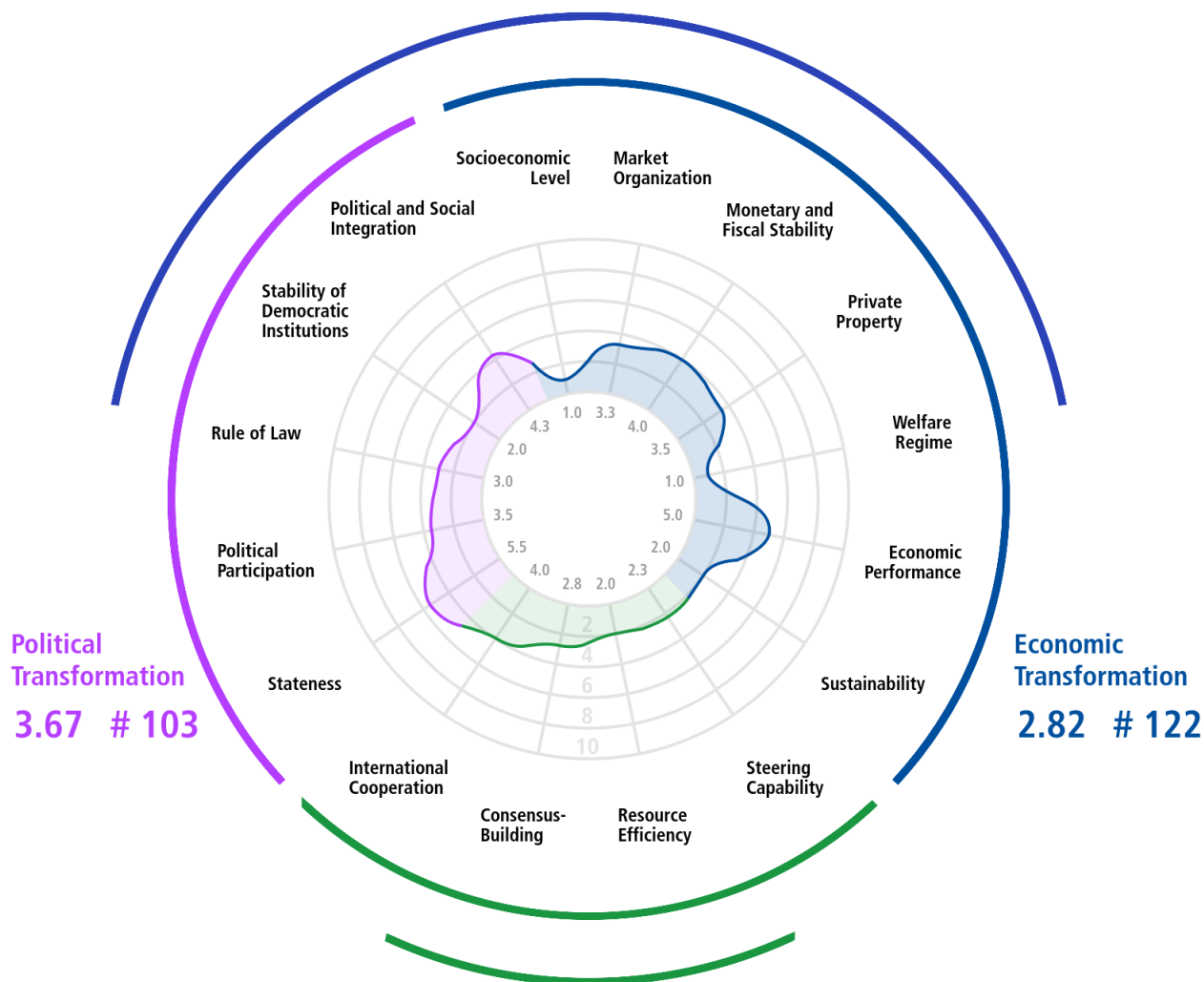


# Congo, DR

## Status Index

**3.24 # 120**

on 1-10 scale out of 137



## Governance Index

**2.65 # 125**

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2022**. It covers the period from February 1, 2019 to January 31, 2021. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

Please cite as follows: Bertelsmann Stiftung, BTI 2022 Country Report – Congo, DR. Gütersloh: Bertelsmann Stiftung, 2022.

This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

## Contact

Bertelsmann Stiftung  
Carl-Bertelsmann-Strasse 256  
33111 Gütersloh  
Germany

### Sabine Donner

Phone +49 5241 81 81501  
[sabine.donner@bertelsmann-stiftung.de](mailto:sabine.donner@bertelsmann-stiftung.de)

### Hauke Hartmann

Phone +49 5241 81 81389  
[hauke.hartmann@bertelsmann-stiftung.de](mailto:hauke.hartmann@bertelsmann-stiftung.de)

### Claudia Härterich

Phone +49 5241 81 81263  
[claudia.haerterich@bertelsmann-stiftung.de](mailto:claudia.haerterich@bertelsmann-stiftung.de)

### Sabine Steinkamp

Phone +49 5241 81 81507  
[sabine.steinkamp@bertelsmann-stiftung.de](mailto:sabine.steinkamp@bertelsmann-stiftung.de)

**Key Indicators**

Population	M	<b>89.6</b>	HDI	<b>0.480</b>	GDP p.c., PPP \$	<b>1131</b>
Pop. growth <sup>1</sup>	% p.a.	<b>3.1</b>	HDI rank of 189	<b>175</b>	Gini Index	<b>42.1</b>
Life expectancy	years	<b>60.7</b>	UN Education Index	<b>0.496</b>	Poverty <sup>3</sup>	% <b>91.4</b>
Urban population	%	<b>45.6</b>	Gender inequality <sup>2</sup>	<b>0.617</b>	Aid per capita \$	<b>34.9</b>

Sources (as of December 2021): The World Bank, World Development Indicators 2021 | UNDP, Human Development Report 2020. 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

At the beginning of 2019, the Democratic Republic of the Congo (DRC) experienced its first peaceful transfer of power between an outgoing and an incoming president despite contested election results. However, unable to rely on a majority in the National Assembly, the new president, Félix Tshisekedi, built a coalition between his political platform, Cape for Change (CACH), and former President Joseph Kabila's Common Front for the Congo (FCC). Tensions were palpable from the outset, posing problems in terms of building a government. The president took five months to appoint his prime minister who, in turn, needed three months to present a cabinet reflecting the majority the FCC has in parliament.

Throughout 2020, incumbent Tshisekedi put much effort into the expansion and consolidation of his power. In December 2020, he was eventually able to present a new coalition and to end the coalition with Kabila's FCC.

The DRC's economy depends heavily on the export of extractive resources while it imports the majority of other goods. Though economic growth remained stable in 2019 (increase in GDP by 4.4%), the economy fell into recession in 2020 (-1.7%), most of which can be attributed to the effects of the COVID-19 pandemic. Closed borders have led to increasing prices and the inflation rate rose from 4.7% in 2019 to 16.3% in 2020.

President Tshisekedi announced at the beginning of his term a 100-days emergency program in which he prioritized infrastructural measures, in particular the construction of roads but also the construction or refurbishment of facilities for drinking water, electricity, education and health services. The budget for this program was channeled through the presidential office but not successfully implemented. Tshisekedi's chief of staff, Vital Kamerhe, was arrested in April 2020 for allegedly having embezzled these funds.

Tshisekedi has proved successful in renewing cooperation with international partners and neighboring countries. He has pushed for the DRC's admission to the Eastern African Community (EAC) among the country's eastern neighbors. Tshisekedi also started preparation to take over the rotating chairmanship of the African Union in February 2021.

Stricken since March 2020 by the COVID-19 pandemic, the DRC first stumbled before taking the appropriate steps which involved the governor of the city-province of Kinshasa, the country's capital, calling for a lockdown of the commune of Gombe, the administrative and economic heart of the city. The president then declared at the end of March 2020 a state of health emergency, which lasted until July 22, 2020. The government also released a COVID-19 response plan with a budget of \$132 million. With the help of international partners and the coordination of the National Fund of Solidarity against COVID-19, the country succeeded in implementing several projects to fight the spread of the virus that have included setting up screening facilities across the country. However, the minister of health also alleged corruption related to COVID-19 projects. As of January 21, 2021, the country officially recorded 21,302 infections and 640 deaths.

