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**RENDERING ECONOMIC GROWTH INCLUSIVE THROUGH A WORKABLE
NATIONAL MONITORING AND EVALUATION SYSTEM IN THE DEMOCRATIC
REPUBLIC OF THE CONGO**

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INTRODUCTION

Research Background

A number of worldwide renowned economists have acknowledged the paramount, or else unavoidable, importance of capital and labor inputs in the economic growth of nations. This is evident in the work of Harrod and Domar, Arthur Lewis and W.W. Rostow. Referring to the past reality, Easterly argues that "development was a race between machines and motherhood."¹

Because of the interest this work places on the role of Institutional Governance through Monitoring and Evaluation systems, it goes without saying that this study is to be located in the sphere of scientific works which have demonstrated positive correlation between growth and institutions' quality (efficacy). Indeed, *'political and other institutional variables have quickly been at the centre of the analysis, and this for two reasons. On the one hand, the catching up deriving from Solow's growth model was only partially observable in reality and, on the other hand, and it was not without link, capital accumulation could only account for part standards of living discrepancies among countries. This implied that other factors triggered or hindered productivity and economic growth. As last resort, they should be linked to institutions and national cultural context. The role of the State was once more at the forefront.'*²

The neoclassical equation $Q = A * f(K, L)$ is the starting point to demonstrate that growth depends on workforce and capital factors growth or that of productivity. Harrod and Domar limited their analysis to the effect of capital increase on economic growth while Solow went further demonstrating that growth is endogenous and that the residue *"remains responsible for a great part of production growth..."*³

Much nearer to us, World Bank works insist on the importance of institutional reforms in the Democratic Republic of the Congo as a beneficial element for it has an impact on the national economic growth. Checking and restoring the share of total factor productivity would be a decisive step in this little work to help understand the importance of monitoring and evaluation in the efficiency of the government of the Democratic Republic of Congo.

Problem statement

Anyone who does not know where they are heading is likely to end their journey where they did not intend to go. This saying is true for one person and is even more so for a nation. The best way for a nation to know where it is heading is to have a plan or a development strategy. Once the strategy or development plan has been well set, it is appropriate to continue to monitor its implementation to ensure it is on track. Such approach is likely to lead to the expected result. And for a modern nation, the expected result is not only the economic growth or increased wealth creation in the country but also fair share of this wealth among citizens. Such is often the role assigned to the monitoring and evaluation system, both at the projects and at higher macroeconomic policy levels. Thus, the

¹ Borner Silvio et al : « *L'efficience institutionnelle et ses déterminants, le rôle des facteurs politiques dans la croissance économique* », OCDE, 2004, p.11

² Borner Silvio et al, idem, p. 22

³ Borner Silvio et al, idem p. 22

Monitoring and Evaluation system serves to orient decision makers; to allow them to take right decision; to get back to good track; or simply to learn lessons from accomplishments.

The Democratic Republic of Congo has experienced two types of plan for its five post-independence decades, namely, a national essence plan, as well as a plan pushed by multilateral external donors. Among the national essence plans include the Mobutu plan, the ten-year plan, and the 1980 Goal. The latter did not always boost the country's economy, or say economic growth as the designers had wished. This can be noticeable through the steadiness of chronological series of internal gross products of the Democratic Republic of Congo. This, I argue, results from the deficiency or absence of effective monitoring and internal evaluation. Whereas, when sectorial development plans are set up with the support of donors like the World Bank since 2001 (PMURR, PPARSA...), we automatically noticed subsequent improvement in growth. As a matter of fact, all these plans are underpinned by Monitoring and Evaluation systems/units often staffed by Congolese experts. It can then be noticed that contrarily to Congolese plans, plans implemented by donors (with their financial support), plans set up by the donors (with their financial aid, of course) come to move the Congolese macroeconomic framework. Thus, we can say that the evil of Congolese plans lies at the heart of their designing.

The monitoring and evaluation system is to be located among the internal resorts that may explain the significant improvement in total productivity factors observed since 2001. Indeed, according to the *neoclassical production function (at the basis of every economic growth), growth comprises three possible sources: labor input growth, growth of capital input and changes in total productivity of factors* (TPF technology and efficiency improvements are seen as two of the main reasons that TPF varies over time. The TPF includes several other factors influencing production growth, but that cannot be captured correctly by changes in the quantity of labor and capital inputs⁴. We depart from the hypothesis that the Monitoring and Evaluation systems of projects/programs that are being implemented in the Democratic Republic of Congo are not foreign to the improved growth which is observed in the Democratic Republic of Congo since 2001.

Many worldwide countries, especially English speaking ones, have adopted and implemented the National Monitoring and Evaluation Systems. These have contributed, if not accentuated, the socio-economic development of their populations. Indeed, in recent years there has been an acceleration of capacity building in monitoring and evaluation in the world. According to Segone Marco et al, before 1997 only a half - dozen national monitoring and evaluation organizations existed in industrialized countries. In 2002, they also mention, this figure rose to about thirty, most of which are located outside Western Europe and North America.⁵ Evidences are striking when comparing GDP levels of countries which have adopted the system of monitoring and evaluation and those still lagging far from this system. Often, in this area the private sector preceded the public sector in adopting this mode of original governance. The same is happening with the Democratic Republic of the Congo where monitoring and evaluation systems are being imposed by foreign western Governments that are funding socioeconomic activities implemented by international Non-Government entities.

⁴ Pulled from World Bank, <http://siteresources.worldbank.org>, downloaded on 19 March, 2014

⁵ Aminata Nathalie, DESS thesis, ISMEO-CESAG, 9eme promotion, November 2010, p. 1.

It is realized, moreover, that Anglophone countries have excelled more in Africa than their Francophone neighbors. This raises a real problem in Francophone Africa in general and particularly in the Democratic Republic of Congo of lack of "champions" or better leading personalities able to understand the justification of this powerful planning and accountability tool for the management of limited national resources.

As said above, and in the case of the DRC, the implementation of a unique monitoring and evaluation system is necessary given the existence of a Poverty Reduction Strategy Paper for the system of monitoring and evaluation (second generation PRSP) and of a host of monitoring and evaluation systems of sectorial development programs not harmonized with that of the PRSP. There follows a cacophony due to the existence of monitoring and evaluation systems in all government ministries but moving at different speeds often given the leniency of the donors.

If the Congolese Government unifies this management tool and makes it its own, public management will be more transparent and the nation will be strengthened by new resources hitherto obscured by the opacity of governance. Current effects of monitoring and evaluation systems set up by donors (in accordance with their domestic laws) seem sufficiently convincing.

Donors and partner countries are committed through the Paris Declaration on Aid Effectiveness in 2005 to change the way technical cooperation has been conducted to accelerate progress towards the achievement of the Millennium Goals. Thus, donors and partner countries are committed to implement performance-based management frameworks. This presupposes an articulation of expected results around a results chain (logic model) and the inclusion of indicators to monitor results at each stage of the chain. For this system to function well, it must establish in advance a system for monitoring and evaluation of national level able to clarify the roles and responsibilities of stakeholders to specific time intervals.

A good national Monitoring and Evaluation system has the advantage of impacting the supply of goods and services (as much as government action can push) but also of demand, particularly good quality distribution of goods and services. This allows eventually increasing the production of goods and services but also creating demand both solvent and demanding in terms of quality.

Yet the last three decades of the DRC have been strongly marked by wars which continue today. This situation which persists in the DRC makes of it one of the countries that have experienced a long post-conflict period. Thus, the analyses from this study will reflect the post - conflict character DRC, an aspect which bears much on this topic. Indeed such a vast country as the DRC can only have specific challenges. Also, next to the lackluster picture is found all huge and diverse wealth of the DRC. This legitimately raises the question of whether good governance is not the only missing puzzle item from the Congolese machine to restart quality production and this for the good of the majority of the Congolese people.

Research Questions

The present study seeks to demonstrate that:

- i. The pertinence of the establishment of a unique performance based Monitoring and Evaluation system for sustainable development performance of the D.R. Congo ;
- ii. The feasibility of such a project not only for post - conflict countries but also countries plagued by the most basic challenges such as lack of vision and subsequent planning; the generally low level of education; a still to perfect democracy; the existence of many stock-holders who would like the situation of the country to continues to stagnate or set cultural barriers;
- iii. This ambitious project can be achieved in the DRC in order to accelerate growth and redistribution of the benefits of growth for the greatest number.

Research Objectives

This research aims to propose a National Monitoring and Evaluation System that should lead managers of the country to adopt a rigorous predictive framework for managing rare but limited resources of the country owns. The great challenge of the DRC is to manage rare and limited resources for the good of the majority of its citizens but also for the rest of the world. For many natural resources of the DRC will never be consumed only by the DRC especially in the absence of an industrializing industry. Some results, that can be planned, will have to be awaited for the country to begin to consume its own internal natural resources, namely by improving productive capacity in order to boost production and export, which is the powerful engine of any sustainable economic growth.

Research Hypotheses

We depart from the hypothesis that in this period of harsh international competitiveness, each country and especially the DRC, has the duty to integrate the national monitoring and evaluation system which becomes therefore the accountability instrument but also transparent management of the country. From the role of a simple dashboard and a more or less long term predictive visibility- no matter the political color of the government! - the national Monitoring and Evaluation system becomes a tool for transparency and accountability vis - à - vis the nation itself but also vis - à - vis the rest of the world.

It goes without saying that the monitoring and evaluation system remains feasible despite the post-conflict environment that features today the DRC. However, an identifiable pattern would help to make the running in order to act positively on both the country's economic growth and equitable redistribution of wealth. Also, I postulate the feasibility of such a system in other post - conflict countries despite appearances.

Finally, the national Monitoring and Evaluation system would equal, for the Republic, the enrichment story of a family. Such a system should, through its indicators and data quality rivaling international standards, retrace back the route of the Republic in terms of actual victories over poverty and the Millennium Development Goals, but also challenges in terms of economic growth and distribution of generated national wealth. Thus, each leader coming to the leadership of the country will first and foremost know the challenges taken as a priority; and can only be judged in terms of what he/she has achieved during his/her term. Only figures could facilitate periodic assessments to inform both the domestic public and the international community about reasons for recorded drops.

Research Methodology

This study will combine quantitative and qualitative methodological approach to achieve its goals. It will use wisely the advantages of techniques as well as the rich literature review on the outcomes of the national programs in various sectors of national life.

PART ONE:
DIAGNOSIS ON THE DRC GOVERNANCE
VIA MONITORING AND EVALUATION
SYSTEMS

CHAPTER I: QUIDITY OF GOOD GOVERNANCE

The concept Good Governance often recurs in recommendations by international experts particularly when it comes to establishing the responsibility of economic actors in the justification of stagnation in terms of economic growth. The abusive uses around this concept have finally let us believe that in the world there are "good" state actors and those that could easily be labelled with the epithet "bad" for not respecting the rules of good governance .

1.1. Definitions of good governance

According to Philippe Egoumé, resident representative of the IMF in Ivory Cost⁶, good governance is a concept with very diverse content:

- 1) Stemming from the term governability, good governance could be defined as remodeling of public management policies to meet the challenges of development,
- 2) For the Canadian Development Agency, good governance is the set of institutions, processes and traditions that dictate the exercise of power, decision-making and how citizens express their voices ;
- 3) According to the World Bank, good governance is the way in which power is exercised in the public management of economic and social resources for development;
- 4) For the Cooperation for Development Aid and even the Organization for Development Cooperation, Good Governance is the exercise of political power, as well as, of a control in the course of the administration of the society's resources for economic and social development;
- 5) For the United Nations Development Programme, Good Governance includes seven main features namely political legitimacy, accountability, freedom of association and participation, the existence of a reliable judicial system, accountability bureaucracies, freedom of information and expression, the effective and efficient public sector management and cooperation with civil society organizations;
- 6) For the European Union Good Governance is a mixture including respect for human rights and fundamental freedoms; the recognition of democratic principles and the consolidation of the rule of law and government.

I agree with Egoumé when he says that governance operationalization is through the institutions. He presents the institutions in three groups namely: economic institutions; social and community institutions and the political and legal institutions. The selection of this example (Ivory Cost) is not naïve given the fact that alike the Democratic Republic of the Congo, this African Country is also experiencing post conflict situation.

Over the course of this book, I would like to keep the Australian Government approach of governance. In fact, for the Australian Government, *“public sector’s governance covers the set of responsibilities and practices, policies and procedures, exercised by an Agency’s executive, to provide strategic direction, ensure objectives are achieved, manage risks and use resources responsibly and with accountability... Good governance is about both:*

⁶ Egoumé Philippe, « *Bonne Gouvernance et Croissance économique* », Powerpoint presentation--, pulled from <https://www.imf.org/external/country/civ/rr/2007/102207.pdf>, on July 2012.

- *Performance: how an agency uses governance arrangements to contribute to its overall performance and the delivery of goods, services or programs;*
- *Conformance: how an agency uses governance arrangements to ensure it meets the requirements of the law, regulations, published standards and community expectations of probity, accountability and operations⁷.*

In fact, according to the Australian government approach, there is no good governance without performance and conformance which both are fully involved into sound national monitoring and evaluation systems.

1.2. Governance and Growth

The relationship between the governance quality and economic growth is given on the spot today in intellectual debates to explain the differences accumulated by developing countries in comparison to so-called developed ones.

Working with a sample of 85 countries in 2007, Nicolas Meisel and Ould Aoudia managed to highlight the factors explaining the gap between the so-called "convergent" (rich) countries and those called "divergent" (poor) countries. It appears from this study that although paradoxical, governance often brings confidence element that is often lacking in developing countries. Thus, the path from the divergence to the convergence level depends on the ability of state institutions to coordinate and secure stakeholder expectations. This ability is not acquired for developing countries compared to developed ones, which, for centuries, have managed to establish highly formalized and impersonal rules of the game.

