments extremely costly. This is very detrimental to progress of market norms, as any foreign investor faces a high risk that they will be pushed out of the market by actors close to the government.

The World Bank stated that, in 2012, the urban informal sector represented 81.5% of employment in DR Congo. The large informal sector is less the result of an extensively regulated market, and more the result of a highly dysfunctional, unfair

Market
organization
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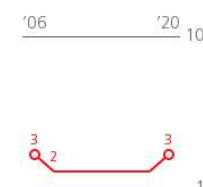


and opaque institutional framework, high levels of corruption and clientelism, and a lack of infrastructure.

On July 9, 2018, President Joseph Kabila signed into law the Organic Law no. 18/020 on Pricing Freedom and Competition. The competition act abrogated and replaced a set of laws that dated from colonial and post-independence times. These laws consisted of three fairly basic texts that addressed only unfair competition, pricing regulation and the creation of a competition commission. The new act applies to the production and provision of all goods and services in the Democratic Republic of the Congo by any natural or legal person, whose operations or behavior affect competition within the domestic market or in a substantial part of it. The act prohibits anti-competitive practices, which are referred to as practices which may (a) restrict access to markets by competitors; (b) enable businesses to carve up markets or fix prices; (c) hamper production, outlets, investments or technical and technological advances; or (d) skew the outcome of a competitive bid. However, authorizations may be granted by the competition commission in respect to cartels that contribute to promoting economic progress, job creation and maintenance. Moreover, the minister has the power to define the method for calculating the price and determine the maximum profit margin authorized for tradespeople other than liberal professionals. The opportunities for free pricing and to gain profits from business could thus be limited considerably. On the other hand, the competition act introduces rules that regulate potential public restraints on competition and sets clear conditions under which public or state-owned entities are allowed to conduct business activities in competition with the private sector. That is an elementary improvement in the conditions for competition in DR Congo. Therefore, the evaluation of the new act is ambiguous. The act was passed just after the law on subcontracting in the private sector, which was enacted in January 2017 and which restricts foreign investors' participation in subcontracting in almost all sectors. Foreign businesses have been given a 12-month grace period, through January 2018, to comply with the new law. However, in the meantime, the Federations of Enterprises of the Congo (FEC) and other business organizations have lobbied the government to review and revise the law, since they argue it is discriminatory to their interests.

Competition policy

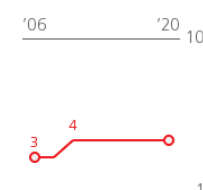
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In October 2016, the WTO made its second review of the Democratic Republic of the Congo's trade policies and practices (TPR). The first review was conducted in 2010. The WTO concluded that there had been positive developments on various fronts. The country's tax system had improved with the introduction of a VAT. Furthermore, in several sectors more competitive policies had been adopted. For instance, insurance services and hydrocarbon trade were opened to competition. Moreover, DR Congo became a member of the Organization for Business Law in Africa (OHADA), established new trade tribunals, and adopted a new law to comply with the Common Market for Eastern and Southern Africa's (COMESA) common external tariff. However, the report noted some shortcomings, such as the many remaining taxes on trade, the pending ratification of the Agreement on Trade

Liberalization of foreign trade

4



Facilitation, and insufficient implementation of trade procedures and intellectual property protection.

Several other practical issues constitute obstacles to full liberalization. For instance, customs procedures are outdated and fail to comply with international standards of the World Customs Organization (WCO). Furthermore, trade information and management systems are insufficiently computerized, and the government imposes indiscriminate fees. In addition to the latter, informal facilitation costs and administrative hurdles delay processing and increase the costs at the ports.

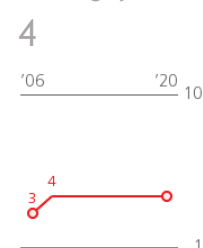
Despite growth in recent years, the banking sector in the Democratic Republic of the Congo remains underdeveloped. The country has one of the lowest levels of banking penetration in the world, which according to the World Bank is around 17%. While being one of the most open sectors of the economy, with both national and international banks, the existing banks are largely confined to major cities. Taking advantage of the telecommunication penetration rate, which is close to 25%, the population has increased access to financial service through telecommunications, especially in rural areas. Though the banking system is gradually expanding, particularly after the government required civil servants to receive their salaries through direct deposit, most bank accounts are used only to receive pay checks and these are usually withdrawn in full shortly after being deposited.

The financial system has less than 10 licensed banks, one single development bank, 120 microfinance institutions and has no equity or debt markets. Credits in banks are limited to a very small proportion of the population. This is due to the cumbersome procedures for accessing bank credit and the high levels of collateral required. The five largest banks hold approximately 60% of all bank assets. DR Congo appears to have a very low bank assets to GDP ratio, which is only 7%, perhaps the lowest of any country in the world. In contrast, the bank assets to GDP ratio is 207% for South Africa and 44.5% for Kenya, according to the private investment enterprise Verdant Capital.