## History and Characteristics of Transformation

Historically, the Democratic Republic of the Congo has witnessed extensive abuses of power and violence. Colonized by Belgium, the DRC experienced some of the worst colonial atrocities perpetrated against its 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, Patrice Lumumba, was in office for only a few months before being deposed in a coup led by Mobutu Sese Seko (Mobutu) and later executed in 1961. Following the coup, Mobutu seized power and exercised absolute rule over the country for the next 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 proved 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, which is 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, Tshisekedi was nonetheless sworn-in as the new president of the DRC on January 24, 2019.

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. Several parts of the country remain under the control of national armed groups as well as groups supplied by nationals of neighboring countries who take advantage of the weakness of the Congolese state to operate from within its territory. These armed groups violate the basic rights of citizens. For example, while the U.N. stabilization mission in the Democratic Republic of the Congo (MONUSCO) reported a decrease in the number of violations, 1,153 incidents were nevertheless recorded in the province of North Kivu during the month of December 2020 alone.

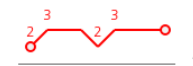
One of the main legacies of President Mobutu Sese Seko Kuku Ngbendu wa Zabanga, whose reign lasted from 1965 to 1997, has been the nationalist feeling of belonging to the same nation. The Congolese have long considered themselves to be one people and, therefore, do not discriminate against one another, especially when they are outside the DRC's national borders. However, due to the various wars that in general have spilled over from Rwanda and given that most rebellions within the DRC are seen to be supported by Rwanda, there has been an increase in anti-Rwandan sentiment, especially in the eastern part of the DRC, which is close to Rwanda. This animosity has extended to the group of Congolese whose mother tongue is Kinyarwanda, the main language spoken in Rwanda. However, these people, who are known as "Rwandophones," continue to benefit from the same liberties and rights as people from any other ethnic group in the DRC. Since December 2019, there seems to have been no major political clash between the DRC and its various neighboring countries. As a result of this, Congolese Rwandophones have been less fustigated than before.

Question  
Score

Monopoly on the  
use of force

3

'06 '22 10



State identity

9

'06 '22 10



The DRC is a secular state, although 50% of citizens are Catholic, 20% are Protestant, and Kimbanguists, Muslims and indigenous believers each account for 10% of the population. Religious dogmas have a very limited influence on politics. However, due to the poor quality of the country's governance and poor supply of public services, religious organizations (and other NGOs) often step in to provide basic services, which gives them an important position in society.

As religious organizations form an important part of civil society, they also occupy seats reserved for civil society in state institutions, such as the independent electoral commission (CENI). The Catholic Church played a leading role in challenging former President Kabila when he failed to organize elections at the end of his term in 2016. The Catholic Church continues to criticize the incumbent president, Tshisekedi, for not doing enough to improve the social situation of the Congolese people.

The long period of civil wars has placed the DRC among the most fragile states in the world, as evidenced by the poor quality of infrastructure especially in rural areas. World Bank indicators for government effectiveness in the DRC have continued to decline over the past decade. Efforts to improve public administration, even in major cities where state institutions exist, proved unsuccessful during the period under review, despite Tshisekedi's "100 days program" to improve basic administration and service delivery. Rural areas remain largely bereft of state representation and service delivery.

In areas where institutions of public administration have been established, performance continues to be undermined by corruption, lack of professionalism and ethnic rivalries.

## 2 | Political Participation

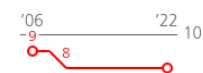
The Democratic Republic of the Congo is ruled by elected representatives. However, the credibility of elections has repeatedly been called into question. In 2006, the very first presidential elections were held in the country. In 2011, the next general elections were conducted but their results were not deemed credible.

In 2016, then President Kabila approached the end of his second term in office and, due to the constitutional two-term limit, he was not allowed to stand for re-election. However, Kabila remained in power for another two years, a period qualified in the DRC's political jargon as the "glissement." Through the excessive use of force and an elaborate system of corruption, he was able to postpone elections. In December 2018, general elections were finally held.

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

No interference of religious dogmas

8



1

Basic administration

2



1

Free and fair elections

4



1

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 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 was not done during the period under review. Fayulu's appeal to the Supreme Court was declared unfounded on the grounds that only CENI could determine the results of the polls.

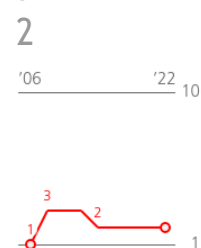
Although President Tshisekedi was declared the winner of the elections, his party, the UDPS (Union pour la Démocratie et le Progrès Social), combined with the coalition under which he ran, CACH (Cap sur le Changement), won 48 out of 500 parliamentary seats. To ensure a parliamentary majority and the ability to form the next government, CACH formed an alliance with the FCC (Front Commun pour le Congo) – the political platform of parties that supported the outgoing president, Kabila, and from which the prime minister, Sylvestre Ilunga Ilunkamba, was chosen.

Local elections were scheduled for 2019 but had still not been held at the end of January 2021.

The power of President Tshisekedi was strongly constrained during the period under review. There are serious doubts about whether Tshisekedi himself can be considered the DR Congo's democratically elected president (see "Free and fair elections"). Tshisekedi's party did not hold a parliamentary majority and Tshisekedi had to rely on the support of the FCC – the political platform of former President Kabila. The prime minister, the majority of cabinet members, as well as the president of the lower house of parliament, Jeannine Mabunda Lioko, and the president of the Senate, Alexis Thambwe Mwamba, were all FCC members. Kabila aimed to return to power in 2023 and maintained control of many institutions through officials that had been appointed by himself or his allies.

However, to fully secure his hold on power, President Tshisekedi unilaterally decided to end the coalition with the FCC. On October 23, 2020, he announced the launch of consultations under the umbrella of the "Union sacrée pour la nation" (USN). He managed to form a new political majority in parliament and the Senate. At the end of January 2021, the Kabila loyalist prime minister, Ilunga Ilunkamba, had to resign after a successful motion of censure against him.

Effective power to govern





The constitution of the DRC guarantees freedom of association and assembly. There are myriads of associations and organizations working in the DRC. Many of them work under the umbrella of religious denominations, which in addition to the traditional Catholic and protestant-Pentecostal churches are uncountable. Most of them are based in Kinshasa.

The cycle of political violence and civil society harassment that characterized the country between mid-2016 and March 2019 seems to have stopped. This is not surprising since the bulk of the political demonstrations were organized by the opposition to which the current president and many of his political entourage had belonged. The most remarkable protests reported by the Carnegie tracker are related to judicial reforms proposed by the National Assembly and the decision to appoint Ronsard Malonda as chairman of the Independent National Electoral Commission, despite his alleged responsibility for rigging elections in favor of former President Joseph Kabila. According to Freedom House, at least six people died during these protests.

As part of COVID-19 regulations, public gatherings were limited to a maximum of 10 people from December 18, 2020, onward. These restrictions were still in place on January 31, 2021.

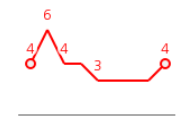
The DRC has a multitude of commercial, community, and faith-based radio and television stations. While reports of the harassment of journalists and publishing houses were widespread especially between 2015 and 2018, the number of arrests of journalists has dropped significantly. Since 2019, no attacks on or forced closures of media offices were reported. Nevertheless, the Congolese NGO Journalist in Danger (JED) reported 115 violations of press freedoms during 2020. For instance, two journalists were arrested in November 2020 after sharing videos from President Tshisekedi's political consultation on social media in which advisers displayed disrespectful behavior during Tshisekedi's speech.

During the COVID-19 lockdown, many radio stations reduced programming, which deprived citizens of access to information. Information regarding the pandemic was instead shared on social media, where conspiracy theories and the ideas of those expressing skepticism about the severity of the pandemic dominated. In November 2019, the journalist Papy Mahamba Mumbere was murdered while broadcasting a program on Ebola.