A unifying message showing that the Government has not only vision but also a clear, transparent agenda to monitor and evaluate its own performance would be an important means of coordination and thus guaranty security expectations of economic agents throughout the country. Yet this is no longer the privilege of only developed countries, the key word being trust in the actors that should be restored (and kept) in time.

1.2.1. Ambiguous relationship between growth and governance

It has been argued that governance and growth correlate in the long run not in the short one. Researchers have established mutual dependency between both concepts. This situation renders complex any attempts to understand current situation that many African countries are facing (including the Democratic Republic of the Congo) when it comes to the promotion of good governance tools.

Nicolas Meisel and Ould Aoudia distinguish two types of societies: the developed ones and the developing ones. According to both researchers, developed societies function with a confidence – based production mode rooted on personal links. However, demographic transition, growing urbanization engage ineluctably these societies in a process of depersonalization of social

⁷ Australian Public Service Commission, « *Building better governance* », commonwealth of Australia, 2007, p. 1.

relationships. This destroys the traditional factors of production of confidence within these societies⁸.

I concur with Nicolas Meisel and Ould Aoudia and think that globalization has even accelerated the destruction of traditional mode of production of confidence the developing world. This pushed these traditional societies (including the Democratic Republic of the Congo ones) to surrender by acknowledging the need of setting in place new ways of maintaining relationships. DRC assists in the emergency of a new institutional pathway leading to the famous economic catching up. There is a new concept of opened governance, governance for development which encompass the various institutional arrangements for producing and reproducing confidence according to the country income level and openness dynamic to new actors⁹.

The relationship between governance and growth has become mushy mainly because of the nature of the institutions claiming its compellingness prior to engaging on growth paths. In fact, the World Bank and other donor institutions are held accountable for their investments in fragile countries and particularly in the DRC on one side, and development funding are getting scarce on the other. Donors have, therefore, to prove that their investments in DRC are worthwhile despite the complexity of the governance issue. In fact¹⁰, Authors of the World Bank's aggregate World Governance Indicators found positive correlations between each of their six main indicators including accountability and participation, political stability, effectiveness, regulatory quality, rule of law, and corruption and development outcomes. Using the indicators, Daniel Kaufmann has claimed a causal relationship between political and civil rights and positive development results. Yet specific country cases sometimes tell a different story. The China case vividly embodies this point.

1.2.2. Pervasive role of patron client and rent seeking behavior

Instilling good governance practices is a long effort which should last a while in order to prove its impacts in the socioeconomic landscape of a country. The Democratic Republic of the Congo does not escape to this rule. The absence of depersonalized relationships among actors has resulted in the emergence of insiders with client patron relationship and rent seeking behavior. Further literature on this topic can be found in North et alii (2006 and 2007), Moore and Schmitz elaborating on hand – in – hand arrangements (2007) etc.

The DRC has dramatically experienced this pervasive role of insiders under the first, second, third, and fourth regimes. The absence of democracy and its subsequent absence of press freedom have been encouraging factors of this republican misbehavior. In fact, because of poor legitimacy, the various DRC regimes have built their legitimacy on promoting client patron and rent seeking behavior among the elite. It is striking to notice that insiders' systems are not opposed to growth, however they posed following problems:

⁸ Nicolas Meisel and Jacques Ould Aoudia : « La bonne gouvernance est – elle une bonne stratégie de développement ? », November 2007

⁹ Nicholas Meisel and Jacques Ould Aoudia, idem, p.8.

¹⁰ Carothers Thomas and Diane de Gramont : « Aiding Governance in developing countries, progress amid uncertainties », Carnegie Endowment for International Peace, New York, 2011, pp 19 – 20.

- 1) Problem of economic efficiency: political supporters have to survive within the system no matters which means they have to use in order to create source of income within the economic and political system. Financial resources have to be created and distributed to insiders owning assets in order to motivate them to investment. The most common resources availed to insiders are easy access to banking credit system or chunks of market. A good illustration of this situation is the monopoly created in the DRC aviation sector awarded to one company: African Aviation Company known under the French acronym of “CAA”. Despite the economic inefficiencies, barriers set for entering this sector are so expensive that they have dissuaded many investors;
- 2) The short sight problem in the country leadership: despite the timid democratization, the DRC leadership is still reluctant to get engaged for the long run. In fact, current DRC leadership is not always sure to keep promises in the long run. This is currently translated into inauguration of huge public works which never see their end. In fact, the socioeconomic development agenda of the Government has become solidly tightened to the political agenda. Tell me the political dividend I will earn, and I will let you know which project to implement for the welfare of the populations becomes the motto of the DRC democratically elected leaders;
- 3) Problem of social justice: the DRC citizens have paid a heavy tribute for the resources distributed to insiders. This cost is paid by the whole DRC community because of mismanagement and corruption. In fact, poor allocation of financial resources, poor quality of roads constructed with the DRC tax payers’ money result in striking inequalities across the country.
- 4) Problem of institutional blockade: all the political regimes of the DRC have been featured by their keen capacity to create insiders. These are recruited from the tribe and extended to any other influent personalities/groups throughout the country. As an example, the different invasions of the country in its eastern part by the Congolese tribe of Tutsi backed by the Rwandan army, has created in the DRC since 2014 a new group of insiders who are currently five stars generals or influential civils in the economic and political arena of the country. DRC insiders have become so powerful that democratic alternance is simply jeopardized. Democracy becomes a wide word hostage of strong political interests of insiders. There is a continuous fear of coup; and the risk of political unrest becomes a variable to monitor and/or deal with for existing investors and a deterrent to potential investors.

The above stated problems pose a serious question on the DRC leadership willingness to introduce good governance principles. In fact, these become serious threats to the existence of the whole management system in the DRC. This situation also proves the need for setting a sound national governance system in the DRC. Stating on behalf of the United Nations, Rob Vos and Manuel F. Montes place such system at global level first: *there is a need too for a global process for setting standards, monitoring progress, and learning from experience that would be broader than that possible under OECD. A larger set of contributor and recipient countries, meeting on a more*

politically symmetric partnership basis, can build upon the achievements of the process launched pursuant to the principles set out in the Paris declaration¹¹.

While sharing this idea with Rob Vos and Manuel F. Montes, I think that such system should start from the grass root level i.e. country level. If this system is imposed from above, it may end up in a new form of globalization attempting to oversee successes, failures and challenges of the whole world. I don't doubt the feasibility of such undertaking, but this needs real economic diplomacy.

1.3. Performance Based Management

For several years the donor countries and recipient countries of international aid have been working together to implement mechanisms for the effectiveness of aid. It is in this respect that it is appropriate to situate the discussions in Monterrey in 2002, in Marrakech in February 2004, or else in Paris in March 2005. All these fora aimed only to help countries beneficiaries of aid (often developing ones) to develop mechanisms to help them stepping out of poverty in order to engage resolutely towards progress or development.

Results Based Management (RBM) is not a panacea and it cannot be said that before its advent public policies or development projects were not implemented successfully. The RBM has come as an additional tool to help managers focus on results. It is clear that the intrusion of RBM has benefited many countries. RBM has its pitfalls but it has greatly facilitated the work of managers. It has suddenly emerged as one mechanism to support the commitments of donors and recipient countries for help. The paragraphs of the Paris Declaration will - after there are very explicit - below:

- Donors use strengthened national systems ;
- Partner countries strengthen their own capacities with the aid from donors;
- Results Based Management: managing resources and improving decision making for results.

1.3.1. Background to RBM

The history of RBM is intimately linked to that of management in general. It is finally to be situated in the constant search for efficiency in achieving results. In Egyptian civilization, one would not imagine the construction of major pharaonic projects (pyramids admired even today) without the use of RBM. This has drawn extensively on engineering techniques to aim at the improvement of the socioeconomic conditions of populations. History has even proven that it is during periods of low economic situation that human genius invests more in monitoring performance rather than during periods of economic boom. This makes us understand the sense of the current race towards the culture of results. In fact, the world is still managing challenging economic-financial situation - characterized by a rather low economic situation.

- It was around the 70 that the development sector borrowed from engineers the use of logic models to plan the efficient use of resources (financial, human, etc.);

¹¹ Rob Vos and Manuel F. Montes (United Nations), *"Retooling Global Development and Governance"*, Bloomsbury Academic, New York, 2013, p. 20

- During the 80s, big international agencies like the United State Agency for International Development (USAID) and the German Development Agency (GIZ) incorporated into their designing processes logic models (based on the concept causality) either for the production of logical frameworks and / or the results frameworks;
- From 1990 onwards, the use of methods of RBM increased: the public sector organizations and those working in the field of international development appealed more and more to Monitoring and Evaluation activities to properly assess the results.

Recourse to the RBM has developed so that Meir did not hesitate to say in 2003 that "the performance-based management is an approach that aims to make significant changes to the way organizations function, the focus being placed on improving the performance expressed by the results. It includes a framework and risk management tools, performance monitoring and evaluation. It aims primarily to improve the learning capacity of the organization to enable it to fulfill its accountability by reporting on performance¹²".

1.3.2. Concepts and Tools associated with RBM (Results Based Management)

RBM is a management system applicable to a public or private entity, program or a development project that takes into account the deliverables aspect during the project design, project development, implementation and the closing of the project. This system is applicable to both public and private projects, and is the materialization of a change desired by the community or stakeholders of a project.

Viewed from a utilitarian prism, RBM aims directly at improving development effectiveness. Indeed, as recalled in the reference document on best emerging practices, "performance based management and the performance of development activities are based on the following principles:

Any development activity aims primarily to improve the quality of life in a sustainable manner, and aims to help a country or sector to achieve this objective;

- 1) For each development initiative, partners start by identifying a barrier (gap or problem) that all stakeholders consider important and they think they can be overcome;
- 2) Partners then define realistic results depending on the country's situation, the capacity of partners and resources;
- 3) Partners gather information analyze, discuss possible solutions and determine which is best;
- 4) Emphasis is put on continuous improvement at the institutional level and at the level of programs and projects;
- 5) Gradual delegation of management authority and responsibility to the heads of public sector organizations' programs;
- 6) Importance given by the public sector and organizations to "service provision" and to the "quality of service" as per needs and preferences of beneficiaries;

¹² OCDE : « La GRD – Des principes à l'action : Document de référence sur les bonnes pratiques émergentes, www.oecd.org, mars 2006 », téléchargé le 16 Juillet 2014, p.10

- 7) Participation of a wide range of actors (including the ultimate beneficiaries) to the definition of the desired results;
- 8) Reform of the budget process and financial management systems in order to increase transparency and public accountability;
- 9) Uniform application of modern techniques of public management "¹³.

It should be put downside by specifying that RBM is not sufficient by itself to generate the development of a country. When introduced at a country level, its effectiveness is related to other performance factors such as:

- The strength of the public administration and of public enterprises services in general: RBM is based primarily on a professional and well-managed public service. Before introducing RBM, it should be ensured at the outset that the civil servants are adequately trained to hold their responsibilities in the country. We cannot expect delivery of quality services from a public administration poorly prepared or with a rough training in the delivery of services. These congenital lacks will appear for sure in its deliverables;
- The quality of the institutional reforms in the country: RBM comes not to correct the discrepancies in national institutions. This should be the result of a reform either concomitantly or prior to the introduction of RBM. In a country like the DRC, public services must dispose of bad practice before joining the principles of RBM. However, it should be stressed here that the implementation of reforms per se should be monitored (performance) to ensure we realize changes befallen through reforms or needs that call for special adjustments of the implementation of reforms in key sectors of national life.

Indeed, "the Performance Management reports to a change in a holistic and cultural type that allows managers and staff of an organization to assess the resort to open and frank methods for performance assessment and report it"¹⁴”.

1.3.3. From RBM to DRM(Development Results Management)

The RBM has always a more general taste; because it applies to all areas of life: medicine, transportation, economics, engineering etc. But Development Results Management applies (more often) to the development sector.

1.3.4. DRM Principles

The principles of DMR are those of good performance management. They may apply in the context of various interventions (national or sector level, as part of programs or projects within an organization). Additionally, they bring the use of specific strategies and tools at various stages of implementation of national programs and development.

Principles of DMR are interdependent because they must all be taken into account at every stage of any development initiative. This helps to select the performance management tools. The principles are¹⁵:

¹³ OCDE : « La GRD – Des principes à l'action : Document de référence sur les bonnes pratiques émergentes, www.oecd.org, mars 2006 », téléchargé le 16 Juillet 2014, p. 7-8

¹⁴OCDE :Idem, p. 9

- 1) **Principle 1** : At every stage of the strategic planning process to completion, and even after, focus the dialogue on results for partner countries, development agencies and other stakeholders;

- Key features:

- ❖ All stages of a development initiative are accompanied with a dialogue among different stakeholders : designing, implementation and evaluation of a national framework to fight against poverty, strategy for aid to a given country, sectorial/programming framework or project ;
- ❖ All partners and key stakeholders participate in results definition, at all stages of the process (no matter when they occur), and agree to share the responsibility for results orientation of the initiative;
- ❖ Managers use assessment strategies and risk management to enable various stakeholders to understand the risks that may affect the materialization of the results, and help them manage these risks together.

Within the framework of results-based management, it is important to adopt a consistent approach:

- a) Ex - ante, the stage of development of the strategy and planning when the expected results are defined and when analysis of the likely costs and the expected impact on poverty reduction and development;
- b) During the implementation of the program / project, when to monitor and evaluate the progress and define the corrections half - way;
- c) Ex - post at the end of the initiative, in assessing the results against objectives and other factors;
- d) Also when enough time has elapsed to allow the assessment of the viability of the Initiative.

Application of the principle:

- At national scale: countries strive to establish clearly the desired results, which are accompanied by appropriate performance indicators at all levels. The goal is to ensure that all planned activities move in the direction of the expected results, that we regularly collect data about these indicators, that we make the analysis of progress in the periodic reports submitted to the government and other actors (such as civil society groups) and that we carry out assessments to determine if the expected results have actually been achieved and maintained thereafter. In practice, a country can take care of all these aspects to the extent that national economic situation and capabilities permit. For this end, countries use multiple strategies and performance management tools.
- In the context of sector programs and projects: partner countries design programs or projects that contribute to the achievement of the main expected results by their national plans. Various types of programs or sectorial projects are tailored to the needs for the development

¹⁵ OCDE :Idem, p. 11-20

of the partner countries. During the planning, implementation and evaluation of these initiatives, organizations and countries interact and collaborate continuously to guide the process to develop the necessary capabilities and assess progress against expected results. They use various tools and various performance management strategies.