In 2016, the fourth largest bank, Banque internationale pour l'Afrique au Congo (BIAC), failed, causing minor panic in the financial market with customers cueing in front of BIAC's branches in order to withdraw money. Several microfinance institutions also went bankrupt in 2017 and 2018. Draining the smallest savers, these bankruptcies – which have put the most vulnerable proportion of the population at risk – were essentially due to the central bank's failure to supervise the sector effectively.

With the aim of strengthening the solidity of credit institutions, the central bank has obliged all commercial banks operating in DR Congo to raise their minimum capital level to \$30 million by January 2019 and to \$50 million by the end of 2020.

Banking system



8 | Monetary and fiscal stability

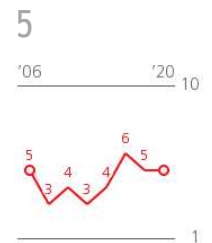
One objective of the central bank of the Democratic Republic of the Congo is to maintain the stability of the internal financial system through inflation rates and by strengthening the local currency, the Congolese franc (CDF). The independence of the central bank is enshrined in the constitution of DR Congo. According to article 176 of the constitution, the central bank is independent in the definition and implementation of monetary policy. However, like many laws, this article is not enforced and the central bank's independence does not go beyond the text. In practice, monetary policy is fully aligned with the country's overall governance. The presidency exerts discreet influence and withdraws cash for patronage when needed.

The inflation rate was volatile over the last decade. Between 2007 and 2016, the average inflation rate was 7.47%. It varied strongly over the decade, with a peak of 17.3% in 2008 and a trough of 0.7% in 2015. In 2016, the inflation was 2.9%, according to the World Bank.

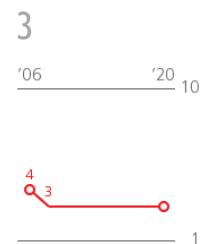
The Democratic Republic of the Congo has implemented a restrictive fiscal policy in coordination with monetary policy. This included reducing public spending, albeit directed at sectors other than those under the direct control of the president or his small circle, which has been key to the relative internal and external economic stability. Government consumption decreased from 14.4% of GDP in 2014 to 5.5% of GDP in 2016. The current account balance declined from -\$3,108.8 million in 2013 to -\$1,334.1 million in 2016. This stabilizing trend can also be observed in the numbers concerning state debts. Public debt decreased from 86.9% of GDP in 2007 to 17% of GDP in 2017. External debt declined from \$13,102.3 million in 2009 to \$5,076.9 million in 2016. In 2016, the total debt service was \$435.1 million. Yet, the total reserves also decreased from \$1,678.5 million in 2013 to \$708.2 million in 2016 in current U.S. dollars.

Despite the positive budget balance achieved in 2017 and consolidated at the end of September 2018, the following months have experienced deficits, probably due to expenditure on the organization of the elections, held at the end of 2018. In a context of low revenue mobilization and given the level of patronage and clientelism that characterized these elections, it is not certain that the results achieved in late 2017 will be repeated in the near future.

Monetary stability



Fiscal stability



9 | Private Property

Private ownership by domestic and foreign investors is formally protected in the Democratic Republic of the Congo as stipulated in the constitution (Chapter 2, Articles 34 – 40). The Office of the Mortgage Registrar in the Ministry of Land is responsible for registering mortgages and loans. Personal property can be registered at the Office of the Notary in the Ministry of Interior. Yet, ownership over land is often contested and records are frequently patchy.

DR Congo holds bilateral investment and reciprocal protection treaties with many countries, including Belgium, Italy, Germany, France, China and the United States, as well as a large number of African countries. However, due to sustained corruption, and a dysfunctional public administration and judicial system, these rights are often ignored and inconsistently enforced. The government has acknowledged this weakness in the protection of property rights and drafted bills on the issue in 2015. So far, the bills remain pending before the parliament. In spite of the little progress made, so far there is no specific regulation of real property lease or acquisition.

As far as intellectual property is concerned, the country has not yet complied with its international intellectual property rights (IPR) obligations. According to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which has been ratified by DR Congo, patents and trademarks must be protected for 20 years. In contrast, DRC law protects patents and trademarks for only 15 years, although it does provide for all the enforcement mechanisms required by TRIPS. In 2011, the Société des Droits d'Auteur et des Droits Voisins (SOCODA) was established to protect authors' rights. Yet, a reform of the 1982 law on the protection of intellectual property still requires parliamentary approval.

The Democratic Republic of the Congo has made remarkable improvement in its business environment due to the various reforms implemented since 2013. This resulted in a better rating for the country in the World Bank's Doing Business Index. For instance, as reported by the 2019 Doing Business Index, in DR Congo starting a business requires seven days and four procedures, almost the same as New Zealand (with 4.9) and substantially below the mean for sub-Saharan Africa of 23 days. This improvement is the outcome of the implementation of the one-stop shop "guichet unique" instituted in 2013. It reduced processing time from five months to three days and lowered the incorporation fees from \$3,000 to \$120. Import-export business is governed by the same mechanism.