#### Association / assembly rights

4

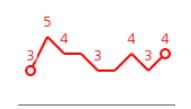
'06 '22 10



#### Freedom of expression

4

'06 '22 10



### 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. In practice, there is a long tradition of executive dominance over the other branches of government. However, President Tshisekedi did not have a parliamentary majority when he came to power and had to cooperate closely with the FCC – the political platform of former President Kabila. This cooperation lacked mutual trust and increased friction, which are not indicators of a functioning system of separation of powers.

The COVID-19 lockdown exposed the latent tensions between the Kabila and Tshisekedi camps. Tshisekedi had signed an order to declare a state of health emergency for a period of 30 days starting on March 24, 2020. The constitution stipulates that such a decision is made after the president has consulted with the parliament and the Senate in Congress. This did not happen and the Kabilist majority quickly criticized President Tshisekedi for illegally imposing the state of emergency. It took a Constitutional Court opinion to confirm the constitutionality of the state of emergency order, although political conflict between the branches of government has continued. After the initial 30 days, the state of emergency was to be extended together with other restrictions such as the ban on gatherings of more than 20 persons. The president argued that the only exception to this rule would be the parliamentary session to vote on the extension but that according to the constitution no other topics could be discussed or voted on during this session. This provoked an outcry from the FCC majority, who argued that the “restriction of the constitutional prerogatives of parliament is a serious act.” As a coup de force, the FCC included other items on the agenda in addition to the extension of the state of emergency.

The judicial system is totally controlled by powerholders. 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 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.

Separation of powers

3

'06 '22 10



Independent judiciary

2

'06 '22 10



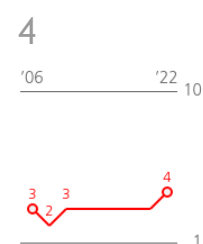
The controversy over Tshisekedi's appointment of three new constitutional judges in July 2020 revealed the strategic and political importance of the Constitutional Court, which was said to be dominated by judges loyal to former President Kabila. Kabila's majority in parliament denounced the appointment of the new judges by Tshisekedi, arguing that the appointments were unconstitutional, although Tshisekedi received the support of the High Judicial Council.

When President Tshisekedi came to power, he promised to prioritize the building of an "un Etat de droit" or in other words the rule of law. Indeed, a court sentenced a high-ranking political official to 20 years of compulsory labor and a fine of \$150 million for the embezzlement of public funds in June 2020. Vital Kamerhe was Tshisekedi's chief of staff and used to be a close ally of Kabila but broke away from him before the 2018 presidential elections. Kamerhe was accused of having embezzled funds that were earmarked for Tshisekedi's "100 days program." Several other arrests followed, including that of former Prime Minister Matata Ponyo for having channeled more than \$80 million into the construction of the agro-pastoral park Bukanga-Lonzo. These construction activities have since come to a standstill, with the management of the project characterized by its opacity. However, it is difficult to judge whether the arrests and condemnation of political officials indicate a sincere political will to tackle corruption or whether they are part of political maneuvers (e.g., to disqualify Kamerhe from running as a candidate in the next presidential election).

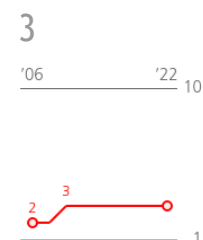
Civil rights are guaranteed by the constitution of the DRC but are frequently violated. While violations of civil rights related to the electoral period and national politics have decreased, many violations are perpetuated in areas where armed conflicts take place, such as the Kivu provinces and Ituri province. The U.N. High Commissioner for Human Rights reported that between October 2019 and June 2020 1,300 civilians were killed by non-state armed groups and government forces. Extrajudicial killings are regularly perpetuated. The U.N. Joint Human Rights Office reported, for instance, at least 225 extrajudicial killings by security forces in the first half of 2020. According to Amnesty International and Human Rights Watch, human rights defenders such as Nobel Laureate Denis Mukwege continued to receive death threats in 2019 and 2020.

The COVID-19 state of health emergency did not affect the functioning of courts and tribunals. However, movement was restricted by the state of health emergency.

#### Prosecution of office abuse



#### Civil rights



#### 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 the 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, so far, no improvement can be observed.

The electoral commission CENI serves as an example of the flawed functioning of democratic institutions in the DRC. CENI's reputation is still marred by the mismanagement of the most recent presidential elections in 2018. Furthermore, it has not been able to ensure the completion of the entire electoral cycle, as local and communal elections have not yet taken place, and the results that have been produced were seen as concocted to satisfy the desire of the incumbent regime. Given that the independence of this institution is strongly associated with the personality of its president, the appointment of Ronsard Malonda as its future president provoked strong contestation. Most religious organizations accuse Malonda of being the driving force behind the electoral fraud that favored the FCC in the 2018 elections. In response to the protests, President Tshisekedi is yet to sign Malonda's appointment decree and CENI continues to be headed by its interim president, Corneille Nangaa.

The commitment of major political actors to democratic institutions has been questionable during the period under review. While the transfer of presidential power took place, Congolese civil society and international partners consider the election that led to this transfer of power to have been heavily manipulated. Many observers believe that Tshisekedi's ascent to power was the result of a deal between him and Kabila, and not the result of Tshisekedi winning the highest number of votes.

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.

Tshisekedi's rule was during his first two years characterized by many conflicts and widespread distrust between the three branches of government. For instance, the prime minister, the president of the National Assembly, the president of the Senate

Performance of democratic institutions

2

'06 '22 10



Commitment to democratic institutions

2

'06 '22 10



and several FCC members of parliament boycotted the ceremony in which new members of the Constitutional Court were sworn in because they argued that the presidential appointment decree did not comply with the constitution or the organic law governing the organization, operation and jurisdiction of the Constitutional Court.

## 5 | Political and Social Integration

The Congolese party system is heterogeneous with a huge number of parties. In May 2019, 599 parties were registered with the Ministry of the Interior.

Only a few 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 careers, often in the hope of being co-opted by the ruling elite. Parties are strongly identifiable along ethnic, regional and community lines.

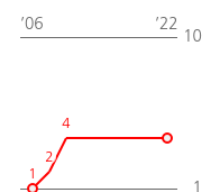
In the 2018 parliamentary election, the political platform Common Forces for the Congo (FCC) led by former President Kabila was the strongest force. In this platform, Kabila's People's Party for Reconstruction and Democracy (PPRD), Bahati Lukwebo's Alliance of Democratic Forces of Congo (AFDC) and several other satellite parties cooperated. However, in November 2020, President Tshisekedi created a new political platform – the Sacred Union for the Nation (USN) – in order to build his own support base, independent of the FCC.

Voter volatility is high. In the December 2018 elections, despite its representation across the whole country, the PPRD won 20 seats, fewer than the AFDC. The vote essentially divided along ethnic lines. Most members of parliament elected in either 2006 or 2011 were unable to retain their seats 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.

Party system

4



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 subnational 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.

Interest groups

4

'06 '22 10



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 the 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).

No reliable public opinion data on public attitudes toward democracy in the Democratic Republic of the Congo is available. In particular, in the years before the 2018 general elections, there has been a growth in movements consisting mainly of young people, who comprise the majority of the population, which demand greater political openness. In 2020, many people demonstrated against the appointment of the electoral commission's chairman, who was allegedly involved in election rigging in the past. These protests demonstrate a certain demand for independent democratic institutions. A survey conducted by TERGET@ between March and July 2020 revealed that the electoral commission enjoys the lowest level of trust of any political institution: only 28% of the Congolese population trust the institution.

Approval of democracy

n/a

'06 '22 10



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. Conflicts between ethnic groups have challenged the sense of solidarity and mutual trust. 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

'06 '22 10



The COVID-19 crisis had a rather positive effect on solidarity and self-organization, which seem to be growing. For example, in the city of Goma (North Kivu), one of the most prominent citizen movements, Lucha, began organizing marches in June 2020 to demand the supply of drinking water and denounce the passivity of the authorities that left a large proportion of the population dependent on obtaining drinking water from wells. The gathering of people at these wells

posed a risk for the spread of the virus. In Kinshasa, a civil society group has partnered with the nurses' union, la Solidarité Syndicale des Infirmiers et Infirmières du Congo, to deploy well-trained volunteer health brigades to raise awareness of private operators, to contribute to efforts to tackle the COVID-19 pandemic and to organize fundraisers to obtain basic equipment for sanitation emergencies in rural areas.