- Within the development agencies: they develop results-based strategies to help countries, in close cooperation with national governments, and sometimes with each other. During this process, organizations negotiate a mode of operation that allows them to work together in the direction of the desired results by the country concerned, and to harmonize and align their programming procedures to reduce transaction costs for the partner country. To do this, they use a variety of performance management tools.

2) **Principle 2**: Align actual programming, monitoring and evaluation of the expected results.

Key features:

- ❖ The strategies and implementation activities intended to directly support the achievement of expected results; it continually adapts over time to ensure that these results are obtained;
- ❖ The indicators and Monitoring and Evaluation strategies are logically related to results and desired impacts, and clearly establish if the desired results were achieved or not;
- ❖ The same set of indicators is used as part of any program or project, allowing assessing regularly the performance in terms of results. Thanks to the ongoing operations of Monitoring and Evaluation, we analyze the extent to which expected results are actually achieved, so that we can make corrections as needed during the implementation.

When partner countries, development agencies and other stakeholders focus on the expected results and related performance indicators, they are best placed to align programming activities (including financial support), monitoring and evaluation along established goals. Development agencies' support strategies should first consider the priorities and constraints of the partner country. Furthermore, operations, analytical support and technical assistance planned by development agencies must respect the structured development strategy of the country (The Poverty Reduction Strategy Paper of second generation in the DRC case).

Application of the principle:

- At the national scale: Many countries are now developing operational plans and rational budgets in support of national plans and sectorial development strategies, which define the key deliverables and the various related indicators levels. Operational plans can help understand how certain inputs (human and material resources) and some activities (usually the supply of goods or services) will support the achievement of results. Reference data, indicators and targets are then used to monitor progress with respect to these results. During the implementation phase, we do constant monitoring to determine if progress is in line with expectations. The evaluations ensure that long-term progress is subject to monitoring and systematic analyses;

- In the context of sector programs and projects: development agencies are working closely with partner countries to foster the achievement of results related to long-term national plans. The contribution of agencies to budget support and to sector programs and projects is carefully aligned with the results expected by the targeted country. Risk assessment during the implementation process ensures that factors likely to influence the results will be considered, and that the inputs will be adjusted accordingly;
 - Within the development agencies: development agencies work both independently and collectively to promote the achievement of results at the national scale. In many cases, organizations can coordinate their support in this regard.
- 3) **Principle 3:** Ensure that the results reporting system remains as simple, cost effective and user friendly as possible.

Key features :

- We simplify as much as possible the method of measurement and reporting on results to improve process efficiency and to promote a successful communication among different actors.
- The results are measured through selective, profitable and realistic indicators defined by the country, so that only useful performance data are collected.
- Risk and institutional performance indicators allow tracking key contextual changes that may affect the results.
- Countries and organizations strive to cut costs as much as possible and avoid job duplication, thanks to the indicators defined by countries to evaluate and account for performance, and to make decisions about corrections or mitigation measures required.

As much as possible, part of results-based management indicators should:

- a) Be simple ;
- b) Build on the systems established by countries and give maximum support to capacity building;
- c) Consider the learning and accountability requirements;
- d) To be harmonized in order to limit the costs of the system transactions and facilitate comparative analyses.

The partner countries and development agencies should consult to establish a short list of key indicators, preferably from a standardized list, in order to monitor progress and evaluate results. It is important to consider the chain of expected results. Results based management aims to improve efficiency; that is why it is essential to be selective (and not try to measure everything) and realistic (in terms of feasibility and cost) when selecting indicators. The results reporting system should remain pragmatic. We should therefore: start with indirect data; use relevant qualitative indicators to supplement quantitative indicators, or to compensate for the absence of the latter; support low-cost measures to improve the availability of data and monitoring systems of the countries or projects. The ultimate goal should be the establishment of an effective results-based management

system based on measurable indicators, including a timetable that would include the collection of baseline data and periodic assessment of project performance and programs against set targets.

Application of the principle :

- At the national scale : countries strive to set realistic and flexible indicators based on their ability to measure and monitor progress; they also determine the most effective means to strengthen their internal capacity to measure the performance of certain sectors or sub - sectors, so that the data collected can be "grouped" nationwide. They shall ensure that internal and external reports submitted paint a coherent picture of performance against results expected by the country;
 - In the context of sector programs and projects when agencies are partnering with a country to help it achieve the results it seeks, they also agree to use the methods of measurement and the indicators established by this country to monitor and account for progress;
 - Within the development agencies: ideally within development agencies and in collaboration with each other, we must perfectly align the requirements for measuring and reporting on the capabilities and strategies of partner countries. Internally, development agencies are experiment with different tools and strategies to measure and account for organizational, programs results- countries or projects.
- 4) **Principle 4:** Managing for achieving results, rather than managing by results, that is, allocate needed resources to achieve the expected results.

Key features :

- ❖ Expected results are clearly defined at the outset of any intervention in the development and the resources and inputs needed to achieve these results are determined ;
- ❖ During the course of the development initiative, the responsible managers have the flexibility and authority to reorganize the resources to obtain the desired results. Expected results motivate all management decisions that may be taken;
- ❖ If certain targets are not reached, the actors and managers jointly analyze how and why plans or strategies have been hindered and how the situation could be changed. They then take corrective action in a constructive spirit and mutual assistance in order to achieve desired results.

Results based management implies changing attitudes. Instead of starting by providing inputs and actions, and to analyze their effects and likely impacts, we focus on the effects and impacts desired, and then determine the measures and inputs that will provide such effects. We further establish the baseline data and define from the outset performance targets and indicators in order to assess progress during implementation and at the end of the program. The fact of not achieving

important targets should not result in the strict application of sanctions; it should rather tell partners they must decide together if there was slippage and why and how they can rectify the situation.

Application of the principle :

- At the national scale: national public sector agencies are continually striving to provide long-term results-based management. They adapt their activities and inputs to the need; public sector managers have further flexibility to test various implementation strategies to identify what works best. A periodic review of progress allows defining the main obstacles and corrective measures that will achieve the expected results;
 - In the context of sector programs and projects: development agencies, in collaboration with partner countries, determine the type and scale of the sector programs or projects they are best able to contribute to for achieving the results desired by the countries. When a program or project fails to make the progress expected in this direction, a constructive dialogue about the process, options and possible actions can improve performance. If a key target is not reached, instead of withdrawing their support, the partners determine whether additional strategic assistance could overcome certain obstacles or seizing the missed opportunities that have arisen during the process;
 - Within the development agencies: the development agencies strive to develop, for the various countries, realistic programming strategies, which allow assessing progress on results, using collected information on performance in the concerned countries. Keeping in view the expected results, organizations continually analyze the short-term targets, inputs and approaches, which they reshuffle as needed. They let program managers more latitude to adapt their programs organizational strategies needed to foster the achievement of the overall results.
- 5) **Principle 5**: Use results information for learning and decision making in management but also for reporting and accountability.

Key features :

- ❖ All stakeholders have easy access to information from the continuous performance measurement, regardless of the intervention affecting development ;
- ❖ Whether positive or negative, the performance information is used to support constructive and proactive management decisions and stimulates learning;
- ❖ Performance evaluation and reports presenting the results take into account both risk factors and contextual nature, and lead to the necessary corrections ;
- ❖ Despite the problems and the current risks, program and project managers are always questioning the rationale behind what they are doing and remain attentive to the learning opportunities inherent in the performance management process.

Results related information should be accessible to the public. However, the use of monitoring data results for reporting purposes and accountability can lead to an excess of caution. Two approaches to avoid this problem:

- a) Use the results reporting constructively to promote learning and decision making in management, taking into account the future of the lessons learned from experience;
- b) When the reports are used to account, define performance measures that reflect the level of responsibility of the party (country, development agency, department, institution, NGO or other stakeholder) and results that the latter reasonably yields, in this second option, it is recognized that while the results-based management is effective, external factors can affect the achievement of expected results.

Application of the principle :

- At the national scale: national public sector organizations create conditions to encourage the use of information on results, as they become 'learning organizations'. Countries are now learning how to communicate information on performance to stakeholders on their territory (members of civil society and private sector), asking the various players to tell them what they think works and what does not work in a strategy or a given sector plan. These comments are then used to adjust strategies and enable the achievement of more concrete progress in relation to the targeted results.
- In the context of sector programs and projects: programs or projects may foster improved learning and decision-making by stimulating dialogue and training partners focused on development results. When one fails to achieve a series of performance-related targets, that brings the partner countries and organizations to reflect on the situation, to develop more effective implementation strategies.
- Within the development agencies: to help partner countries to learn more, development organizations strive to create a culture of learning internally. Within these agencies, the information from the continuous reflection about the performance of programs and projects is used to adapt the approach that could be used to support country programs - more effective in the future.

1.3.5. RBM and Monitoring and Evaluation

By exceeding the prosaic context of project management, RBM has quickly found its letters of patent nobility in delivery mechanisms embracing several areas of a nation's life. Indeed, many donors have found it more effective to provide general budget support to governments in alignment with sector or national development strategies. Here we should recall the support received, for example, by the Democratic Republic of Congo during the said (1 + 4) period in which the DRC ventured along a winding path of a difficult political transition. More recently, there has PRSPs development strategies PRSP I and II which enjoy the financial support of several donors including the United States of America, the United Kingdom, Belgium, Holland, Canada, Germany etc. In such a context the DRC is found required to sett up a national Monitoring and Evaluation framework.

It should be emphasized that the monitoring and evaluation is a means of choice for a development program (development activity) to focus on the results of the project from its designing to its closure, through its implementation. When the RBM aims to attain the results expected for any development initiative, monitoring and evaluation system appears as a tool that is integrated into the same program/project design (planning).

Throughout this work, I will focus on the analysis of the support that the M&E tool can provide in the management of public affairs, starting from the data collected (processed and analyzed) that can be used to better manage policies, programs and projects. Finally, this tool also helps to show citizens and civil society progress.

For the monitoring and evaluation systems to fully play their role as a tool for transparency, accountability and responsibility, they should be based on a precise definition of goals (planning), indicators and measurement tools.

Finally, for more relevance, results-based monitoring and evaluation systems should (especially at the nation level) be based on reliable statistics. This is particularly important when it comes to demonstrating the impact of stakeholder partners' activities in key sectors of the socio-economic life. With donor support, the DRC is currently reforming its national statistical system. It is a long process because of the delay that the country has taken.

1.4. Some examples of RBM at the national scale

It is very common to find the mechanisms for monitoring and evaluation at a project or a public service level. However, things are changing more and more as states begin to develop monitoring and evaluation frameworks. What is it? - This is an effort on the part of governments *"to establish clearly the desired results, which are accompanied by appropriate performance indicators at all levels. The goal is to ensure that all planned activities move in the direction of the expected results, that data about the indicators are regularly collected, that analysis of progress is made in the periodic reports submitted to the government and other actors such as civil society groups and that we conduct assessments to determine if the expected results were actually achieved and whether they were maintained thereafter (and why). In practice, a country can take care of all these aspects to the extent that national circumstances and capabilities permit. Countries use for this purpose multiple strategies and performance management tools (sometimes with the support of development agencies)."*¹⁶

1.5. Why the need for RBM in the DRC Government

The need for RBM within the Congolese government is prompted by following factors:

- 1. The existence of constraints in resources of the State calls for better management of scarce resources as opposed to increasing populations' needs: the **results-based budgeting is a good approach;****

¹⁶ OCDE, OCDE : « La GRD – Des principes à l'action : Document de référence sur les bonnes pratiques émergentes, www.oecd.org, mars 2006 », téléchargé le 16 Juillet 2014, p.11

2. Customers and other stakeholders to projects implemented in the DRC are demanding better quality and services that meet the many and changing needs of the population: **need for a window dressing vis – à – vis external donors ;**
3. The growing challenges call for a better thoughtful planning and a more efficient allocation of resources: **integrated development planning;**
4. Greater accountability vis - à - vis customers to push for timely corrective actions: **results-based monitoring and evaluation;**
5. RBM promotes and improves risk management: **monitoring of the project cycle;**
6. There is need to promote the spirit of learning from previous experiences in the country: **promotion of effective independent institutional memory of the inevitable changes of governments.**

1.6 . Integrated Development Planning

Planning is a vision for its future. This goes through concrete steps that are often critical to development results-based management.

This is a holistic approach to link the desired results with budgetary constraints, and monitoring and evaluation. At the level of Government, this concept leads to a synchronized action process integrating efforts from different spheres and sectors of the government and other national, sectoral, ministerial and even local institutions. It involves:

- ❖ Strategic planning at the high level (national, sectoral, ministerial, provincial and local);
- ❖ A longer-term vision and identifies systematic achievement of planned results over time: for example, if a community needs a clinic, other related topics will be discussed such as roads, electricity, water and sanitation etc. This means that not only the Ministry of public works is involved, but also the provincial departments, the head of city council and the most local organization not to mention other stakeholders.

In a context of gradual decentralization of power between the central government and provincial governments, there is growing urgency for an integrated development planning to be seated within the Congolese government.

The objectives of integrated development are:

- Integrate the priorities top down and bottom up;
- Integrating the development and implementation of budgets using the project / program approach;
- Ensuring vertical and horizontal integration ;
- Promote an integrated / holistic approach versus a discrete-points approach.