However, for several other aspects of the Doing Business, DR Congo still lags behind. This is the case for registering property (ranked 165 out of 190 countries) and enforcing contracts (ranked 178 out of 190 countries). As far as resolving insolvency

Property rights

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Private enterprise

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is concerned, in 2019, DR Congo scored zero, meaning that it is among the worst performers.

DR Congo has signed the Organization for the Harmonization of African Business Law's (OHADA) act. The related mining code has been under review since 2012 and was promulgated in March 2018, as was the prices and competition regulation's law. Thus, although the country gains points in terms of reforms, which are supposed to strengthen market principles, they have produced mixed effects in terms of strengthening privatization and attracting investors. And, even sectors that should boost liberalization, are still suffering from the non-application of the texts. For example, the liberalization of the insurance sector is still not effective after its promulgation in March 2015. The reform is expected to be implemented in March 2019.

However, in spite of the improvement of the business legal framework, many entrepreneurs remain in the informal sector and the pace of foreign investment has slowed down. This is may be due to the large sums of money officials charge for dubious or nonexistent taxes or fees. More than 60% of investments in industries other than mining are not covered by official statistics. However, based on what is registered, foreign investments as a percentage of total investments decreased from 78.7% in 2010 to 34.1% in 2015. The political instability that the ruling elite and Kabila's direct inner circle enabled should not be ruled out from the plausible explanations of this downward trend.

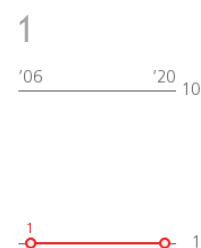
10 | Welfare Regime

A formal social security system is in place in the Democratic Republic of the Congo, but only a small proportion of the population can benefit from it.

In July 2018, the National Institute of Social Security (INSS) was transformed into the Caisse Nationale de Sécurité Sociale (CNSS). The INSS was governed by a law from 1961, which restricted formal social services to only a few cities in the country. Since 2016, several innovations have been introduced. These innovations comprise family allowances and daily allowances for women during maternity leave to compensate for the loss of earnings. It also considers gender equality and the participation of social partners in the management of the system. However, according to the World Bank's Doing Business, in 2018, paying taxes became more costly for companies, as the government increased employers' social security contribution rate.

These reforms notwithstanding, the system only covers citizens employed in the formal sector, excluding a substantial proportion of the population that earns money in the informal sector. In addition, people with disabilities (more than nine million people) have no access to appropriate care, in spite of DR Congo's adherence to the U.N. Convention on the Rights of Persons with Disabilities. Hence, the majority of

Social safety nets



the population rely on support from their families and on narrow community structures.

Furthermore, decades of war have destroyed larger traditional social structures in many areas of the country, and the number of internally displaced people (nearly 3.9 million in October 2017) and refugees is still substantial. IDPs and refugees are fully dependent on international humanitarian organizations for their survival given the government's low contribution to social sectors. To meet their objectives, these organizations use several programs ranging from cash transfers, in-kind social safety nets, fee exemptions, public works, social assistance and social services. The internal counterpart of the intervening structures in this domain are churches, which provides most of the social services. There exists a Program for the Promotion of Mutual Insurance (PNPMS), which is meant to complement the CNSS. However, the program has been ineffective since its launch in 2011.

Equal opportunity is enshrined in the constitution, but it does not exist in practice. In general, access to opportunities and social success are very unequally distributed, and largely determined by personal relations and patronage networks – particularly an individual's personal or ethnic relation to the country's president, the president's family, the president's personal associates, and the country's high ranking political and military officials. Furthermore, there are strong disparities between rural and urban areas, between different regions, and between men and women.

The National Fund of Equalization (CNP) has been charged with financing public investment projects and programs that aim to ensure national solidarity and correct for imbalances in the development of different provinces. Except from this mechanism, which remains inefficient in practice, there are no institutions to compensate for gross social inequalities.

Even though statistically every child attends primary school, as recently as 2018, only 46.2% of children completed secondary education and only 6.9% completed tertiary education, a slight improvement compared to a few years ago. The female-to-male ratio of school enrollment is now 100% for primary education, only 69% for secondary education and remains at 50% for tertiary education. The literacy rate also shows gender disparity. In 2016, 88.5% of men were able to read and write, but only 66.5% of women. The female labor force participation rate stands roughly at 50%, but it is predominantly active in the informal sector.

Equal opportunity

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11 | Economic Performance

Between 2009 and 2017, the Democratic Republic of the Congo's GDP almost doubled from \$18,646.4 million to \$37,241.3 million. This performance was mainly due to mining activity, construction in major towns and investment in infrastructure reconstruction. However, this has not prevented the country from remaining the seventh poorest in the world, with one of the world's lowest rates of GDP per capita, only \$887 (PPP) in 2017. Between 2010 and 2015, the GDP per capita growth was above 3%, but dropped to -0.9% in 2006 and stood at 0.4% in 2017.