## II. Economic Transformation

### 6 | Level of Socioeconomic Development

The Congolese population is among the poorest in the world, with the DRC ranked 175 on the Human Development Index (HDI). With an HDI score of 0.49 for 2020, the country experienced a slight improvement, but it remains in the category of least developed countries. The recent World Bank figures state that 73% of the population live on less than \$1.90 a day. This poor population is mainly concentrated in the Kasai and Northwest provinces.

The level of inequality is high in the DRC. The overall loss of HDI due to inequality was at 30.2% in 2020. No recent data on the Gini coefficient is available (2012: 42.1). Gender inequality is high, with the DRC scoring 0.617 in the Gender Inequality Index in 2019.

The COVID-19 crisis has increased poverty as food prices increased due to the depreciation of the Congolese currency in 2020. In 2019, prior to the COVID-19 crisis, 15.6 million people experienced food shortages. Travel restrictions, the curtailment of activities and the closure of borders have had an impact on the 70% of the Congolese population that is mainly employed in the informal sector.

Economic indicators		2017	2018	2019	2020
GDP	\$ M	38019.3	46831.3	50400.7	<b>49869.0</b>
GDP growth	%	3.7	5.8	4.4	<b>0.8</b>
Inflation (CPI)	%	-	-	-	-
Unemployment	%	4.3	4.2	4.1	<b>4.6</b>

Question  
Score

Socioeconomic  
barriers



Economic indicators		2017	2018	2019	2020
Foreign direct investment	% of GDP	2.8	3.0	2.7	-
Export growth	%	7.3	14.2	1.6	<b>2.8</b>
Import growth	%	9.7	4.7	-1.0	<b>1.5</b>
Current account balance	\$ M	-1241.4	-1672.3	-1693.2	<b>-1094.7</b>
Public debt	% of GDP	19.2	15.1	15.0	<b>15.2</b>
External debt	\$ M	5083.9	4955.7	5617.8	<b>6137.2</b>
Total debt service	\$ M	395.9	376.4	1097.1	<b>326.2</b>
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	6.1	6.4	6.5	<b>7.0</b>
Public education spending	% of GDP	1.5	-	-	-
Public health spending	% of GDP	0.4	0.5	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	0.8	0.6	0.7	<b>0.7</b>

Sources (as of December 2021): 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, 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.

Market organization

2

'06 '22 10

1 2 1



However, DRC remains a challenging environment in which to conduct business. The country ranked in the World Bank's 2020 Doing Business report 183 out of 190 countries. It takes four procedures and seven days, and costs 16.3% of GNI per capita to start a business.

Irrespective of the 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.

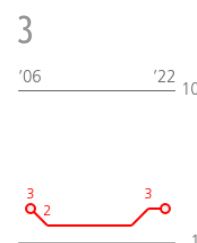
Market-based competition is confined to only a few segments of the economy. Heavily dependent on exports from the extractive sector and, given the quality of its governance, the state remains dependent on customs duties, which makes investments extremely costly. This is very detrimental to progress of 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.

According to the National Bureau of Statistics (INS), more than 80% of the workforce operate in the informal sector. The large informal sector is less the result of an extensively regulated market, and more the result of a highly dysfunctional, unfair and opaque institutional framework, high levels of corruption and clientelism, and a lack of infrastructure.

Since 2018, the DRC has an organic law that enshrines pricing freedom and competition, known as the Competition Act or Antitrust Act. This act prohibits anti-competitive practices, which are referred to as practices that may (a) restrict access to the market by competitors; (b) enable businesses to carve up markets among them 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.

The new framework has enabled the rapid implementation of liberalization policies in some sectors, such as insurance. But the general enforcement of the framework remains a challenge, since the high level of corruption and political interference in business distorts economic competition.

### Competition policy



The DRC is a heavily extroverted economy based primarily on the export of extractive sector products and the import of almost all other goods. In fact, it is a country that is very open to international trade, although there are several trade related duties that, as in many import-dependent countries, are of a fiscal nature since they are one of the main sources of government revenue. The simple average of the MFN applied total tariffs was 10.9% in 2019.

As a member of the World Trade Organization (WTO), the DRC has already undergone two trade policy reviews (TPR). The most recent was conducted in 2016, which urged the country to accelerate the ratification of the Agreement on Trade Facilitation, and to fully meet the notification requirements and other commitments (e.g., those related to trade procedures, technical requirements and intellectual property protection). So far, the country is yet to fully comply with all of these WTO recommendations.

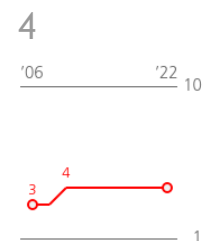
Outdated customs procedures that fail to comply with the World Customs Organization (WCO) customs procedures, informal facilitation costs for record handling, as well as onerous regulations and several other administrative hurdles lead to higher administrative waiting times at ports. All of these elements represent obstacles to free trade.

The banking sector in the DRC remains underdeveloped and there is no domestic stock market. In 2018, the country had less than 10 licensed banks. At the time of writing, the number of licensed banks was 17. However, most of these banks are poorly capitalized and, therefore, remain highly vulnerable to shocks. Moreover, access to financial services such as credit is confined to a small share of the population due to cumbersome procedures and the high level of collateral required. No information is available on the bank capital to assets ratio or share of non-performing loans.

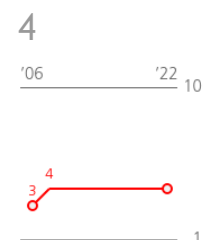
In recent years, some signs of improvement can be observed, such as the liberalization of the insurance sector following the creation of a new regulatory framework, the establishment of the Authority for Regulatory and Insurance Control (Autorité de Régulation et de Contrôle des Assurances, ARCA) in 2018, the reform of the central bank (organic law of 2018), and the modernization of the national payment system (2018).

The DRC's banking system has made some progress toward financial inclusion following the policy of "bancarisation" initiated in 2011 under Prime Minister Matata Ponyo. This policy required that all civil servants receive their salaries through direct bank transfer. However, with a financial inclusion rate of around 6%, the country has one of the lowest levels in the world. According to several financial analysts, this low rate is due to loose banking regulations and relatively low minimum capital requirement rates.

#### Liberalization of foreign trade



#### Banking system



The Congo's central bank (BCC) took measures to ensure financial stability during the COVID-19 crisis. It initially lowered its (key) interest rate from 9% to 7.5% in order to reduce the cost of credit and to stimulate private sector growth. Other measures such as allowing financial institutions to suspend penalties on overdue claims during the crisis have also been introduced. Banks have been granted the possibility of being refinanced for a period of 24 months in order to increase the resources available to them to provide new credit for imports, food production and other commodities.

## 8 | Monetary and fiscal stability

The Congolese economy is not only a highly extractive and extroverted one but also a dollarized one. This reliance on the U.S. dollar is caused by citizens' mistrust in the management of the national currency, the Congolese franc (CDF). The CDF was comparatively stable between 2018 and 2019, with an average depreciation rate in comparison to the U.S. dollar of around 2.4%. But in the first six months of 2020, the rate of depreciation has risen to 12.15%, according to the Congolese central bank. While the situation in 2020 is not comparable to the period of hyperinflation in the early 1990s, the same depreciation trend continued throughout 2020, so that the U.S. dollar, which was trading at CDF 1,683.88 (indicative) and CDF 1,744.17 (parallel) in January 2020, ended the year worth CDF 1,989. The real effective exchange rate had already risen in 2019 to 125.4 (2018: 118.2, 2017: 104.1) in comparison to 2010. The rate for 2020 is not available yet.

One objective of the central bank of the Democratic Republic of the Congo is to maintain the stability of the internal financial system through the management of inflation rates and by strengthening the Congolese franc. The independence of the central bank is enshrined in the constitution of the 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 extend beyond the text. In practice, monetary policy is fully aligned with the country's overall governance.