The advantages of this approach are many, including:

- The effective use of scarce financial resources: integrated development planning helps to focus on the most important needs of ministries and helps to develop less expensive models to deliver public services;

- The speed improvement in the public service: integrated development planning identifies the least and most corners of the poorest countries where public funds should be spent. The implementation is facilitated by the fact that key stakeholders are involved in the process. Example: banking services for payroll of workers by the government was the illustration of a project implemented by stakeholders for the benefit of teachers living in the most disadvantaged parts of the country. Also, integrated planning meets the needs / priority problems of local / provincial authority and their customers;
- Charming donors: stakeholders will be all the more motivated to invest when they realize that the Government has a clear vision of what needs to be done;
- Promotion of coordination between the state bodies at the national and provincial levels and with stakeholders: this allows to better address the real problems that affect the population;
- Proof of good governance: openness of the planning process for several stakeholders (different levels) reflects good governance.

Integrated development planning is a strategic process that is - to - say formally documented key decisions that an organization must take to maintain in the coming years.

- The plans are a guide / roadmap of the organization over the coming years;
- The strategic plan is an instrument to influence the future based on current projections;

The strategic plan is an essential step in the establishment of an RBM and a Development Results-Based Management.

Strategic planning is non-existent at the Congolese government; which makes complex the implementation of a results framework at national level. Scattered strategic planning pieces exist mainly pushed by donors. It is imperative that the vision of the country's modernization launched by President Joseph Kabila really get out of the slogan level to become a reality. The Congolese Ministry of Plan has the difficult task to convert this vision into an integrated development plan that will be the basis for a results-based management. (See the relevant elements on the Ministry of Plan's achievements)

1.7.The DRC Aid Effectiveness issue

Post conflict settings face serious challenges. They struggle to step out of dire situation with the support of the international community intervening under both the bilateral and the multilateral umbrella. These interventions aim at stabilizing the situation and setting in place minimum conditions for economic recovery. It has been demonstrated that aid can't lead to economic growth or put a country on the ways of competitiveness at the international market. Also, there still a consensus that at the end of the day, economic growth should come from the commitment of existing local dynamic rather than from donor community financial engagement.

In the case of the Democratic Republic of the Congo, there has been substantial engagement of the donor commitment for tiny impact in the field. There are serious and legitimate ethic issues that feature this external support. Both the donor community and the DRC government have worked

together to set in place mechanisms that should lead to more transparency in aid flow and more commitment for impact.

The question now is why all these structures have apparently failed to deliver impact? To answer this question, we privileged a couple of methods: qualitative and quantitative methods. We went through figures that show the trend of both aid and DRC economic growth. Under qualitative methods, we had interviews with key staff to the Ministry of Plan. We also discussed with some donors' employees (namely of the United States Agency for International Development).

In fact, aid effectiveness implies responsibilities of both the donor community and of the country beneficiary. At a first glance, it appears that the DRC government benefiting from this aid is becoming less responsive vis-à-vis the needs and legitimate expectations of its own populations. In fact, the external support from donors comes as an additional budgetary support as the DRC government continues to levitate taxes and improve its own levels of revenues over time.

Some observers think that donor's support should be more and more oriented towards setting in place conditions for economic growth rather than just making sure that monies are spent within a given timeframe. This aspect raises ethic aspects of the international aid as monies spent come from tax payers' sacrifice and should be more and more spent effectively.

There are tools that are suggested by experts that can help improve aid money effectiveness. The current context, made of economic slow recovery doubled with generalized idleness among young people in the west, opens the way for deeper discussion on aid effectiveness. It offers an opportunity for rethinking aid distribution among benefitting countries. Yet, international aid key stakeholders have met several times in and out of the DRC and were able to come with some good international/national commitment for better aid. The Paris declaration serves today as a good departure point for analyzing international aid in the lens of ethics.

CHAPITRE II: OVERVIEW OF THE MONITORING AND EVALUATION SYSTEMS IN AFRICA

The culture of results-based management was driven by private sector development operators. This naturally pushed the public sector to review its policies and integrate results-based management culture. It is, therefore, natural that this results-based management approach is gradually materialized in the Monitoring and Evaluation System. The latter has become the crucible of good governance as it allows to follow the government's operations (or of program in its immediate results), identify possible progress to donors (or citizens of a country) and thus ultimately to communicate transparently on the use of scarce financial resources often facing the many, competing and sometimes contradictory needs of populations.

To better understand the Congolese government's efforts to internalize the principles of results-based management through a monitoring and evaluation system, it is worth having an overview of the efforts invested by some African countries. It will be noted that the initiative of integrating Monitoring and Evaluation among African governments in particular, is often the result of a recommendation (often conditionality for financial support) of some multilateral donors including the International Monetary Fund and the World Bank. These Institutions were among the first, indeed, to understand the challenge of results-based management, being themselves accountable vis-à-vis donor states and finally, vis-à-vis the general public as regards the justification for their purpose or mission.

2.1. The Monitoring and Evaluation Systems in the World

For Castro, an international senior expert in evaluation, there are common features in the implementation approach of M&E systems in the countries of the OECD as well as those with average incomes¹⁷. Approaches vary from one country to another but overlap is that the process has always respected the top down diagram. As a result, some countries are gradually emerging (with growth rates more positive) while others are simply experiencing a systematic change in their governance (a kind of revolution).

Castro concluded his remarks by stating that:

- 1) *There is no single model of success. Countries have developed different configurations, in accordance with their capacities, culture and reform strategies;*
- 2) *The institutional setting is a key element defining the level of success achieved;*
- 3) *The most visible element of success is the linkage created with decision making, in particular, the budget process;*
- 4) *Success is dependent on the technical strength and political support;*
- 5) *Implementation is not linear; and*
- 6) *Structures generally change over time.*

When analyzing M&E System developments in several countries, one realizes that they are involved in the reform processes aiming at either best socioeconomic performance (and equity in participation in domestic growth as is the case of developing countries like the DRC) or more efficiency in development interventions (for developed countries). In both cases, monitoring and evaluation acts as a tool that facilitates governance at both local and central states.

¹⁷ Centers for Learning on Evaluation and Results: "African Monitoring and Evaluation Systems Workshop Report", February 2013, p. 5-6

The table below shows the major steps in the implementation of M&E Systems across countries sampled during the Johannesburg workshop.

Chart number : M&E Systems Implementation in the World.

Countries	Years	Reform	Goal
Australia	2009	New outcomes and programs reporting framework	Improving the specification of top level results in order to make them more measurable and tangible
Canada	2009	New Policy on Evaluation	It requires 100% coverage evaluation every five years for all programs that have a direct expenditure plan
Chile	2010	Abolish Mideplan, reviews DIPRES M&E/Performance Budgeting functions	Discussion on whether to create an Independent National Evaluation Agency
Colombia	2005	Medium-Term Expenditure Framework	Improve budget planning
New Mexico	2011	New Ministry of Finance Performance Evaluation Unit	Creating a technical unit in the Ministry of Finance to coordinate and integrate performance information in the budget
South Africa	2011	Government-wide M&E improvement	National Evaluation Policy Framework, management performance assessment tool (MPAT), frontline service delivery monitoring, outcomes monitoring
UK	2010	System Review	Expands mid-term spending reviews, abandons public service agreements and PM Delivery Unit
USA	2011	Evaluation Initiative	Reconfigure program assessment rating tool, increase impact evaluations

2.2. The Monitoring and Evaluation Systems in Africa

Dr Sulley Gariba¹⁸ made a point on Africa Government's demand of evaluation services. He highlighted that the *demand for evaluations in Africa has often been driven by donor funding*. Stephen Porter and Ian Goldman have the same thoughts while stating that *"the supply of monitoring and evaluation in Africa has to a large extent been influenced by donor demands that have stimulated the development of monitoring and evaluation practice, in the absence of national government demand¹⁹"*. Western consulting agencies have responded to this request. This foreign market dominance was such that demand for evaluations has been more sustained by external motivations and values than by African ones, added Gariba. He then presented three factors that contributed to a new momentum in the evaluations in Africa including²⁰:

¹⁸ Centers for Learning on Evaluation and Results, idem, p.6.

¹⁹ Porter Stephen and Ian Goldman, "A growing demand of Monitoring and Evaluation in Africa", pulled from <http://wwwaejonline.org>

²⁰ Centers for Learning on Evaluation and Results, idem, p. 6.

- 1) Growing demand for accountability by citizens dissatisfied with the service rendered by the State;
- 2) An increase in the scope and diversity of democratic institutions that have constitutional mandates to demand more accountability and the use of evaluations to do so;
- 3) Growing Acceptance of evaluation as a good practice both at national and continental level²¹.

Below is the M&E situation in a sample of African countries:

2.2.1. Burundi

In Burundi, the M&E has its roots in the 2025 vision of the country while in the past it was reflected in the strategy for poverty reduction. It is also reflected in the triennial and annual plans of the implementation of this vision. Main actors in the process are the ministers of finance and planning as well as the offices of President and Vice - President of the Republic.

The M&E system in Burundi is still evolving and good practices are emerging particularly in the field of monitoring and located in the synergies developed between different system structures.

2.2.2. Kenya

Historically, the integrated M&E system has not lasted for more than a decade even if project and program management based on monitoring and evaluation characterizes Kenya since 1980. The first M&E's integration attempts at the government level come to the fore thanks to the Poverty Reduction strategy introduced by the International Monetary Fund and the World Bank in 2000. This was followed by the establishment of the National Integrated Monitoring and Evaluation System (NIMES) and the creation of the management of monitoring and evaluation.

The NIMES has a third institutional structure to generate M&E information. At the national level, it is the direction of monitoring and evaluation. Management also provides leadership and coordination by ensuring the existence of two vital sources of information including the M&E annual progress reports in the medium term of the 2030 vision and the Annual Review of Public Spending are produced on time and to the satisfaction of all.

Kenya M&E system has had some influence on the budget process. The M&E information is drawn from departments with direct links to the system and synthesized in the Public Expenditure Review which is an important element in the valuation of Kenya taxes. These improvements are made through extensive budget deliberations in which working groups and key departments review the projects, weigh different alternatives and request budget allocations.

Notwithstanding the many achievements made on the NIMES, the Kenyan M&E system faces enormous challenges in its particular implementation, namely challenges related to the existence of capacity, availability of funding and infrastructure. The 2010 Constitution of Kenya has fundamentally changed the central governance and decentralized structures and provides an opportunity to strengthen the M&E system.

²¹ Centers for Learning on Evaluation and Results: idem, p.9-12.

2.2.3. Benin

The National M&E system is organized around a chain of parts that manage the planning, programming, budgeting, monitoring and evaluation (PPBME). The power of various planning bodies, programming, budgeting, monitoring and evaluation based on the area to which monitoring and evaluation is applied. This geometry variable application is more than evident at the broadest level, more strategic (political) institutional framework.

The mechanism for monitoring and evaluation of Benin largely depends on the national statistical system for measurement and data. Capacity building is required to maintain employees updated and promote the adaptation of tools. Access to data and information remains a challenge particularly for data collection but also access to the processed data.

The generally low professional level in monitoring and evaluation contrasts with the relatively high level of its organization. The system is managed by employees, who have a good basic educational level, but they are not numerous and their knowledge is not regularly updated. The information collected through the M&E system is not sufficiently taken into account. However, we note that there is a positive progress thanks to the adoption of results-based management. The institutionalization of public policy on evaluation in Benin has included the development of a national evaluation policy, which is the model of good practice in the monitoring and evaluation system in Benin. The local and participatory impact monitoring is a second example of good practice. Local and participatory monitoring of the impact is still facing major challenges including the adoption of the approach by the different structures involved in the implementation and challenge of the development of functional mechanisms for circulation information on three levels: local, provincial and national.

2.2.4. Ghana

For a decade, monitoring and evaluation has become the masterpiece of policy formulation and implementation of the country's development process. The immediate results of the monitoring and evaluation system are used not only to inform the national development plan but also to facilitate the political dialogue within the government; with civil society organizations and development partners.

The institutional background for both monitoring and evaluation process in sectors and districts has been developed to facilitate the active participation of stakeholders to ensure that policy recommendations are relevant and contribute to time policy formulation while ensuring efficient resource allocation and use.

Monitoring and evaluation guidelines were developed to build capacity in the sectors, provinces, districts etc. After some years of implementation of the National Monitoring and Evaluation System, significant progress has been made. However, challenges include financial, institutional, and operational constraints, as well as those related to technical capabilities. Note also the fragmentation and lack of coordination of the system, particularly at the sectorial level. To face these challenges, institutional arrangements should be strengthened by a significant capacity to

support and implement a monitoring and evaluation system. Existing mechanisms should be strengthened, harmonized and coordinated effectively.

2.2.5. Uganda

The development of monitoring and evaluation is intrinsically linked to the need to demonstrate the government's performance and ability to meet the citizens' expectations. This is considered as an indicator of good governance. The need to measure the achievements of the first planning framework along with the plan for the eradication of poverty introduced in 1997 served as a motivational factor for the implementation of the monitoring and evaluation system. Monitoring and evaluation in Uganda is coordinated by a unit located in the Office of the Prime Minister. This unit is licensed to review performance with all ministries, departments (provinces) and agencies against stipulated targets on annual or semi-annual basis.

Along with the monitoring and evaluation structure of the Government is a growing arm of assessment practice under the control of civil society including national and international non-governmental organizations working in Uganda.

The main challenge at the sectorial level lies in harmonizing data from different monitoring systems and evaluation before forwarding their reports to the office of Prime Minister. Second, the Prime Minister has to harmonize all data from different sectors and validate.

Currently used by the government assessment tools include ministerial statements and budgetary policy framework documents, journals semi pensions - annual and annual, the Community information system, the annual budget performance report;

Three main sources of data for monitoring and evaluation in the country include information on program performance, social and economic statistics and evaluations. Social, economic and demographic statistics are available from routine surveys and decennial censuses.

The professional capacity in terms of skills and experience in monitoring and evaluation is spread across Ministries, Departments and State Agencies.

Demand for monitoring and evaluation products (and services) at the political level to inform decision-making remains low and a culture of managers in search of monitoring and evaluation data to improve performance is evolving. The incentive framework to introduce monitoring and evaluation practices in public service systems remains low. Limited use is attributed to the weak dissemination of information and the inability to produce and distribute information in a timely manner.