The inflation rate has been volatile over the last decade. Between 2007 and 2016, the average inflation rate was 7.47%. It varied strongly over the decade, with a peak of 17.3% in 2008 and a trough of 0.7% in 2015. In 2016, the inflation rate was 2.9%, according to the World Bank.

Over the last decade, in spite of a flourishing mining sector, the current account balance as a percentage of GDP has persistently been in deficit due to a heavy reliance on imports. Though it improved slightly in 2018, when the deficit represented only 2.1%, it has continued to fluctuate beyond 3.5%. An underdeveloped manufacturing sector makes the economy heavily dependent on imports to meet almost all needs. The recent political crisis has undermined capital inflows from donors and investors, leading to a financing squeeze, which has led to diminishing reserves and the steady depreciation of the Congolese franc.

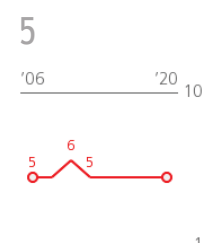
Challenges of any kind, but especially corruption, inconsistent policy implementation and widespread mismanagement of the financial sector remain causes of serious concern.

12 | Sustainability

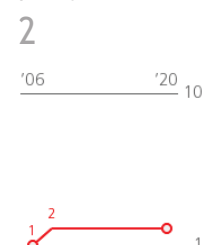
The constitution provides a legal framework for the protection of the environment. Law no. 11/009 of July 9, 2011 contains fundamental principles relating to the protection of the environment. This is also the case for Law no. 11/2002 of August 29, 2002 on forestry. Since 1976, the Democratic Republic of the Congo is a signatory to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), which is a legally binding agreement. However, there is a critical gap between these legal provisions and the reality on the ground. Even basic environmental rights are not considered, as the political elite prioritize their own economic gain over environment costs. Judges are ill prepared to deal with cases relating to environmental issues.

DR Congo is home to the second largest rainforest in the world. Furthermore, half of Africa's freshwater reserves are located in DR Congo, but only two-thirds of the population have access to clean drinking water. Between 2011 and 2015, the

Output strength



Environmental policy



percentage of forested area has diminished by 0.5%, which in comparison to other rainforests around the globe is a modest loss. Nevertheless, the rainforest and its ecosystem are under pressure since the population relies on the forest for subsistence (e.g., charcoal, bush-meat). This demand will further increase due to population growth and worsening living conditions caused by ongoing violent conflicts.

Because of its strong reliance on extractive sector revenues, the government has turned a blind eye to mining companies that are not environmentally responsible. The government's intervention is obstructed by the fact that many of those operating in sectors that have a significant impact on the environment are very close to the ruling elite. The recent political crisis in the country has also exacerbated environmental issues, with DRC soldiers and paramilitary groups usually concentrated in mineral-endowed areas. In these areas, environmental degradation due to illegal exploitation remains the main risk due to permanent militarization that President Kabila's regime organized over the past three years.

The Democratic Republic of the Congo remains a challenging environment for the promotion of education. In order to tackle these challenges, the country developed and adopted in 2015 an Education Sector Plan for the period 2016 to 2025. This plan seeks to expand access to education and improve the quality of education and the management of the education sector. For instance, the plan aims to deliver free primary education to all children, gradually extend the length of basic education from six to eight years and introduce targeted measures for disadvantaged children and children with special needs. Moreover, the government committed 20% of its budget to education.

In 2017, DR Congo scored 0.496 in the U.N. education index. The government's education expenditure decreased from 2.17% of GDP in 2015 to 1.47% of GDP in 2017. However, the completion rate at primary level improved from 29% in 2002 to 70% in 2014.

Since 2013, teachers have regularly received their salaries. But the level of pay they receive remains low, especially for those at the primary level. Teacher pay is supplemented by the local premium paid by the parents, but this does not significantly increase the level of salary. Several development partners intervene in the educational sector, but most of their interventions are oriented toward the developing teacher capacity and improving basic school infrastructure, which in general are managed and owned by religious organizations.

Overall the research sector suffers from the common ills of DR Congo: corruption, insufficient funding and appointment of managers on the basis of accordance with the ruling elite. However, the liberalization of the sector since 1989 has enabled a small handful of universities to maintain a minimum of quality in the sector. It is also in private institutions that there is a semblance of R&D, usually under the instigation and with the funding of foreign partners.