The Congolese franc's loss of stability is partially attributable to the effects of the COVID-19 pandemic, which reduced real GDP growth, increased consumer prices (particularly of imported products), reduced fiscal revenues, and increased fiscal spending through the implementation of a COVID-19 response plan that included the opening of new COVID-19 test centers in Lubumbashi and other cities. Indeed, the sharp decline in exports of about 27% has led to a scarcity of foreign currency in the country. The lack of revenue in the treasury account led to a cumulative deficit in the first four months of 2020 of CDF 620.3 billion against CDF 564 billion for the whole of 2019. Consequently, the central bank raised in August 2020 its key rate from 7.5% to 18.5% to counter excess liquidity and monetary expansion, while at the very beginning of the year it had lowered its key rate from 9% to 7.5%. Between August 2020 and January 2021, the exchange rate saw little change.

### Monetary stability



The government's budgetary policies are characterized by contradictions. On the one hand, the country has implemented a restrictive fiscal policy in coordination with monetary policy for several years. This included reducing public spending, albeit directed at sectors that are not under the direct control of the president or his small circle, which has been key to relative internal and external economic stability. However, the improvements that were achieved through these policies slightly stagnated or deteriorated in the period under review, although the situation is still much better than at the beginning of the 2010s.

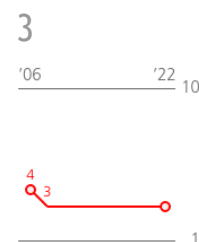
In 2019, government consumption accounted for 6.5% of GDP. This is a slight increase over recent years (e.g., in 2016, it stood at 5.5%), but lower than in 2014 (14.4% of GDP) or in comparison to other countries in West and Central Africa. The current account balance has slightly increased to -\$1,693.2 million in 2019 (2017: -\$1,241.4 million, 2018: -\$1,627.3 million), but is still much lower than in 2013 when it stood at -\$3,108.8 million. Public debt decreased from 86.9% of GDP in 2007 to 14.7% in 2019. External debt declined from \$13,102.3 million in 2009 to \$4,995.7 million in 2018 and slightly augmented to \$5,437.5 in 2019. The total debt service was strengthened and stood at \$1,279.5 million (2018: \$376.4 million). Yet, total reserves also decreased from \$1,678.5 million in 2013 to \$665.3 million in 2018 in current U.S. dollars.

The central bank figures are often contradictory. For instance, the central bank announced in February 2019 a budget surplus of \$12 million, but a budget deficit of \$91.5 million (CDF 160 billion) in March 2019 and a deficit of \$59.5 million (CDF 104 billion) in April 2019. Such contradictory statements can partly be explained by government overspending. For example, the operational expenses of the Presidency of the Republic were exceeded by 120% between January and March 2019. Moreover, the new president, Tshisekedi, announced a new program at the beginning of his term, the "100-day emergency program." This program was carried out extra-budgetarily, in violation of the Public Finance Act. The same applies to the program of free basic education.

On December 16, 2019, the Executive Board of the International Monetary Fund (IMF) approved under the Rapid Credit Facility (RCF) a disbursement of SDR 266.5 million (about \$368.4 million) to the Democratic Republic of Congo in order to enable the authorities to meet their urgent balance of payment needs. However, concerns about public revenue mobilization have not diminished substantially. In fact, during the first two years of President Tshisekedi's term in power, not a single financial agency achieved its assignments. Corruption, tax evasion, illegal exemptions, and interference by military and police personnel, which deprive the Congolese state of much needed means, have certainly decreased, but not significantly.

Thus, the Congolese government was already experiencing a budget deficit before the declaration of the COVID-19 pandemic. In order to be able to deal with the related difficulties, some institutions have provided loans and grants to the DRC.

### Fiscal stability



The IMF granted under the RCF \$20 million for debt relief, while the African Development Bank (ADB) approved \$142 million, including \$43 million in loans, \$60.6 million in grants from the transitional support facility and \$37.8 million in grants from the African Development Fund. Having requested debt cancellation, the DRC received only a moratorium on these debts, with the deadline for debt repayment extended from December 2020 to June 2021. However, China agreed to forgive \$28 million in interest owed on loans that were due at the end of 2020, while also providing \$15 million in financial support for development projects and \$2 million in support for the DRC's chairmanship of the African Union.

## 9 | Private Property

Formally, the DRC's constitution (Chapter 2, Articles 34–40) protects private ownership and does not discriminate against foreign investors. According to the law, real property rights and related issues like liens and mortgages are registered at the Ministry of Land. However, land registration remains risky because records are often incomplete and legal disputes over land are common.

Intellectual property rights (IPR) are legally protected in the DRC, but their enforcement is limited. The legal framework dates back to the 1980s. Law 82-001 of January 7, 1982, regulates industrial property, as well as the protection of patents and trademarks. The protection of registered patents and trademarks is only valid for 10 years. Some advances in the protection of intellectual property rights were recorded during the period under review. In February 2019, the minister of culture and arts signed the implementation decree of a law on the protection of copyright and related rights that was adopted in 1986 (Ordinance-Law No. 86-033 of April 5, 1986). However, what seemed to be a step forward provoked strong protest from professional musicians.

According to the U.S. Department of State's investment climate report, the DRC is a signatory to a number of relevant agreements with international organizations such as the World Intellectual Property Organization (WIPO) and the World Trade Organization (WTO). It is also subject to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), although the government does not record IPR violations. The DRC is yet to join the African Intellectual Property Organization (OAPI), even though the country is a member of the Organization for the Harmonization of Business Law in Africa (OHADA).

Property rights

3

'06 '22 10

3

1

In 2018, the DRC started a new phase of restructuring its economic framework to comply with the standards of the Organization for the Harmonization of African Business Law (OHADA). For instance, the country adopted a new mining code on March 9, 2018. Despite these reforms, most Congolese entrepreneurs continue to operate in the informal sector because they consider the business climate too hostile. The World Bank's Doing Business report ranked the DRC 183 out of 190 economies in 2020. In order to improve the business climate, the government of Prime Minister Ilunga Ilunkamba adopted in June 2020 a roadmap consisting of 80 reform proposals. However, as of January 31, 2021, the business climate is yet to improve. This is partly due to challenges related to the COVID-19 crisis.

In the DRC, 20 state-owned enterprises operate in the mining, transportation, energy, telecommunications, finance and hospitality sectors. No privatization processes were underway in 2019 and 2020.

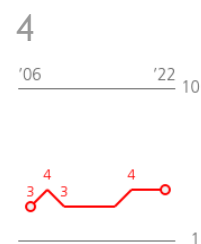
The Congolese government has taken several measures to mitigate the effects of the COVID-19 pandemic on private enterprises. Impart VAT on basic food, as well as duties and taxes on pharmaceutical materials were exempted. Tax contracts were suspended and grace periods for companies' tax arrears were extended. However, these measures came rather late (in April and June 2020). A study by Elan-International and the Federation of Congo Businesses shows that 77% of businesses have experienced supply chain disruptions and 97% of businesses across the country have not received any support from the government, while 61% of businesses consider tax breaks a real form of support.

## 10 | Welfare Regime

The Congolese social security system is essentially based on the Caisse Nationale de Sécurité Sociale (CNSS). This only covers workers in the formal sector, who in reality represent less than 20% of the country's workers. The majority of Congolese rely instead on social protection based on family ties or other informal ties. The United Nations estimated that 25.6 million citizens of the DRC were in need of humanitarian assistance in 2020.

Decades of war have destroyed larger traditional social structures in many areas of the country. According to the Internal Displacement Monitoring Center, the number of internally displaced people substantially increased in 2020, and at the end of the year nearly 5.3 million Congolese were internally displaced due to violence and conflict. The UNHCR in June 2020 reported that an additional 0.5 million refugees resided in the DRC, the majority of whom fled from the Central African Republic and Rwanda. Internally displaced persons (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

Private enterprise



Social safety nets



safety nets, fee exemptions, public works, social assistance and social services. The internal counterpart of the intervening structures in this domain are churches, which provide most social services.