The "baraza" is a community participation approach to monitoring and evaluation in Uganda. It is one of the most recent initiatives of the Ugandan Government, initiated by President Museveni and launched in 2009 by the Prime Minister. The "barazas" are geared toward improved accountability and unveil a sense of ownership of government programs by local communities.

The most important step in improving the monitoring and evaluation would be one that would aim at creating convergence and greater integration between public service and civil society.

2.2.6. South Africa

In 2005, the South African Government introduced a policy framework for monitoring and evaluation in the government as a whole. This framework was used to establish the first momentum towards a structured monitoring and evaluation approach. This has received a greater commitment after the national elections in May 2009. A significant number of transversal institutions are involved in the implementation of the overall monitoring and evaluation system. These institutions include the Performance, Monitoring and Evaluation Department, housed within the Office of the President; the National Treasury; the Department of Public Service and Administration; General Review; the Department of Cooperative Governance; and the Statistics and Public Service Commission. Monitoring and evaluation is closely involved in the planning process within the Government. Besides the recent process-oriented implementation of long-term plans for the country, South Africa has a medium-term strategic framework called strategic plans of five years for the departments. The National Treasury follows the quarterly reporting set on the basis of pre-established targets.

In order to focus on the work of the Government, the effects approach was introduced in 2009 with a focus on 12 strategic priorities. These are translated into performance contracts for ministries, government plans for each effect and the quarterly monitoring through reporting to the President's Office. The effects-based approach being incorporated, the reports are considered by the President of the Republic and his Office and reports are made public. This allows holding the national executive accountable of its management. However, there are still challenges concerning quality of data and coordination.

A management performance assessment tool was introduced by the Department of Performance Monitoring and Evaluation and is adopted by other departments (ministries). The process includes the evaluation of the system by the national and provincial departments. Challenges include a culture of compliance that do not use monitoring and evaluation to reflect and improve performance. The other challenge is the duplication of reporting. There are also weaknesses in the planning system remains fragmented with several institutions that play different roles and lack of effective theories of change.

A management performance assessment tool was introduced by the Performance, Monitoring and Evaluation Department and is adopted by other departments (ministries). The process includes the evaluation of the system by the national and provincial departments. Challenges include a culture of norms non-compliant to monitoring and evaluation to reflect and improve performance. The other challenge is the duplication of reporting. There are also weaknesses in the planning system remaining fragmented with several institutions that play different roles and lack effective theories of change.

2.2.7. Senegal

The 2001 constitution is the legal mechanism that officially launched the Monitoring and Evaluation in Senegal. In its preamble, the Constitution requires adherence to transparency in the conduct and management of public affairs and the principle of good governance. The constitutional requirement for transparency has been translated into several series of laws and decrees. Planning

functions, monitoring and evaluation falls primarily under the authority of the Ministry of Economic and Financial Affairs, which, in its organizational structure, supports aspects of monitoring and evaluation function in a few national agencies. The assessment instruments are essentially the "results methods" and the cost - benefit analysis.

Medium-term expenditure frameworks based on sectors are progressively introduced in the ministries. The finalization of the implementation of this approach will certainly improve the Senegalese results-based management system. Performance contracts are being developed in some departments with a view to evaluate staff rather than promote them.

The types of evaluation set include the mid - term evaluation, followed by a pre - evaluation leading to the end evaluation. Impact assessments and baseline studies are less frequent. A monitoring and evaluation system requires reliable and quality data for its effectiveness. Thus, Senegal has established the Department for Forecasting and Economic Research and the National Agency for Statistics and Demography.

The Annual report on resources absorption has been recognized as best practice for monitoring and evaluation. This tool has helped to establish an improved performance culture through the issuance of financial and activity reports.

Monitoring and Evaluation System at the country level is not a myth. Yet, both developed and developing countries are engaged on this way. There are outstanding outcomes but also challenges. Building or setting a National Monitoring and Evaluation System is always an on – going process. It never ends; it is living function which shows how the top management of a country is taking in account the needs of citizens and strives to address them. It can also prove how the Government is striving to improve its governance and move towards the welfare of its citizens.

The common facts of this striving for implementing workable monitoring and evaluation systems across these countries are as follows: the existence of change makers or champions at the highest level of the country; the presence of a national strategy which could be either a Poverty Reduction Strategy Paper or any other plan aiming at projecting the country forward; the clear willing to be transparent while managing national resources; and participation of citizens to the managing process aiming at shaping the future or better the fate of the population. During a panafrikan summit that gathered experts from Ghana, Kenya, Bénin, Rwanda, Burundi, South Africa and Senegal, participants from Senegal came up with the following findings²²:

²² Secrétariat Général de la Présidence de la République (Délégation à la Réforme de l'Etat et à l'Assistance Technique) **Rapport de mission portant sur la Rencontre interafricaine de partage des systèmes de suivi et évaluation en Afrique : Ghana, Kenya, Bénin, Rwanda, Burundi, Afrique du Sud et Sénégal**, du 26 au 29 Mars 2012, Pretoria, South Africa, p.6.

Chart n. : Challenges and opportunities for implementing M&E systems in Africa

National Opportunities	National challenges
<ol style="list-style-type: none"> 1. Clear Support of the constitution of transparency into public management and good governance 2. Democratic alternance took place on March 26, 2012 3. Existence of institutions and evaluation networks 4. Reform of the National System of Statistics 5. Existing expertise in GIS and New Technologies of Information and Communication 	<ol style="list-style-type: none"> 1. Coherence to establish among sub – systems 2. Institutionalization of the monitoring and evaluation function 3. Promotion of the culture of monitoring and evaluation 4. Recognition of the profession of evaluator/development of local expertise 5. Systematization of the evaluation ex ante, ex post for projects and major policies 6. Sensitization and use of evaluation results for decision making namely in strategic budgetary orientations

Also, despite its complexities, setting the monitoring and evaluation system at national level is feasible. As we've demonstrated since the very outset of this thesis, this is matter of clear commitment of the Government to change. As per Michael Barber (2008) cited by Stephen Porter and Ian Goldman, *“changing government is difficult. What is often not given enough attention is a shared vision: underestimating the power of visions, under communicating the vision or permitting obstacles to block the new vision. If the underlying paradigm and vision for change is not shared then government will tend to develop instruments that do not cohere, for example the differing instruments developed in the South Africa Department of Performance Monitoring and Evaluation and the Treasury in South Africa²³”*.

Therefore, setting an integrated monitoring and evaluation at national level implies for the DRC government endorsing the culture of managing for results along with a clear willingness to enable populations to have control of the management function of the country. With a long history of support from donors who have proved managing development projects with monitoring and evaluation systems, the DRC has to integrate this function. How the DRC has struggled so far to integrate this function? This question will be answered in chapter three of this work.

In the meantime, the DRC is experiencing clear high economic growth. The country closed the fiscal year 2014 with a 9 percent economic growth and is expecting a two – digit growth by the end of the FY 2015. The rest of this work will demonstrate that by integrating the different monitoring and evaluation systems i.e. those of each donor funding activities across the country and the monitoring and evaluation systems already existing in some ministries – the country could improve social justice, one of the key outcomes of good governance.

²³ Porter Stephen and Ian Goldman, idem, p. 5

2.3. Assessing the Economic Performance of Countries Implementing Integrated National M&E Systems

In order to showcase the inclusivity of economic growth among countries implementing nationwide monitoring and evaluation systems, we had recourse to the per capita income from the above assessed countries considered as the right proxy²⁴.

Chart n° : Per capita income of Country applying nationwide M&E Systems

Country Implementing Nationwide M&E system	FY (Fiscal Year) 2010	FY 2011	FY 2012	FY 2013	FY2014
Australia	51 801,0	62133.6	67 511,0	67 473,0	61 887,0
Benin	690,0	745.4	750.5	804.7	825.2
Burundi	219.5	246.9	251,0	267.1	295.1
Colombia	6179.8	7124.5	7 749,0	7865.3	7 720,0
Canada	47463.6	52086.5	52733.5	52305.3	50271.1
Ghana	1326.1	1594.1	1653.4	1875.5	1461.6
Kenya	977.8	998.2	1167.5	1238.5	1337.9
Mexico	8916.5	9812.1	9819.5	10318.2	10361.3
Senegal	998.6	1083.3	1023.3	1046.6	1070.9
South Africa	7 390,0	8080.9	7592.2	6886.3	6477.9
UK	38362.2	40974.7	41050.8	41766.8	45603.3
USA	48374.1	49781.4	51456.7	52 980,0	54628.5

It goes without saying that overall per capita performance goes increasing in all these countries that try to implement M&E systems at national levels. In Africa, English speaking countries perform even better than the French ones. This proves that French Speaking countries are still lagging behind in applying results – based management principles. Though moving upward, levels of per capita are smaller in Africa French speaking countries compared to their Anglophone pairs.

²⁴ Pulled from the World Bank website on July 01 <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD> on June 2015

CHAPTER III: MONITORING AND EVALUATION AND GROWTH: DRC EMPIRICAL EVIDENCES

Chapter two presented a sample of countries which are striving with the implementation of monitoring and evaluation systems. It shows that monitoring and evaluation systems are intimately linked with growth. In fact, all these countries are either improving or still on good path for improving their economic growth thanks to better governance passing through better monitoring and evaluation efforts.

Economic growth is still a question that intrigues many economists in the world. They have rightly noted that the best combination of productive factors including capital, labor and technology partially explains economic growth. In fact, if the mobilization of capital and labor with some extra dose of technology were seen as a combination that must necessarily have a positive impact on growth, the reality was often far from the expectations of policy makers.

Indeed, from the beginning of the twenty first century, we quickly realized that the effectiveness of this traditional combination was not always guaranteed. What makes this mobilization effective over time? The economist Douglas North provides an answer to this question: *"it is the rules in force in societies linking all social actors, including the state, which shape the behaviors and expectations and contribute (or no) to growth. These rules, this incentive system are institutions, whether formal or informal²⁵."*

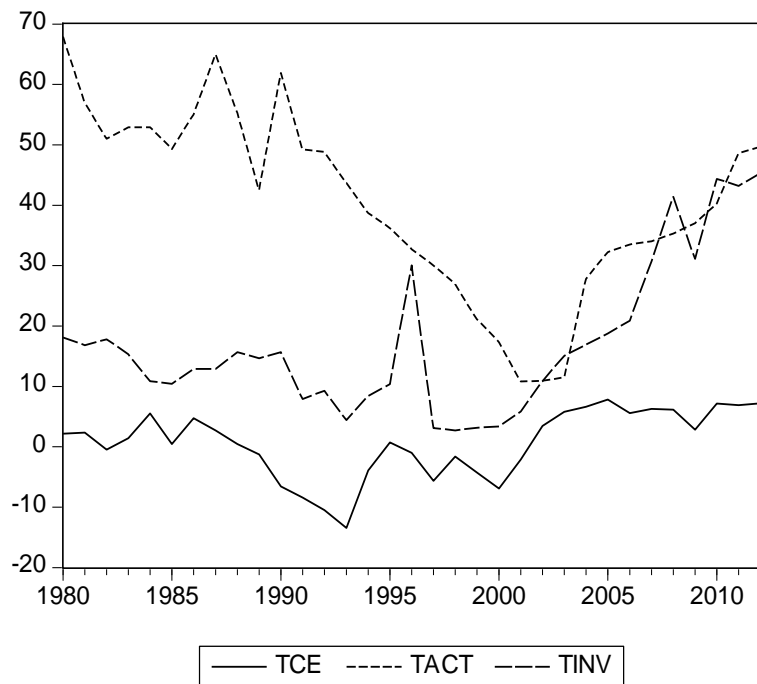
This chapter departs from a data set on key DRC economic aggregates including investment growth, change rate growth, and the economic growth in order to check whether the recourse to monitoring and evaluation systems across the different programs imposed by donors since 2001 (when current President Kabila took over power and enjoyed the support of donors with the implementation of monitoring systems in some key ministries) in the has made a significant change to the DRC economic growth. In order to make sure the period of analysis is very long, we considered the timeframe running from 1980 through 2012.

3.1. Data sets and SPSS Outputs

obs.	TCE	TACT	TINV
1980	2.190000	67.90000	18.09147
1981	2.350000	57.00000	16.82256
1982	-0.460000	51.00000	17.77987
1983	1.410000	52.90000	15.30860
1984	5.540000	52.90000	10.88246
1985	0.470000	49.30000	10.43983
1986	4.720000	55.00000	12.89317
1987	2.680000	65.00000	12.87132
1988	0.470000	55.30000	15.65370
1989	-1.270000	42.50000	14.64632
1990	-6.570000	61.90000	15.67944
1991	-8.420000	49.20000	7.897541
1992	-10.50000	48.80000	9.290873
1993	-13.47000	43.70000	4.436401
1994	-3.900000	38.70000	8.411565

²⁵ Meisel Nicolas et al : « La bonne gouvernance est – elle une bonne stratégie de développement », Documents de Travail de la DGPT, numéro 2007/11, p. 6.