Education policy /
R&D

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Governance

I. Level of Difficulty

The structural constraints on governance in the Democratic Republic of the Congo are huge and have worsened due to the political environment created by the recent elections. Throughout the election period, the presidential candidate Emmanuel Shadary, chosen as the dauphin of former president Kabila, used the equipment and personnel of the high public administration, both civilian and military, for his campaign. This was an illustration of the country's weak institutions, which has for a long time negatively impacted on economic recovery, sapping the confidence of the population, investors and development partners, and undermined private sector participation in economic development. Indeed, there are also many infrastructural and other organizational challenges. Covering an area of 2.345 million squared kilometers, the country has 153,209km of roads under the supervision of the Roads Office. Of these roads, only 3,000km are covered. More than 80% of the active workforce operates in the informal sector. Data from the World Bank Enterprise Survey (WES) revealed that tax harassment and then the unreliability of electricity supply were perceived to be the main constraints to business.

In the past, Ebola outbreaks in the country were circumscribed and stopped within less than a month. However, at the time of writing, the Ebola crisis in Beni has been ongoing for almost seven months without an adequate response to stop it. This is partly due to the government's inability to ensure the security of the affected area, where some of the multiple armed groups operating in the eastern part of the country are the most active, and due to poor coordination of government actions.

The Democratic Republic of the Congo has one of the most active civil societies of any country in the African Great Lakes region. Dating back to the early 1990s, civil society spirit and organizations in DR Congo were in general the emanation of religious movements, especially Christian movements. With the decadence of the Mobutu regime, most of these organizations, which were initially created for development purposes, played an important political role in channeling civic engagement. In the final hours of its rule, the Kabila regime relied on violence as a mean of governance. However, the above mentioned CSOs were still functioning and publicized the atrocities of the regime, which the traditional press could not mention. CSOs have been involved in the creation of local media with the aim of enabling

Structural
constraints

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Civil society
traditions

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people, especially in rural areas, to access information in general and information about development initiatives in particular. In the recent pre-election period, citizen movements led by young people (e.g., Lucha, Filimbi, Réveil des indignés) played a remarkable role in raising public awareness of key issues and denouncing civil rights violations by the ruling elite.

One of the major problems with CSOs is their dependence on funding from international organizations and their proliferation only in sectors targeted by international development NGOs. CSOs also lack capacity and are to some extent reliant on a domestic patronage.

The flight of Mobutu from power in 1996 and the arrival of Laurent-Désiré Kabila in power threw the country into a war in which armies from several countries intervened. With the help of U.N. forces, the war came to an end in 2001. However, the inability of the state to impose its authority over the whole territory continued and contributed to the organization of paramilitary groups and organized crime.

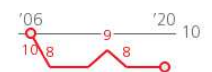
Today, the Democratic Republic of the Congo is threatened by several armed groups, mainly in the eastern part of the country. In the provinces of North and South Kivu, more than 132 groups are reported to be active. Many of these groups have no political ideology and profit from the illegal exploitation of natural resources, which is possible due to the absence of the state. When a group has an ideology, it is either linked to the protection of the traditional tribal land to which their members belong or to a struggle against foreign armed groups. The latter struggle is mainly targeted at the Democratic Forces for the Liberation of Rwanda, FDLR, a movement constituted by some Rwandan refugees who have been hosted in DR Congo since the 1994 genocide in Rwanda.

The only movement that has a religious ideology is the Alliance of Democratic Forces (ADF-Nalu). It is a rebel movement from Uganda, which advocates for the expansion of Islam. Since 2016, the movement operates with impunity in the territory of Beni where it has committed numerous violent atrocities, despite the presence of several regiments of the national army (FARDC) in the area. However, the national army is often considered rather a conflict party by rebel groups rather than a tool for fostering peace.

Following the 1996 to 2000 period of civil war, significant strides toward political stability and reconciliation were achieved. However, the recent political evolution of the country has marked a return to a culture of violence and the use of force for the resolution of litigation. Demonstrations often result in violence. Sometimes the violence is triggered by state security forces, but more regularly the violence is caused by angry young men seeking a means of expressing opposition to the ruling elite. Such violence leads to casualties and substantial material damage.

Conflict intensity

8



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II. Governance Performance

14 | Steering Capability

As in the days of the Mobutu dictatorship, governance in the Democratic Republic of the Congo remains centered around the president. Despite the immensity of the social problems experienced by the population, the government seems to have no fixed agenda. Consequently, it is difficult to analyze long-term strategic planning by examining government action. During the period under review, the parliament continued its work of passing laws, which – apart from those directly related to maintaining the power of the ruling elite – involved updating laws that already existed but were several decades old. One of the major achievements in strategic planning, the vote on the new mining law, was seen as a weapon of deterrence used by former president Joseph Kabila to remain in power for a third term.

In several other areas, the government's planning, often dictated by agendas from international partners, is limited to agendas without real operational planning and without mobilization of the necessary means. This is the case of the Strategic Development Plan 2017 – 2021 (NSDP), which follows the 2011 – 2015 Development Strategy and Poverty Reduction Document (DSCR-2). As a development plan, the former is limited to the goal of making DR Congo a middle-income country by 2030 without any concrete plan of action. This was best illustrated by the ministerial reshuffle and the restructuring of ministries, which served the interests of the various new entrants rather than the achievement of development goals.