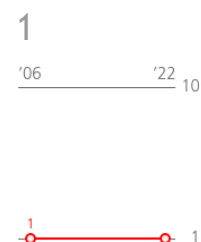
In response to the increase in hardship caused by the COVID-19 pandemic, the government of the DRC did not provide any cash transfers to businesses or households, but instead committed to providing free water and electricity for a two-month period. The government's other key measure was a ban on the eviction of tenants who could not pay their rent by June 2020. While the first measure was not really implemented since the national electricity company inflated the bills (doubling the costs for three months) in the months following the lockdown, the second measure was implemented.

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 for 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 (enrollment ratio: 118.5), as recently as 2020, only 46.2% of children completed secondary education and only 6.6% completed tertiary education, which is not an improvement compared to recent years. The female-to-male ratio of school enrollment is now 90% for primary education, but only 60% for secondary and 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 stood at 48.5% in 2019, but it is predominantly active in the informal sector.

Equal opportunity



## 11 | Economic Performance

Since the very beginning of the 2000s, the DRC has, like many African countries, performed well economically, with annual growth rates above 4%. This trend continued until 2019 when the DRC's GDP grew by 4.4% before the growth rate declined to -1.7% in 2020, reflecting a recession that many analysts attribute to the COVID-19 pandemic. In 2019, GDP amounted to \$50,400.7 million. However, per capita growth (1.1% in 2019) was much lower than the total growth rate. Even though per capita GDP almost doubled between 2009 (\$605) and 2019 (\$1,147), it is still very low in comparison to other countries in the region of West and Central Africa. The World Bank estimated that the unemployment rate was 4.6% in 2019. Yet, this number is not very informative since the large majority of Congolese people work in the informal sector.

The inflation rate, which had fallen significantly from 29.3% in 2018 to an average of 4.7% in 2019, rose again in 2020 to an average of 16.3%. The closure of borders to prevent the spread of COVID-19 led to price increases for staple foods, which are mostly imported.

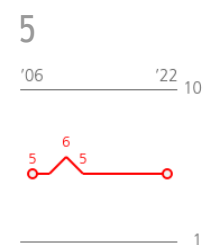
Heavily dependent on commodity exports, the DRC has run a current account deficit since 2018, which widened from -3.6% to -4.8% in 2020.

Despite a difficult business environment (e.g., insecurity, epidemics, weak infrastructure, illegal mining), the opportunities presented by the mining sector, which accounts for more than 14% of budget revenues, continue to attract foreign private investment. Foreign direct investment amounted to 2.7% of GDP in 2019. Domestic investment, on the other hand, is likely to be adversely affected by the increase in the interest rate from 7.5% to 18.5% in August 2020. On the other hand, if the positive outlook for the sector is confirmed, it should support government spending. Nonetheless, the authorities may be forced to exercise restraint in public spending in order to curb the accumulation in deficits seen since 2018.

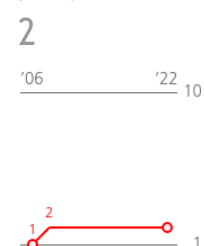
## 12 | Sustainability

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. The Congolese Environment Agency (ACE) monitors the implementation of environmental laws. Since the amendment of the mining code in 2018, the ACE is also responsible for monitoring environmental issues related to mining projects.

Output strength



Environmental policy





However, there is a critical gap between these legal provisions and the reality on the ground. Even basic environmental rights are not considered. Illegal mining and forestry exploitation, as well as the heavy dependence of many rural populations on natural resources continue to pose a threat to environmental protection. Moreover, the political elite prioritize their own economic gain over environmental costs. Judges are ill prepared to deal with cases relating to environmental issues.

The DRC is home to the second largest rainforest in the world. Furthermore, half of Africa's freshwater reserves are located in the DR Congo, but only two-thirds of the population have access to clean drinking water. Between 2015 and 2019, 6.37 million hectares of tree cover was lost, with annual rates regularly surpassing one million hectares, according to Global Forest Watch. In 2019 alone, 475,000 hectares of primary forest disappeared, making the DRC second to only Brazil for total deforestation that year. Experts expect that deforestation will accelerate due to economic hardships caused by the COVID-19 pandemic. The rainforest and its ecosystem are under pressure since the population relies on the forest for subsistence (e.g., charcoal and bush-meat). This demand will further increase due to population growth and the deterioration in living conditions caused by ongoing violent conflicts.

The DRC has one of the lowest shares of public expenditure on education in the world. While average public expenditure on the education sector worldwide was 4.2% of GDP in 2017, the latest year for which information is available, the DRC spent only 1.5%. The DRC's U.N. Education Index score stood at 0.496 in 2019, while 77% of the Congolese population was literate in 2016.

The majority of elementary (71%) and secondary (63.8%) schools are run by private associations. About 80% of these private schools belong to the Catholic Church. Salaries for teachers are low, in particular at the primary level. This low salary is slightly supplemented by the "local premium" paid by already poor parents, although this supplement does not significantly increase the salary. Many development partners are involved in this sector, but their interventions are generally aimed at building the capacity of teaching staff or at the improvement of basic school infrastructure. All these challenges significantly constrain the quality of education in the DRC.

Research funding is almost nonexistent. In 2015, only 0.4% of GDP was spent on research and development. The government has almost completely abandoned this task to development partners. One notable exception occurred during the first wave of the COVID-19 pandemic. In the search for local solutions to the COVID-19 pandemic, the government initiated a financing plan for the production of remedies based on molecules developed by Congolese researchers. Within this framework, several researchers and structures received financial support from the government in order to conduct clinical trials.

Education policy /  
R&D

2

'06 '22 10

2

1

## Governance

### I. Level of Difficulty

The structural constraints on governance in the Democratic Republic of the Congo are huge. Covering an area of 2.345 million square kilometers, the country has 153,209 km of roads under the supervision of the Roads Office. Of these roads, only 3,000 km are covered. In 2018, the DRC scored only 2.12 in the World Bank's Logistics Performance Index, which measures the quality of trade and transport infrastructure on a scale from one (low) to five (high). The main problem is that the various parts of the large country are poorly connected with each other. This lack of basic infrastructure prevents the government from exercising its authority throughout the entire country.

Poverty is widespread in the DRC: 72% of its population live on less than \$1.90 per day. More than 80% of the active workforce operates in the informal sector.

It is perhaps partly due to the poor quality of transport infrastructure that rural areas were less affected by the spread of the coronavirus than the capital or other major cities. However, the COVID-19 crisis has led to a concentration of efforts and government action to contain the spread of the virus, with the government restricting the deployment of resources to rural areas.

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 DRC 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 pre-electoral period between 2016 and 2018, several new youth movements (e.g., Lucha, Filimbi and Réveil des indignés) emerged, and played a remarkable role in raising public awareness of and denouncing civil rights violations. This continues to be the case with regard to the killings that have been perpetrated in Beni, in the province of North-Kivu since 2014 and which have suddenly intensified since President Tshisekedi took office. While several civil society organizations seem to have grown weary, the youth movements (Lucha and Veranda Mutsanga, especially) continue to vocally denounce the inaction of the government and the U.N. forces of MONUSCO, which are stationed around the

Structural  
constraints

10



1

Civil society  
traditions

6



1

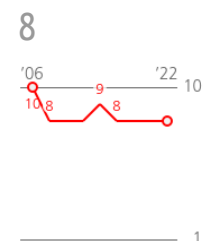
areas where these killings are perpetuated.

The Democratic Republic of the Congo is threatened by several armed groups, mainly in the eastern part of the country (North and South Kivu, and Ituri), and the level of violence has increased in 2020. Many of these armed 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 DRC 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. In July 2019, the ADF-Nalu joined the Islamic State (IS). In 2020, the number of civilian fatalities caused by ADF/IS attacks more than doubled, despite the presence of several regiments of the national army (FARDC) in the area. However, the national army is often considered a conflict party by rebel groups rather than a tool for fostering peace.

Apart from the ADF/IS's religiously motivated violence, no religious conflicts are present in the DRC. The large majority of Congolese are Christian. The political climate on the national level heated up in 2020 but is not related to the COVID-19 pandemic. Instead, the conflict was fueled by power struggles between former President Kabila and incumbent President Tshisekedi. The coalition between the two broke down in 2020, with the crisis between the two political camps paralyzing the country and further reducing the already low levels of public trust in the country's leaders.