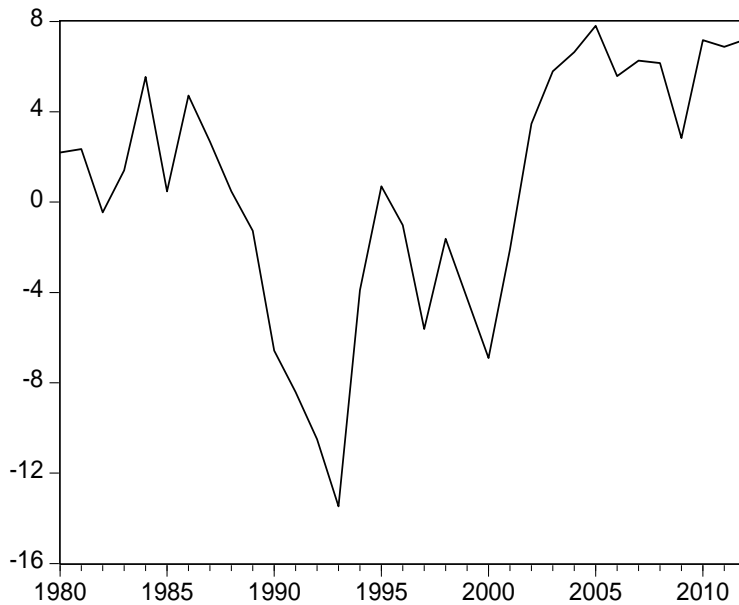
1995	0.700000	36.20000	10.36316
1996	-1.020000	32.70000	30.05460
1997	-5.620000	30.00000	3.100622
1998	-1.620000	26.90000	2.701748
1999	-4.270000	21.10000	3.126303
2000	-6.910000	17.30000	3.357565
2001	-2.100000	10.80000	5.808829
2002	3.470000	10.90000	10.85768
2003	5.790000	11.50000	15.03257
2004	6.640000	27.80000	16.90022
2005	7.800000	32.20000	18.76710
2006	5.580000	33.50000	20.86935
2007	6.260000	34.00000	30.69677
2008	6.160000	35.30000	41.39117
2009	2.830000	37.00000	31.09539
2010	7.170000	40.30000	44.35083
2011	6.880000	48.60000	43.18421
2012	7.200000	49.70000	45.30529



1

a)

TCE



b)

Date: 07/26/14 Time: 15:14
 Sample: 1980 2012
 Included observations: 33

Autocorrelation	Partial Correlation	AC	PAC	Q-Stat	Prob	
. *****	. *****	1	0.782	0.782	22.076	0.000
. ****	. * .	2	0.574	-0.098	34.339	0.000
. ***	. .	3	0.421	0.013	41.172	0.000
. **	. * .	4	0.260	-0.131	43.857	0.000
. *	. .	5	0.134	-0.020	44.595	0.000
. *.	. *.	6	0.101	0.124	45.034	0.000
. *	. .	7	0.111	0.072	45.578	0.000
. .	. * .	8	0.057	-0.154	45.727	0.000

c)

Null Hypothesis: TCE has a unit root
 Exogenous: Constant, Linear Trend
 Lag Length: 0 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-1.999851	0.5793
Test critical values: 1% level	-4.273277	
5% level	-3.557759	
10% level	-3.212361	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(TCE)

Method: Least Squares

Date: 07/26/14 Time: 15:14

Sample (adjusted): 1981 2012

Included observations: 32 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TCE(-1)	-0.232754	0.116386	-1.999851	0.0550
C	-1.297971	1.277973	-1.015648	0.3182
@TREND(1980)	0.093875	0.069116	1.358222	0.1849
R-squared	0.136113	Mean dependent var		0.156563
Adjusted R-squared	0.076534	S.D. dependent var		3.556776
S.E. of regression	3.417960	Akaike info criterion		5.385025
Sum squared resid	338.7910	Schwarz criterion		5.522437
Log likelihood	-83.16039	Hannan-Quinn criter.		5.430573
F-statistic	2.284594	Durbin-Watson stat		1.877776
Prob(F-statistic)	0.119847			

Null Hypothesis: TCE has a unit root

Exogenous: Constant

Lag Length: 0 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-1.627822	0.4572
Test critical values: 1% level	-3.653730	
5% level	-2.957110	
10% level	-2.617434	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(TCE)

Method: Least Squares

Date: 07/26/14 Time: 15:15

Sample (adjusted): 1981 2012

Included observations: 32 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TCE(-1)	-0.181887	0.111736	-1.627822	0.1140
C	0.230340	0.614338	0.374941	0.7103

R-squared	0.081158	Mean dependent var	0.156563
Adjusted R-squared	0.050530	S.D. dependent var	3.556776
S.E. of regression	3.465749	Akaike info criterion	5.384196
Sum squared resid	360.3424	Schwarz criterion	5.475804
Log likelihood	-84.14713	Hannan-Quinn criter.	5.414562
F-statistic	2.649806	Durbin-Watson stat	1.855481
Prob(F-statistic)	0.114021		

Null Hypothesis: TCE has a unit root

Exogenous: None

Lag Length: 0 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-1.627248	0.0968
Test critical values: 1% level	-2.639210	
5% level	-1.951687	
10% level	-1.610579	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(TCE)

Method: Least Squares

Date: 07/26/14 Time: 15:15

Sample (adjusted): 1981 2012

Included observations: 32 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TCE(-1)	-0.178796	0.109876	-1.627248	0.1138

R-squared	0.076853	Mean dependent var	0.156563
Adjusted R-squared	0.076853	S.D. dependent var	3.556776
S.E. of regression	3.417370	Akaike info criterion	5.326371
Sum squared resid	362.0310	Schwarz criterion	5.372175
Log likelihood	-84.22194	Hannan-Quinn criter.	5.341554
Durbin-Watson stat	1.852458		

d)

Null Hypothesis: D(TCE) has a unit root

Exogenous: None

Lag Length: 0 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-5.586331	0.0000
Test critical values: 1% level	-2.641672	

5% level	-1.952066
10% level	-1.610400

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(TCE,2)

Method: Least Squares

Date: 07/26/14 Time: 15:15

Sample (adjusted): 1982 2012

Included observations: 31 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(TCE(-1))	-1.019819	0.182556	-5.586331	0.0000

R-squared	0.509860	Mean dependent var	0.005161
Adjusted R-squared	0.509860	S.D. dependent var	5.168341
S.E. of regression	3.618355	Akaike info criterion	5.441642
Sum squared resid	392.7748	Schwarz criterion	5.487900
Log likelihood	-83.34546	Hannan-Quinn criter.	5.456721
Durbin-Watson stat	1.982849		

Null Hypothesis: D(TCE) has a unit root

Exogenous: None

Lag Length: 0 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-5.586331	0.0000
Test critical values: 1% level	-2.641672	
5% level	-1.952066	
10% level	-1.610400	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(TCE,2)

Method: Least Squares

Date: 07/26/14 Time: 15:15

Sample (adjusted): 1982 2012

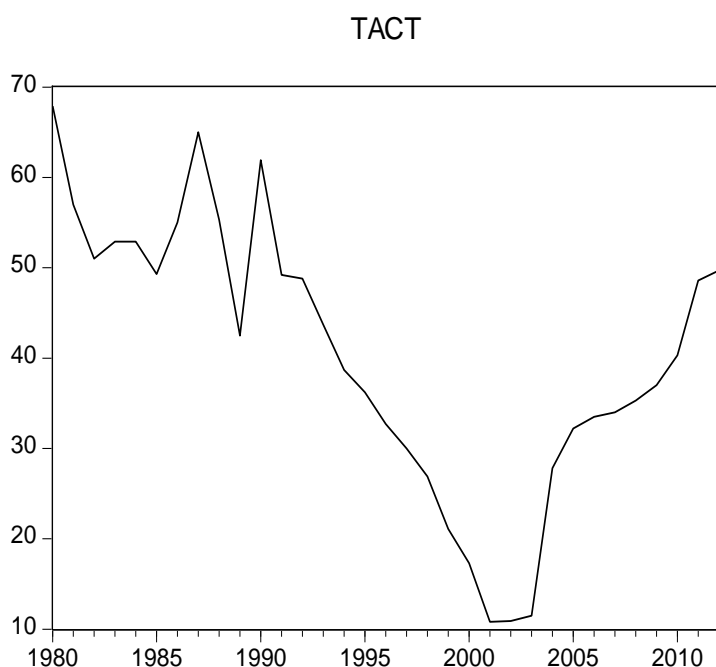
Included observations: 31 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(TCE(-1))	-1.019819	0.182556	-5.586331	0.0000

R-squared	0.509860	Mean dependent var	0.005161
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Adjusted R-squared	0.509860	S.D. dependent var	5.168341
S.E. of regression	3.618355	Akaike info criterion	5.441642
Sum squared resid	392.7748	Schwarz criterion	5.487900
Log likelihood	-83.34546	Hannan-Quinn criter.	5.456721
Durbin-Watson stat	1.982849		

2.



b)

Date: 07/26/14 Time: 15:17

Sample: 1980 2012

Included observations: 33

	Autocorrelation	Partial Correlation	AC	PAC	Q-Stat	Prob
1	1.000000	1.000000	0.834	0.834	25.126	0.000
2	0.724	0.093	0.724	0.093	44.672	0.000
3	0.654	0.093	0.654	0.093	61.118	0.000
4	0.541	-0.140	0.541	-0.140	72.777	0.000
5	0.420	-0.118	0.420	-0.118	80.065	0.000
6	0.336	0.002	0.336	0.002	84.906	0.000
7	0.227	-0.119	0.227	-0.119	87.204	0.000
8	0.042	-0.348	0.042	-0.348	87.284	0.000

c)

Null Hypothesis: TACT has a unit root

Exogenous: Constant, Linear Trend

Lag Length: 0 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-1.088391	0.9155
Test critical values: 1% level	-4.273277	
5% level	-3.557759	
10% level	-3.212361	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(TACT)

Method: Least Squares

Date: 07/26/14 Time: 15:19

Sample (adjusted): 1981 2012

Included observations: 32 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TACT(-1)	-0.118157	0.108561	-1.088391	0.2854
C	2.565166	6.787094	0.377948	0.7082
@TREND(1980)	0.095879	0.179661	0.533667	0.5976
R-squared	0.120124	Mean dependent var	-0.568750	
Adjusted R-squared	0.059443	S.D. dependent var	7.271084	
S.E. of regression	7.051665	Akaike info criterion	6.833465	
Sum squared resid	1442.054	Schwarz criterion	6.970877	
Log likelihood	-106.3354	Hannan-Quinn criter.	6.879013	
F-statistic	1.979601	Durbin-Watson stat	2.081516	
Prob(F-statistic)	0.156354			

Null Hypothesis: TACT has a unit root

Exogenous: Constant

Lag Length: 0 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-1.940139	0.3106
Test critical values: 1% level	-3.653730	
5% level	-2.957110	
10% level	-2.617434	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(TACT)

Method: Least Squares

Date: 07/26/14 Time: 15:19

Sample (adjusted): 1981 2012

Included observations: 32 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TACT(-1)	-0.156380	0.080602	-1.940139	0.0618
C	5.672767	3.444747	1.646788	0.1100
R-squared	0.111483	Mean dependent var	-0.568750	
Adjusted R-squared	0.081866	S.D. dependent var	7.271084	
S.E. of regression	6.967102	Akaike info criterion	6.780737	
Sum squared resid	1456.216	Schwarz criterion	6.872346	
Log likelihood	-106.4918	Hannan-Quinn criter.	6.811103	
F-statistic	3.764139	Durbin-Watson stat	1.982025	
Prob(F-statistic)	0.061814			

e)

Null Hypothesis: TACT has a unit root

Exogenous: None

Lag Length: 0 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-1.095104	0.2420
Test critical values: 1% level	-2.639210	
5% level	-1.951687	
10% level	-1.610579	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(TACT)

Method: Least Squares

Date: 07/26/14 Time: 15:19

Sample (adjusted): 1981 2012

Included observations: 32 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TACT(-1)	-0.032419	0.029603	-1.095104	0.2819
R-squared	0.031164	Mean dependent var	-0.568750	
Adjusted R-squared	0.031164	S.D. dependent var	7.271084	
S.E. of regression	7.156889	Akaike info criterion	6.804779	
Sum squared resid	1587.853	Schwarz criterion	6.850584	
Log likelihood	-107.8765	Hannan-Quinn criter.	6.819962	
Durbin-Watson stat	2.067665			

e)

Null Hypothesis: D(TACT) has a unit root

Exogenous: None
 Lag Length: 0 (Automatic based on SIC, MAXLAG=8)

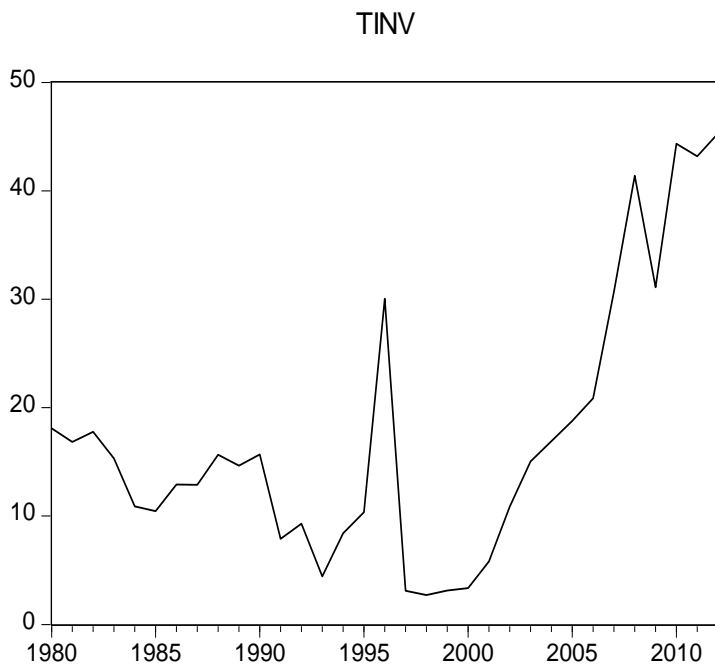
	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-6.071693	0.0000
Test critical values: 1% level	-2.641672	
5% level	-1.952066	
10% level	-1.610400	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation
 Dependent Variable: D(TACT,2)
 Method: Least Squares
 Date: 07/26/14 Time: 15:19
 Sample (adjusted): 1982 2012
 Included observations: 31 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(TACT(-1))	-1.065762	0.175530	-6.071693	0.0000
R-squared	0.550723	Mean dependent var	0.387097	
Adjusted R-squared	0.550723	S.D. dependent var	10.63117	
S.E. of regression	7.125875	Akaike info criterion	6.797068	
Sum squared resid	1523.343	Schwarz criterion	6.843326	
Log likelihood	-104.3546	Hannan-Quinn criter.	6.812147	
Durbin-Watson stat	2.069928			