In view of reducing vulnerability, eliminating sources of inefficiency and addressing the four main causes of poverty, the Strategic Paper on Growth and Poverty Reduction 2 (DSCR-2) advocated strong policies focused on: improving governance; promoting economic growth; creating jobs and controlling population growth strongly correlated with poverty; and improving basic services, infrastructure and reducing inequality. However, being more aware of the pre-election situation, the actions of the government were primarily directed toward maintaining the power of the ruling elite.

In view of this, it is clear that the government lacks the capacity and suitable personnel to devise and implement an appropriate plan of action to effectively kick-start the country's social, economic and political development. Given the country's natural assets, it is fair to argue that the country's leadership has no intention whatsoever of promoting the collective well-being of the Congolese people.

Question
Score

Prioritization

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Apart from a lack of political will by the most powerful elites, structural constraints such as the unsuitability of skilled personnel in certain strategic positions and inappropriate budgets seriously hamper the implementation of even the most basic measures, making it dependent to a large extent on donor support. With the help of the World Bank, the National Secretariat for Capacity-Building (SENAREC) was launched in 2011, under the umbrella of the Ministry of Planning, to coordinate capacity-building processes, and facilitate the design, quality control, execution, monitoring and evaluation of various government projects. In 2013, another program was funded by the same institution, the Public Administration Reform and Rejuvenation Project (PRRAP), with the aim to improve human resource capacities across five pilot departments (Public Function, Plan, Finance, Portfolio, Budget), three financial authorities (IMD, DGRAD, DGDA) and the National Institute of Statistics (INS). With a minimum of political will, these reforms should allow for better implementation of government policies. However, due to the level of corruption and the politicization of public administration, the reforms have failed to significantly increase the effectiveness of public administration.

For the past two years, the government has focused its efforts on organizing elections. This is one policy that has been implemented. However, this was because those in charge of its implementation could only maintain their power through elections.

With the various capacity-building programs and restructuring of public administration personnel, the Democratic Republic of the Congo has an asset for the adoption of more flexibility and innovation in government action. However, political staffing structures did not experience the same depth of reform. The same politicians from the Mobutu's dictatorship time are still in office today. With the prevailing lack of political accountability, politicians seek political remuneration through public office. One of the few areas where there has been a major change in positions is the army and security services, which were placed under the total control of former president Kabila. But even in this sector, the lack of accountability has led to an absence of innovation or flexibility. This is exemplified by the inability of the national army to defeat the various armed groups and impose the authority of the government over the whole country.

The economy of DR Congo remains dependent on exports of extractive products. While access to social media seems to reinforce youth involvement in the service sector in many African countries, DR Congo still lags behind due to the lack of government support for this type of innovation. Internal communication through mobile phones remains among the most expensive in the world. Furthermore, rather than diversify the tax base, in November 2018, the government was preparing to increase taxes on the use of the internet from 27% to 60%.

Overall, the government is unwilling to change failed policies for innovative ones, except when they benefit the political elite.

Implementation

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Policy learning

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There are always many established informal policy-making centers around the president, which are usually even more influential than the prime minister or the government. In general, there is no such thing as setting up effective commissions tasked with studying government failures.

15 | Resource Efficiency

From the national to the provincial level, the state is characterized by the inefficient management of resources at its disposal.

Public services, especially tax collection, are marked by a plethora of staff. Recruitment is rarely based on competition, while ministerial changes go hand-in-hand with recruitment drives, without existing staff being removed. Adding to this politically motivated increase in public sector employees and the fact that retirement is still difficult, the management of public administration is inefficient.

Reporting on the 2017 state expenditures, the National Assembly revealed, in October 2018, that the president of the republic and some cabinet ministers have overspent by up to 200%.

While the constitution provides for a 40% retrocession of public revenues from the central government to the provinces, between 2014 and 2016, this was not fulfilled. As a result of the decline in commodity prices, the National Executive reduced this retrocession to less than 10%. It is unlikely that the situation in 2018, an election year, will prove to be any different.

It is fair to say that governments are notorious for wasting human, financial and organizational capital. There is no useful structure tasked with studying, setting up, evaluating and improving methods that ensure the efficient and effective use of human resources in public administration.

Since the 2011 election, all governments have been coalition governments. In addition, since 2016, the last two governments were formed in a period of political crisis with the aim of ensuring a political transition through elections. The fact that political posts are nearly exclusively allocated to foster clientelistic networks, appease potential troublemakers and fulfill quotas in the transition process, makes efficient coordination of politics and policies virtually impossible. Politicians in decision-making positions tend to pursue their own priorities without adhering to a coherent and coordinated overall government strategy. Different branches of the government often compete against each other with counterproductive effects. The logic of the transition government induced a strong parceling of ministries. For example, National Education has been divided into four other ministries (Primary and Secondary Education; Vocational Training, Trades and Crafts; Higher Education; and Scientific Research). Several ministers contested the authority of the prime minister.