Conflict intensity



## II. Governance Performance

### 14 | Steering Capability

President Tshisekedi announced at the beginning of his term a 100-day program in which he outlined his priorities for his first 100 days in office. He prioritized infrastructural measures, in particular the construction of roads but also the construction or refurbishment of facilities for drinking water, electricity, education and health care services.

In December 2019, the Congolese government also released the new National Strategic Development Plan (Plan national stratégique de développement, PNSD) for the period between 2019 and 2023. This plan consists of five pillars: the development of human resources, the strengthening of good governance and peace, economic growth, infrastructure development, and environmental protection. The PNSD's budget plan reveals the strategic priorities of the plan. The largest part of the budget (40%) is allocated to infrastructure followed by 29% for the development of human resources. The lowest priority is afforded to environmental protection, which receives 3% of the budget.

Beside these strategic policies, the highest priority for Tshisekedi in 2019 and 2020 was obviously to gain full political power and to become independent of former President Kabila.

The COVID-19 pandemic has led to the reallocation of resources. The government released a COVID-19 response plan in March 2020 with a budget of \$132 million. However, no information is available on how the COVID-19 response plan has affected the above mentioned plans.

The DRC has a long record of failing to implement policies. Structural constraints such as the unsuitability of skilled personnel in certain strategic positions, poor infrastructure and inadequate budgets seriously hamper the implementation of even the most basic measures. As a result, the country is heavily dependent on donor support.

President Tshisekedi faced additional problems in implementing his priorities such as the 100-day program. Since he lacked a political majority in parliament, he had to rely on the support of cabinet ministers that belonged to the Kabila camp to implement his agenda. Moreover, many administrative positions are filled by persons that were appointed during the Kabila era. For this reason, Tshisekedi blocked ministerial budgets at the beginning of the term and the whole national budget was channeled through the presidential office. However, his chief of staff, Kamerhe, was arrested in April 2020 for alleged embezzlement of funds.

Question  
Score

Prioritization

3

'06 '22 10



Implementation

2

'06 '22 10



Tshisekedi's ambitious 100-day program was not successfully implemented, and several corruption scandals have emerged in relation to this program. At the time of writing, it is difficult to assess the level of implementation of the National Strategic Plan for Development. While the national strategic plan aimed to make the DRC a middle-income country by 2028, the level of poverty among the population has increased, despite sustained economic growth for several years. For example, as a post-conflict country with a high level of insecurity in eastern parts of the country, one of the country's priorities should be to ensure peace throughout its territory. However, the national army regularly complains about its poor endowment of materials and the unreliable payment of the troops.

Given the government's difficulties in implementing policies, it is difficult to discern the effect of COVID-19 on the government's implementation capacity.

While the Congolese government initiated many programs over the past few years, these programs usually lack a real strategic vision and the policies to be implemented are not based on proven evidence. Despite many donor-funded capacity-building programs, the DRC does not have an institutional framework for policy learning.

Policy learning became even more difficult over the past two years due to the tensions between the new president, Tshisekedi, and the followers of the FCC, former President Kabila's political platform. These conflicts have impeded the transfer of knowledge and experience in public administration. Tshisekedi brought in new actors who had pursued their education and career outside the country. Despite their technocratic expertise, they lacked the experience to serve in high-level administrative and political positions in the DRC. Many of the FCC's representatives sought to show that the new president and his political personnel could not do anything without their help, while Tshisekedi's followers did not want to recognize the limits of their inexperience in managing state institutions.

The management of the COVID-19 pandemic did not facilitate policy learning and innovation in the handling of epidemics. There has been some procedural flexibility in allowing expenditures for urgent measures, but this carries with it the risk of public funds being misappropriated.

Policy learning

2

'06 '22 10



## 15 | Resource Efficiency

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

This general trend has not changed under President Tshisekedi, who was criticized after assuming office for the very high number (160) of advisers he employed in the presidential office. However, the reinvigoration of the General Inspectorate of Finance (IGF) and the prosecution of public officials who have embezzled money is a first step in the direction of greater resource efficiency.

The management of the COVID-19 response lacked transparency and Deputy Minister of Health M'Peti Biyombo denounced the existence of a mafia network within his ministry that diverted money allocated to tackling the COVID-19 pandemic. The IGF initiated an audit of these funds and will refer cases to the courts if necessary.

In the first two years of Tshisekedi's presidency policies were not coherently coordinated. In the past, the DRC's governments had a reputation for being oversized and too fragmented to allow for effective policy coordination. From the beginning of Tshisekedi's presidency until the break-up of the coalition in December 2020, government action was blocked due to conflicts between the coalition partners. On several occasions, ministers blocked the actions of their colleagues or refused to carry out appointments made by the president of the republic when these appointments did not favor people from their own political party. For example, Minister Wivine Mumba Matipa refused to apply the presidential order to appoint a state representative to head the National Railway Company of Congo (SNCC) in June 2019. The appointment could only be executed in June 2020 after the minister was replaced.

Parallel and uncoordinated structures have also been present in the management of the COVID-19 crisis. There is a multisectoral response committee (CMR COVID-19) with a technical secretariat (TS). The CMR is chaired by the prime minister, with the minister of health providing the secretariat. The TS is headed by the response coordinator, who is appointed by the president of the republic. The TS ensures the strategic management of all of the response and preparedness

Efficient use of assets



Policy coordination



commissions. The provinces feature the same coordination but have instead a provincial coordination committee (PCC) that is chaired by the governor, who is assisted by the provincial minister of health and the head of the provincial health division (DPS). Despite the presence of the CMR and the TS, the president also created a COVID-19 taskforce within the presidency that has been assigned almost the same objectives as the CMR.

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. However, President Tshisekedi has launched several new anti-corruption measures. In March 2020, he created the Agency for the Prevention and Fight against Corruption (APLC), which has taken over the responsibilities of the special adviser to the head of state in charge of combating corruption, terrorism and money-laundering in the Kabila administration. Tshisekedi also established the Coordination Unit for the Change of Minds (CCM) in the presidential office, while the General Inspectorate of Finance (IGF) has been reinvigorated after nearly a decade of quasi-inactivity. Yet, at the time of writing, it is difficult to assess the impact of these various institutional measures and the prosecution of high-ranking political officials such as former Chief of Staff Kamerhe.

## 16 | Consensus-Building

Since the peaceful transfer of power from Kabila to Tshisekedi, democratization of the country has featured on the agenda of many politicians. However, in many cases, the desire for more democracy seems to be driven by self-interested motives, since most influential political actors see elections as an opportunity to gain access to more power and resources. Overall, the most important long-term consideration of the current government seems to be to consolidate its hold on power.

Kabila started a few necessary economic reforms toward the end of his rule. Tshisekedi has not deviated from Kabila's reform path and has undertaken important steps to open up the economy by seeking integration into regional communities, particularly the Eastern African Community (EAC), although the DRC is not yet a member of the EAC. The EAC includes slightly more advanced economies in the African Great Lakes region and the DRC's membership in this community would open up access for the DRC to the Indian Ocean.

Anti-corruption  
policy

2

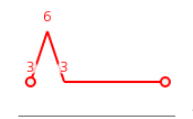
'06 '22 10



Consensus on goals

3

'06 '22 10



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.

In 2019 and 2020, supporters of former President Kabila still held high-level positions in the state. Consequently, they were able to interfere in Tshisekedi's reforms and often sought to block policy processes. Thus, Kabila and his supporters still had a strong informal veto power. However, in 2020, Tshisekedi made important steps toward forging a new political coalition and building a strong support base in state institutions, often by coopting Kabila's supporters.

There are no religious cleavages that fuel conflict in the DRC. The main cleavages that cause conflict in the country are of an ethnic nature. However, ethnic cleavages are strengthened and upheld by political actors who use ethnic conflicts as vehicles for their political ambitions. Since the end of the Mobutu dictatorship, ethnic-based arguments and the "protection of community interests" have entered into the political jargon. In fact, ethnicity has become a political bargaining chip that many political actors use to position themselves. For this reason, the ethnic distribution of certain political positions is common in almost all public sectors, often at the cost of efficiency and competence.