3.
 - a)



b)

Date: 07/26/14 Time: 15:20
 Sample: 1980 2012
 Included observations: 33

Autocorrelation	Partial Correlation	AC	PAC	Q-Stat	Prob
. *****	. *****	1 0.733	0.733	19.388	0.000
. ****	. *	2 0.602	0.139	32.878	0.000
. ***	. *	3 0.422	-0.131	39.736	0.000
. **	. *	4 0.344	0.074	44.462	0.000
. *	. *	5 0.171	-0.201	45.667	0.000
. *	. .	6 0.098	0.014	46.080	0.000
. .	. .	7 0.020	0.006	46.098	0.000
. .	. *	8 -0.058	-0.132	46.253	0.000

c)

Null Hypothesis: TINV has a unit root
 Exogenous: Constant, Linear Trend
 Lag Length: 0 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-1.898325	0.6320
Test critical values: 1% level	-4.273277	
5% level	-3.557759	

10% level

-3.212361

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(TINV)

Method: Least Squares

Date: 07/26/14 Time: 15:21

Sample (adjusted): 1981 2012

Included observations: 32 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TINV(-1)	-0.245500	0.129325	-1.898325	0.0676
C	-0.395808	2.765912	-0.143102	0.8872
@TREND(1980)	0.318595	0.158128	2.014791	0.0533
R-squared	0.151906	Mean dependent var	0.850432	
Adjusted R-squared	0.093416	S.D. dependent var	7.620640	
S.E. of regression	7.255968	Akaike info criterion	6.890586	
Sum squared resid	1526.823	Schwarz criterion	7.027998	
Log likelihood	-107.2494	Hannan-Quinn criter.	6.936134	
F-statistic	2.597155	Durbin-Watson stat	2.466525	
Prob(F-statistic)	0.091715			

Null Hypothesis: TINV has a unit root

Exogenous: Constant

Lag Length: 0 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-1.014840	0.7359
Test critical values: 1% level	-3.653730	
5% level	-2.957110	
10% level	-2.617434	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(TINV)

Method: Least Squares

Date: 07/26/14 Time: 15:21

Sample (adjusted): 1981 2012

Included observations: 32 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TINV(-1)	-0.121040	0.119270	-1.014840	0.3183

C	2.827788	2.368437	1.193947	0.2419
R-squared	0.033191	Mean dependent var	0.850432	
Adjusted R-squared	0.000964	S.D. dependent var	7.620640	
S.E. of regression	7.616968	Akaike info criterion	6.959095	
Sum squared resid	1740.546	Schwarz criterion	7.050704	
Log likelihood	-109.3455	Hannan-Quinn criter.	6.989461	
F-statistic	1.029900	Durbin-Watson stat	2.464199	
Prob(F-statistic)	0.318297			

d)

Null Hypothesis: TINV has a unit root

Exogenous: None

Lag Length: 1 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	0.691137	0.8597
Test critical values: 1% level	-2.641672	
5% level	-1.952066	
10% level	-1.610400	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(TINV)

Method: Least Squares

Date: 07/26/14 Time: 15:22

Sample (adjusted): 1982 2012

Included observations: 31 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TINV(-1)	0.049451	0.071551	0.691137	0.4950
D(TINV(-1))	-0.377742	0.185995	-2.030922	0.0515
R-squared	0.111787	Mean dependent var	0.918798	
Adjusted R-squared	0.081159	S.D. dependent var	7.736628	
S.E. of regression	7.416038	Akaike info criterion	6.907508	
Sum squared resid	1594.931	Schwarz criterion	7.000023	
Log likelihood	-105.0664	Hannan-Quinn criter.	6.937666	
Durbin-Watson stat	2.038454			

e)

Null Hypothesis: D(TINV) has a unit root

Exogenous: None

Lag Length: 0 (Automatic based on SIC, MAXLAG=8)

t-Statistic	Prob.*
-------------	--------

Augmented Dickey-Fuller test statistic	-7.728469	0.0000
Test critical values: 1% level	-2.641672	
5% level	-1.952066	
10% level	-1.610400	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(TINV,2)

Method: Least Squares

Date: 07/26/14 Time: 15:22

Sample (adjusted): 1982 2012

Included observations: 31 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(TINV(-1))	-1.332115	0.172365	-7.728469	0.0000
R-squared	0.665635	Mean dependent var		0.109354
Adjusted R-squared	0.665635	S.D. dependent var		12.71299
S.E. of regression	7.351194	Akaike info criterion		6.859329
Sum squared resid	1621.202	Schwarz criterion		6.905587
Log likelihood	-105.3196	Hannan-Quinn criter.		6.874408
Durbin-Watson stat	1.995660			

B.

1.

Dependent Variable: DTCE

Method: Least Squares

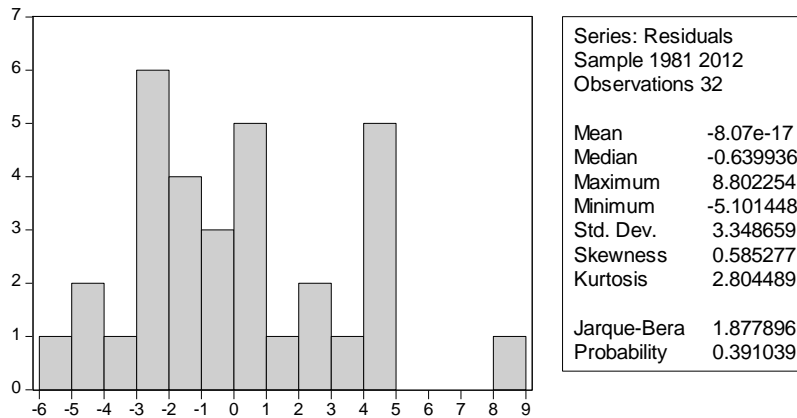
Date: 07/26/14 Time: 15:31

Sample (adjusted): 1981 2012

Included observations: 32 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.006963	0.618627	0.011255	0.9911
DTACT	-0.026270	0.086145	-0.304950	0.7626
DTINV	0.158342	0.082194	1.926448	0.0639
R-squared	0.113602	Mean dependent var		0.156563
Adjusted R-squared	0.052471	S.D. dependent var		3.556776
S.E. of regression	3.462205	Akaike info criterion		5.410748
Sum squared resid	347.6190	Schwarz criterion		5.548161
Log likelihood	-83.57197	Hannan-Quinn criter.		5.456297
F-statistic	1.858342	Durbin-Watson stat		2.020312
Prob(F-statistic)	0.174027			

a)



b)

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	1.117374	Prob. F(2,27)	0.3418
Obs*R-squared	2.446128	Prob. Chi-Square(2)	0.2943

Test Equation:

Dependent Variable: RESID

Method: Least Squares

Date: 07/26/14 Time: 15:32

Sample: 1981 2012

Included observations: 32

Presample missing value lagged residuals set to zero.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.015812	0.616433	-0.025651	0.9797
DTACT	-0.001845	0.086523	-0.021319	0.9831
DTINV	0.016210	0.086592	0.187205	0.8529
RESID(-1)	-0.024180	0.197047	-0.122710	0.9032
RESID(-2)	-0.278096	0.186172	-1.493763	0.1468

R-squared	0.076442	Mean dependent var	-8.07E-17
Adjusted R-squared	-0.060382	S.D. dependent var	3.348659
S.E. of regression	3.448276	Akaike info criterion	5.456227
Sum squared resid	321.0464	Schwarz criterion	5.685248
Log likelihood	-82.29963	Hannan-Quinn criter.	5.532141
F-statistic	0.558687	Durbin-Watson stat	1.857184
Prob(F-statistic)	0.694520		

c)

Heteroskedasticity Test: ARCH

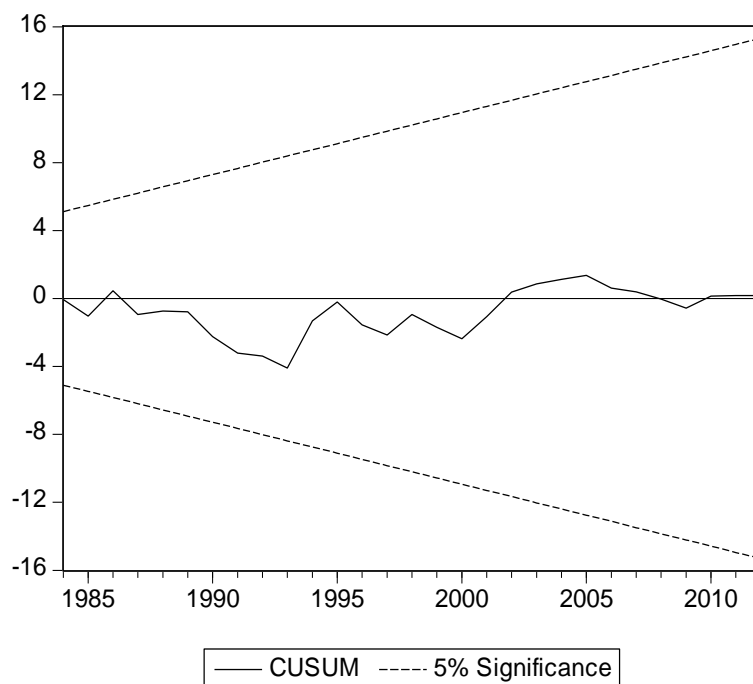
F-statistic	0.286190	Prob. F(2,27)	0.7534
Obs*R-squared	0.622776	Prob. Chi-Square(2)	0.7324

Test Equation:
 Dependent Variable: RESID^2
 Method: Least Squares
 Date: 07/26/14 Time: 15:32
 Sample (adjusted): 1983 2012
 Included observations: 30 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8.978311	4.157948	2.159313	0.0399
RESID^2(-1)	0.087696	0.192892	0.454637	0.6530
RESID^2(-2)	0.109341	0.192890	0.566859	0.5755

R-squared	0.020759	Mean dependent var	11.26138
Adjusted R-squared	-0.051777	S.D. dependent var	15.18880
S.E. of regression	15.57705	Akaike info criterion	8.424114
Sum squared resid	6551.401	Schwarz criterion	8.564234
Log likelihood	-123.3617	Hannan-Quinn criter.	8.468939
F-statistic	0.286190	Durbin-Watson stat	1.925983
Prob(F-statistic)	0.753370		

d)



C.
1.

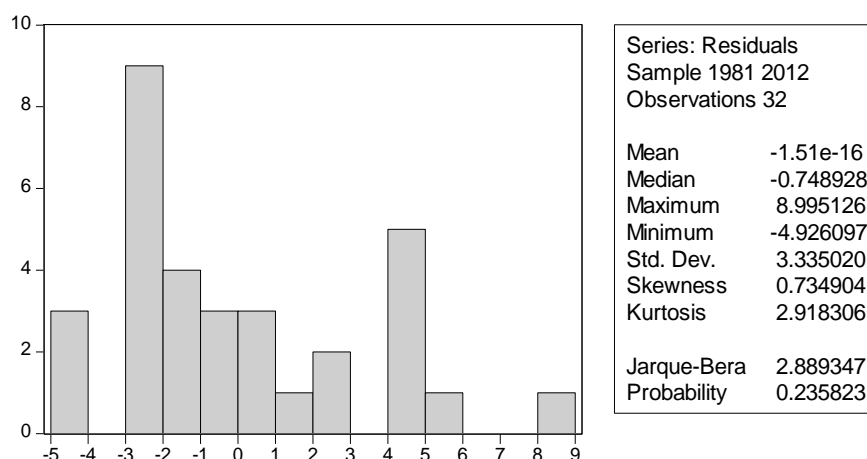
Dependent Variable: DTCE
 Method: Least Squares
 Date: 07/26/14 Time: 15:37

Sample (adjusted): 1981 2012
 Included observations: 32 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.238510	0.809764	-0.294543	0.7705
DTACT	-0.044548	0.095286	-0.467523	0.6437
DTINV	0.148583	0.085762	1.732503	0.0942
DT	0.708003	1.477938	0.479048	0.6356

R-squared	0.120808	Mean dependent var	0.156563
Adjusted R-squared	0.026609	S.D. dependent var	3.556776
S.E. of regression	3.509136	Akaike info criterion	5.465086
Sum squared resid	344.7930	Schwarz criterion	5.648303
Log likelihood	-83.44137	Hannan-Quinn criter.	5.525817
F-statistic	1.282473	Durbin-Watson stat	2.023816
Prob(F-statistic)	0.299643		

a)



b)

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	1.106734	Prob. F(2,26)	0.3457
Obs*R-squared	2.510537	Prob. Chi-Square(2)	0.2850

Test Equation:

Dependent Variable: RESID

Method: Least Squares

Date: 07/26/14 Time: 15:38

Sample: 1981 2012

Included observations: 32

Presample missing value lagged residuals set to zero.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
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C	-0.046075	0.807291	-0.057074	0.9549
DTACT	-0.009234	0.095545	-0.096640	0.9238
DTINV	0.013742	0.089257	0.153960	0.8788
DT	0.101866	1.474271	0.069096	0.9454
RESID(-1)	-0.023741	0.197712	-0.120077	0.9053
RESID(-2)	-0.282075	0.189793	-1.486224	0.1492

R-squared	0.078454	Mean dependent var	-1.51E-16
Adjusted R-squared	-0.098766	S.D. dependent var	3.335020
S.E. of regression	3.495836	Akaike info criterion	5.508383
Sum squared resid	317.7426	Schwarz criterion	5.783208
Log likelihood	-82.13412	Hannan-Quinn criter.	5.599480
F-statistic	0.442693	Durbin-Watson stat	1.851126
Prob(F-statistic)	0.814544		

c)

Heteroskedasticity Test: ARCH

F-statistic	0.234059	Prob. F(2,27)	0.7929
Obs*R-squared	0.511267	Prob. Chi-Square(2)	0.7744