Efficient use of assets

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Policy coordination

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Public officials' responsibilities often overlap with one another, be it between different levels of the administration (e.g., national versus provincial office holders) or between the formal governmental and traditional spheres. The results are uncertainty (e.g., with regard to property or business deals) and a general bias in decision-making toward the will of the highest bidder.

Nonetheless, coordination among relevant bodies concerning the goal of keeping President Kabila in power (presidency, parliament, relevant ministries, security forces, even the judiciary) was remarkably effective.

Even though President Kabila prioritized the fight against corruption, public administration in the Democratic Republic of the Congo remains one of the most corrupt in the world. There is constant interference in the affairs of government and public administration. State affairs, notably economic and financial matters, are conducted in a manner that lacks due transparency.

In 2015, President Kabila appointed a former minister of justice, Luzolo Bambi Lesa, as his special advisor on good governance. In this position, Lesa was in charge of the fight against corruption. However, such an appointment was in total contradiction with the way the Kabila regime ruled the country. Since people in public office worked to preserve the reign of former president Kabila, corruption could not be suppressed.

In October 2018, Bambi stated that jurisprudence in the fight against corruption in DR Congo was non-existent and claimed that corruption and the misappropriation of public funds were equivalent to three times the national budget. Since 2010, there exists a law on public procurement. However, several subsequent government contracts have clearly violated the law.

Anti-corruption
policy

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16 | Consensus-Building

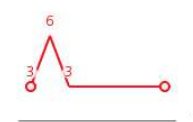
Some of the shortcomings of the dictatorship still persist in the perception of democracy in the Democratic Republic of the Congo. DR Congo has undergone some reforms in the direction of opening its economy to market principles, passing a number of reforms to update antiquated laws. However, in terms of strengthening democracy, the country has seriously regressed: electoral deadlines have been postponed or outright skipped. Furthermore, when elections were held, they essentially aimed at strengthening the position of the ruling elite.

It is often under the instigation of international partners that reforms promoting a market economy have been achieved. And even when the reforms are an endogenous initiative, the use of funding from international partners is usually sought for their implementation. Within the political class, any reform is seen as a means of repositioning or strengthening the position of certain individuals rather than as a necessity for the structural transformation of the country.

Consensus on goals

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In the Democratic Republic of the Congo, it is difficult to distinguish democratic reformers from non-democratic actors. No institution seems to be made up of actors who stand out from the need to retain power for themselves. In both the military and public administration, clientelism and the pursuit of individual interests are behind all actions. Several human rights NGOs have repeatedly criticized the abuse of public property for private interest. This was strongly noted during the recent campaign in which army officers and members of the legislative branch were placed on Emmanuel Shadary's campaign team, the candidate supported by former president Kabila and his political platform, the FCC.

In this sense, the government has established itself as the country's major anti-reform veto actor.

The 2006 constitution incorporated several resolutions from the Sun City agreements, which had made it possible to find a lasting solution to the previous conflict. Cohabitation with neighboring countries had also enabled them to no longer serve as a background for possible rebel movements. Yet, the concentration of power around the ruling elite and the inability to seriously reform the national army has led to the emergence of armed groups, especially in the eastern part of the country, and further conflict. These armed groups are largely organized by politicians who are close to power and exploit ethnic identities.

The ruling elite feed rather than prevent conflict. The elite takes advantage of conflicts and seeks to use them to weaken the opposition. When conflicts arise that are not stirred by the political elite, the government uses excessive force, generating more reasons to contest the authority of the state.

Civil society in the Democratic Republic of the Congo is one of the most active on the continent due to weak state institutions and the state's failure to deliver social services. However, civil society is rarely involved in the state's determination of development objectives, or the implementation or evaluation of development programs.

In the field of human rights, civil society has nevertheless a certain impact, essentially through strong lobbying with international partners, although this has led to intimidation or repression by state security forces. Civil society was also partly responsible for the fact that Joseph Kabila's regime agreed to hold elections. Civil society is an important actor because it mobilizes people from all generations and is perceived as advocating democratic ideas, but it lacks the approval of the ruling elite.

Anti-democratic actors

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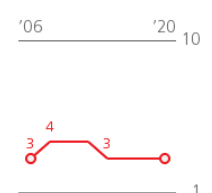
Cleavage / conflict management

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Civil society participation

3



Post-transitional justice is one of the Democratic Republic of the Congo's most conspicuous failures. While after the Sun City agreements, the Truth and Reconciliation Commission was created, the commission was quickly abandoned after the first democratic elections. Clearly, the ruling elite has never had any interest in ensuring reconciliation between the former warring parties.