The inability to undertake genuine reforms of the DRC's army and to form a real republican army has undermined the government's attempted to end armed insurgencies on Congolese territory. The armed groups justify their legitimacy by claiming to protect certain communities, but they are more likely to be supported by politicians seeking power.

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.

At the beginning of the COVID-19 crisis, President Tshisekedi sought to engage religious communities in tackling the spread of the coronavirus by appointing the Archbishop of Kinshasa, Cardinal Fridolin Ambongo and Reverend André Bokundoa as coordinators of the National Solidarity Fund against COVID-19 (FNSSC). Both declined the appointment due to their religious duties, although other representatives of their churches have taken over the coordination role. The objective of the FNSSC is to mobilize funds for the multisectoral committee response to the COVID-19 pandemic, sensitize religious communities in order to contain the spread of the virus as quickly as possible and minimize the effects of the pandemic on the well-being of citizens.

Anti-democratic actors

2

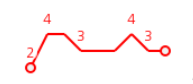
'06 \_\_\_\_\_ '22 10



Cleavage / conflict management

3

'06 \_\_\_\_\_ '22 10



Civil society participation

3

'06 \_\_\_\_\_ '22 10





Even though the Congolese government is usually reluctant to actively engage the participation of civil society in the legal process, civil society has nevertheless had an impact on the field of human rights, especially through strong lobbying with international partners, although this has led to intimidation and repression by state security forces. Civil society was also active in protesting against the postponement of elections by former President Kabila. During the period under review, civil society succeeded in putting the rights of indigenous and elderly people on the agendas of the national parliament and provincial administrations.

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. Moreover, serious human rights violations by armed groups continue today.

In February 2020, 121 civil society groups issued a joint statement in which they criticized President Tshisekedi for not sending a sufficiently strong signal of his willingness to fight impunity for serious human rights violations and foster reconciliation.

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.

## 17 | International Cooperation

The DRC is highly dependent on international development aid. Development policies are strongly influenced by international development partners. While the Ministry of Planning is expected to define strategies, it is more common that the various development partners determine the strategies for sectors in which they want to intervene. International assistance is thus limited to the sectors and priorities of international partners. Moreover, a large amount of international assistance is channeled through NGOs due to low state capacity, corruption and conflicts between the Congolese government and international development partners.

The external aid in relation to the fight against the coronavirus pandemic was more than necessary for the country which was in a situation of budget deficit, forced by the various political and armed conflicts, as well as by the various epidemics (e.g., Ebola, measles and cholera). These different aid streams have allowed the country to acquire new laboratories for the National Institute of Biomedical Research

### Reconciliation

3

'06 \_\_\_\_\_ '22 10

3

\_\_\_\_\_ 1

### Effective use of support

3

'06 \_\_\_\_\_ '22 10

6

5

4

3

\_\_\_\_\_ 1

(INRB) in Goma and Lubumbashi. These new centers have made it easier for citizens to obtain test results quickly, because before their acquisition COVID-19 test results had to come from Kinshasa. For a country in which the Ebola epidemic has led to a heavy loss of life, this aid has not only allowed for the training of personnel but has also allowed hospitals to acquire equipment such as respiratory and resuscitation machines. For example, when the pandemic first hit Kinshasa, only 70 respiratory and resuscitation machines were available for a population of at least 13 million.

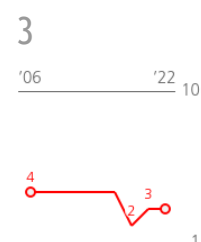
Relations with Western international partners seriously deteriorated during the last years of Kabila's rule and the country suffered from a serious credibility deficit with its international partners. In response to the postponement of presidential elections, the international community put pressure on the Congolese government. 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 the country. The government, furthermore, rejected external aid for organizing the national elections in order to avoid having to comply with donor conditions. However, after Tshisekedi's strongly contested electoral victory, international partners like the United States, Belgium, France and the IMF expressed their openness to re-establishing dialogue with the DRC government. Yet, credibility has not been fully restored, and the DRC continues to suffer from a reputation for fiscal mismanagement and corruption.

For example, on September 22, 2020, three ambassadors from the United Kingdom, Canada and the United States visited Equateur Province to take stock of the response to the Ebola epidemic. Their conclusion was clear: an Ebola business had been created, which was characterized by influence peddling, over-invoicing and mismanagement. This conclusion cast a cold eye on the government's response to the COVID-19 pandemic, where similar patterns of mismanagement were discovered.

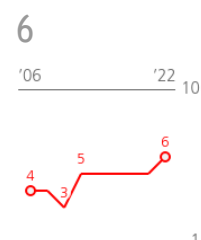
Under the presidency of Tshisekedi, the DRC has scaled-up its regional engagement. Tshisekedi had immediately started to visit his eastern neighbors to advocate for the DRC's admittance to the Eastern African Community (EAC). Becoming an EAC member would allow the DRC to more easily access the Indian Ocean and to benefit from cooperation with East Africa's prosperous economies. However, the DRC is also a member of the Southern African Development Community and these overlapping memberships might cause regulatory tensions.

The DRC also started to prepare Tshisekedi's chairmanship of the African Union starting in February 2021. The chair position rotates among the AU member states. Tshisekedi's leading role in the African Union might increase the DRC's commitment to pan-African projects like the African Continental Free Trade Agreement (AfCFTA), which the country has not yet signed.

Credibility



Regional cooperation



## Strategic Outlook

After the first peaceful transfer of power in the DRC's history, the country has experienced a degree of democratic momentum. However, Tshisekedi and the new government need to increase their respect for democratic institutions such as the Constitutional Court and the electoral commission, as well as for democratic rights such as freedom of assembly and expression.

Like many countries in sub-Saharan Africa, the DRC experienced comparatively high rates of economic growth between 2001 and 2019 (on average over 4% per year) without any substantial improvement in the quality of life of its citizens. During the same period, inequalities have increased substantially. Such developments have not facilitated social cohesion, which is necessary given the DRC's post-conflict context. It is, therefore, important that development partners focus their actions on the following key areas: the labor market, social protection and the structure of the economy.

The majority of the Congolese population is young and unemployed. Labor market reforms are required to integrate young people into the labor market and to curb the trend toward further inequalities. The education sector requires more support and structures for vocational training need to be strengthened. This should also include the digitalization of education to curb the phenomena of digital inequality. Furthermore, colleges and universities should be merged to avoid the fragmentation of financial efforts.

The Congolese economy needs to be diversified. So far, the economy remains almost entirely dependent on imports for commodities and on the extractive sector for its exports. Even though the bulk of the Congolese population live in rural areas, the government does not prioritize agricultural policies. As the country is party to the Maputo declaration on strengthening agriculture on the continent, it is important that the government puts the existing National Agricultural Investment Plan (PNIA) into action and train young people in agribusiness. This requires the prioritization of basic infrastructure and the creation of employment opportunities. Membership in the EAC will also be essential for agricultural transformation because it will enable the free export of agricultural products to neighboring countries in case of overproduction.

Investments in the energy sector will be crucial to promoting industrialization and attracting foreign companies to make use of the DRC's abundant and cheap labor force. Incubators should be created in which entrepreneurs are trained and provided with funds to drive innovation in new technologies.

On the health front, the health budget should be increased to 15% of the government's budget, with further investment in equipment and infrastructure. The experience of the COVID-19 crisis has illustrated the necessity of urgently finding solutions to contain the effects of COVID-19 on all sectors and being better prepared to deal with similar crises in the future.

Democratic practices in the DRC can only be promoted if the democratization of the Great Lakes region progresses. International partners should exert pressure on neighboring countries to allow for electoral transitions and to interrupt the eternal trend in power consolidation. Failure to promote a culture of peaceful transfers of power in the region will make it difficult to stem the insecurity and armed groups that prevail in the DRC. Without security, it will not be possible to attract investment and to build the infrastructure that will generate externalities throughout the region. The U.N. mission MONUSCO should train and strengthen the national army in order to put an end to the phenomenon of armed groups and to allow the state to exercise authority over the whole of its territory.

The pacification and consolidation of democracy in the DRC, as across the entire African Great Lakes region, depends on the success of this set of policies, since they are likely to enable young people to look to the future with serenity.