The International Criminal Court (ICC) brought some perpetrators of human rights violations to trial and the national army has also organized trials against certain military personnel who were accused of rape. However, there are many members of armed groups or high-ranking members of the army who are alleged to have committed severe atrocities, but have never been prosecuted by any jurisdiction. Many of these people remain in charge of civilian or military institutions. This is the case with Emmanuel Shadary, a presidential candidate in the most recent elections, who was initially chosen by former president Kabila as his dauphin. Shadary remains under EU sanctions for having been responsible, as minister of the interior, for human rights violations against the opposition and in the Kasai province.

17 | International Cooperation

Prior to 2016, the Democratic Republic of the Congo had a good overall relationship with all international partners. Since 2015, these relationships have significantly deteriorated due to the postponement of presidential elections and the pressure that the international community exercised in response. DR Congo's resistance to this pressure (e.g., expressed through the boycott of a U.N. aid conference targeted at DR Congo) led to a decrease in aid to DR Congo. The government, furthermore, rejected external aid for the conduct of the national elections in order to avoid compliance with donor conditions. Instead, the government chose to run a public account deficit.

The deterioration of relationships can also be illustrated by the closure of diplomatic missions, (e.g., that of the European Union) and the cancellation of the U.N. secretary-general's visit less than two days before his arrival. Several other events have marked this coldness between DR Congo and the international community, such as the closure of the Maison Schengen, the central visa office for EU member states in Kinshasa, by DRC authorities.

The country suffers from a serious credibility deficit with its international partners. The government is reluctant to comply with the conditions of international and bilateral donors, as was evident in the crisis related to Kabila's extended second presidential term during the period under review. The government justified its resistance to international partners' good governance and constitutional conditions by referencing its national sovereignty. Consequently, the country has turned away from many of its traditional partners to focus only on Russia and China, countries that have demonstrated less concern with enforcing democratic values or promoting good governance.

Reconciliation

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Effective use of support

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Credibility

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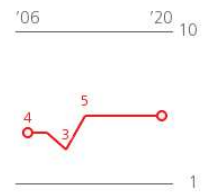
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The Democratic Republic of the Congo has a legacy of recurring civil wars in which several neighboring countries have interfered. In response, the international community has promoted regional cooperation, and the DRC government itself considers regional and sub-regional cooperation a security imperative. DR Congo is a committed member of numerous regional organizations, such as the SADC, COMESA, ICGLR and the African Union.

Yet, tensions with neighboring countries still persist. Nationals of neighboring countries are allegedly members of armed groups operating in DR Congo. Congolese fleeing atrocities very often take refuge in neighboring countries where they are sometimes mistreated or hunted. This has repeatedly led to the freezing of relationships between DR Congo and its neighbors. For instance, Angola has repeatedly expelled refugees or illegal migrants. In Congo-Brazzaville, the operation “Mbata ya Bakolo” was organized against illegal residents from DR Congo and the operation remains at the center of talks between the two countries.

Regional cooperation

5



Strategic Outlook

Even though the Democratic Republic of the Congo has experienced GDP growth since 2001, living conditions for the majority of the population have deteriorated. Social and economic inequalities have increased substantially. In a post-conflict context, such developments do not facilitate social cohesion. It is therefore important that DR Congo's development partners focus their actions on three key areas: the labor market, social protection and the structure of the economy. The need for labor market reform lies in the fact that the Congolese population is young and that young people account for the largest share of the unemployed population. Without effective policies to integrate young people into the labor market, it will be difficult to curb inequality. This will require more support for the education sector in general and the strengthening of vocational training structures in particular.

The economy remains dependent on imports of commodities and the extractive sector for exports. To meet public expectations, it is important that the economy diversifies. The majority of the Congolese population live in rural areas. However, agricultural development is not a government priority. As the country is party to Maputo's declaration on strengthening agriculture in Africa, it is important that the government prioritizes the operationalization of the National Agricultural Investment Plan (PNIA). As part of the operationalization of the plan, the orientation of young people toward agribusiness should pay off. This requires the prioritization of basic infrastructure development and the creation of employment opportunities.

The 2018 presidential elections brought an entirely new candidate to power and marked the end of Kabila's presidency. This electoral transition distinguishes DR Congo from many of its neighboring countries. The pressure of the international community, which proved key to this turnover of power, should be exerted on other neighboring countries as well. It is important that international partners' strategies in DR Congo also take into account political developments in the region more generally. Failure to foster a culture of electoral politics in the region will undermine efforts to disband armed groups. Without security, it will not be possible to secure the investment and develop the infrastructure necessary to generate externalities throughout the region. U.N. forces in DR Congo (MONUSCO) could provide training to the DRC army in order to end the phenomenon of armed groups and allow the state to exercise full authority over the whole territory.

Although the parliament remains dominated by people who have worked with the outgoing president for a long time, there is good reason to hope that the new president would introduce new and improved methods, which would facilitate real positive change over time. The quality and admissibility of policies should constitute the key pillars of action.