Test Equation:

Dependent Variable: RESID^2

Method: Least Squares

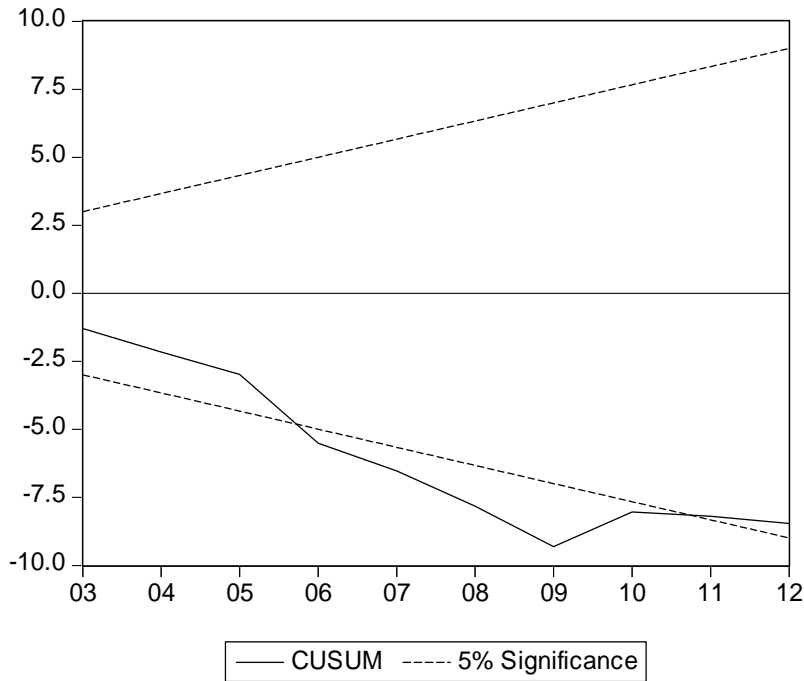
Date: 07/26/14 Time: 15:38

Sample (adjusted): 1983 2012

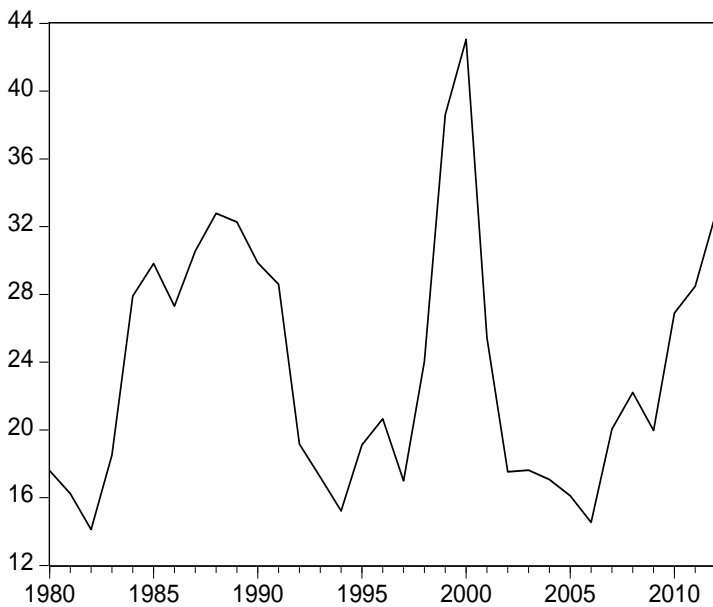
Included observations: 30 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9.261484	4.163389	2.224506	0.0347
RESID^2(-1)	0.114559	0.193527	0.591951	0.5588
RESID^2(-2)	0.053903	0.193516	0.278548	0.7827

R-squared	0.017042	Mean dependent var	11.19654
Adjusted R-squared	-0.055769	S.D. dependent var	15.53846
S.E. of regression	15.96586	Akaike info criterion	8.473423
Sum squared resid	6882.538	Schwarz criterion	8.613542
Log likelihood	-124.1013	Hannan-Quinn criter.	8.518248
F-statistic	0.234059	Durbin-Watson stat	1.958620
Prob(F-statistic)	0.792904		



OUVEC



Date: 07/26/14 Time: 15:47
 Sample: 1980 2012
 Included observations: 33

Autocorrelation Partial Correlation AC PAC Q-Stat Prob

. *****	. *****	1	0.669	0.669	16.178	0.000
. *	*** .	2	0.197	-0.455	17.629	0.000
. * .	. .	3	-0.100	0.028	18.013	0.000
. ** .	. * .	4	-0.243	-0.156	20.364	0.000
*** .	*** .	5	-0.426	-0.404	27.856	0.000
**** .	. * .	6	-0.566	-0.195	41.543	0.000
**** .	. .	7	-0.480	-0.025	51.783	0.000
. ** .	. ** .	8	-0.275	-0.221	55.273	0.000

Null Hypothesis: OUVEC has a unit root
Exogenous: Constant, Linear Trend
Lag Length: 1 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-3.481306	0.0592
Test critical values: 1% level	-4.284580	
5% level	-3.562882	
10% level	-3.215267	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation
Dependent Variable: D(OUVEC)
Method: Least Squares
Date: 07/26/14 Time: 15:48
Sample (adjusted): 1982 2012
Included observations: 31 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
OUVEC(-1)	-0.464743	0.133497	-3.481306	0.0017
D(OUVEC(-1))	0.501271	0.168468	2.975466	0.0061
C	11.69495	3.799441	3.078071	0.0047
@TREND(1980)	-0.024967	0.099834	-0.250080	0.8044
R-squared	0.359893	Mean dependent var	0.535620	
Adjusted R-squared	0.288769	S.D. dependent var	5.863957	
S.E. of regression	4.945337	Akaike info criterion	6.154682	
Sum squared resid	660.3218	Schwarz criterion	6.339712	
Log likelihood	-91.39757	Hannan-Quinn criter.	6.214997	
F-statistic	5.060139	Durbin-Watson stat	1.848209	
Prob(F-statistic)	0.006554			

Null Hypothesis: OUVEC has a unit root
Exogenous: Constant

Lag Length: 1 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-3.533653	0.0136
Test critical values: 1% level	-3.661661	
5% level	-2.960411	
10% level	-2.619160	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(OUVEC)

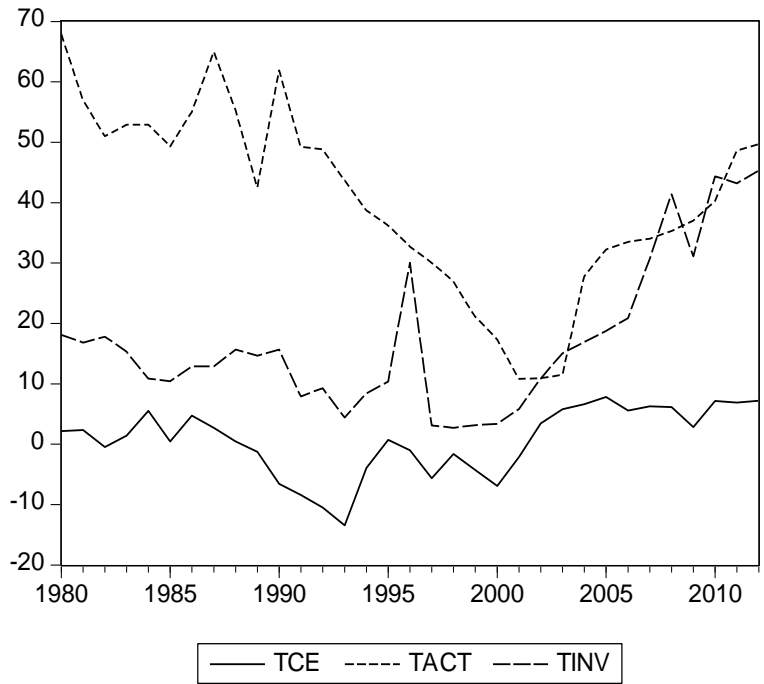
Method: Least Squares

Date: 07/26/14 Time: 15:48

Sample (adjusted): 1982 2012

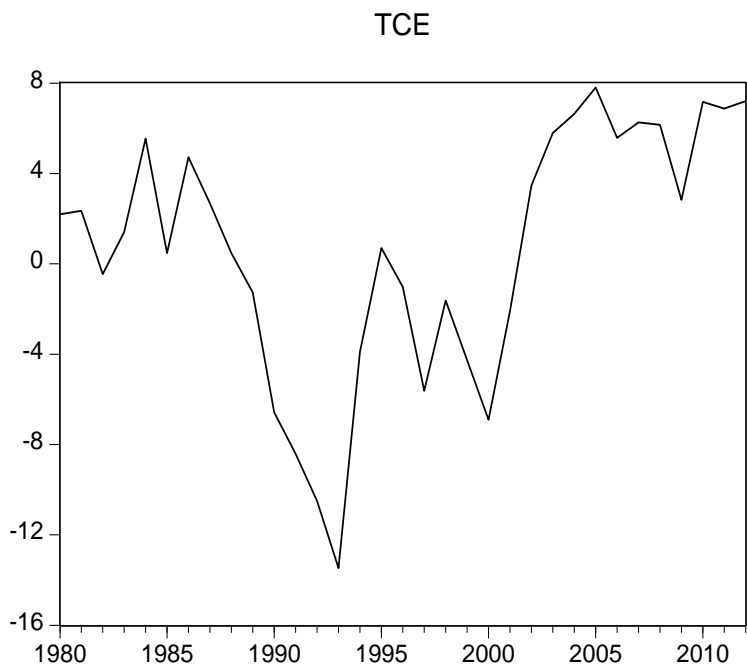
Included observations: 31 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
OUVEC(-1)	-0.461314	0.130549	-3.533653	0.0014
D(OUVEC(-1))	0.499772	0.165519	3.019426	0.0054
C	11.19053	3.165466	3.535191	0.0014
R-squared	0.358410	Mean dependent var		0.535620
Adjusted R-squared	0.312582	S.D. dependent var		5.863957
S.E. of regression	4.861846	Akaike info criterion		6.092479
Sum squared resid	661.8513	Schwarz criterion		6.231252
Log likelihood	-91.43343	Hannan-Quinn criter.		6.137716
F-statistic	7.820784	Durbin-Watson stat		1.847222
Prob(F-statistic)	0.002003			



1

f)



g)

Date: 07/26/14 Time: 15:14
 Sample: 1980 2012
 Included observations: 33

Autocorrelation	Partial Correlation	AC	PAC	Q-Stat	Prob	
. *****	. *****	1	0.782	0.782	22.076	0.000
. *****	. * .	2	0.574	-0.098	34.339	0.000
. ***	. .	3	0.421	0.013	41.172	0.000
. **	. * .	4	0.260	-0.131	43.857	0.000
. *	. .	5	0.134	-0.020	44.595	0.000
. *	. *	6	0.101	0.124	45.034	0.000
. *	. .	7	0.111	0.072	45.578	0.000
. .	. * .	8	0.057	-0.154	45.727	0.000

h)

Null Hypothesis: TCE has a unit root

Exogenous: Constant, Linear Trend

Lag Length: 0 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-1.999851	0.5793
Test critical values: 1% level	-4.273277	
5% level	-3.557759	
10% level	-3.212361	

*MacKinnon (1996) one-sided p-values.

Augmented Dickey-Fuller Test Equation

Dependent Variable: D(TCE)

Method: Least Squares

Date: 07/26/14 Time: 15:14

Sample (adjusted): 1981 2012

Included observations: 32 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
TCE(-1)	-0.232754	0.116386	-1.999851	0.0550
C	-1.297971	1.277973	-1.015648	0.3182
@TREND(1980)	0.093875	0.069116	1.358222	0.1849
R-squared	0.136113	Mean dependent var		0.156563
Adjusted R-squared	0.076534	S.D. dependent var		3.556776
S.E. of regression	3.417960	Akaike info criterion		5.385025
Sum squared resid	338.7910	Schwarz criterion		5.522437
Log likelihood	-83.16039	Hannan-Quinn criter.		5.430573
F-statistic	2.284594	Durbin-Watson stat		1.877776
Prob(F-statistic)	0.119847			

Null Hypothesis: TCE has a unit root

Exogenous: Constant
 Lag Length: 0 (Automatic based on SIC, MAXLAG=8)

	t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic	-1.627822	0.4572
Test critical values: 1% level	-3.653730	
5% level	-2.957110	
10% level	-2.617434	

*MacKinnon (1996) one-sided p-values.

3.2. Data Analysis

3.2.1. Economic Growth Rate

3.2.1.1. Graphical Analysis

The chart shows important variations in both sides around the mean and is reminiscent of a non-stationary series.

3.2.1.2 .Correlogram Analysis

Several simple autocorrelation coefficients are significant as well as the statistical q (critical probability much less than 5%), a sign of no stationarity of the series.

3.2.1.3 Augmented Dicky Fuller (ADF) unit root test

The model with trend and constant indicates that the trend is not significant, as well as the ADF statistic (Critical probability > 5%), hence the move to trend and constant-free pattern, indicating that the ADF statistic is random non-stationary type and stationarization is done by the filtering differences.

3.2.1.4. Dickey Fuller Unit Root Test on the series in first differences (DTCE)

The ADF statistic of the Test being significant (critical probability < 5 %) the series in difference is therefore stationary.

3.2.2. Activity Rate

3.2.2.1. Graphical Analysis

The graph shows a decreasing trend until 2001 before a recovery in 2002.

3.2.2.2. Correlogram Analysis

Most simple correlation coefficients are significant, as well as the statistical q (critical probability < 5%); indicating that the series is not stationary.

3.2.2.3. Augmented Dicky Fuller (ADF) unit root test

It appears from the test on the model with trend and constant and on the model with constant with trend that ADF statistic, as well as the constant and trend are not significant (critical probability > 5%). So we get to the model neither with constant nor with trend.

3.2.2.3. ADF test on the model without a constant or trend

It appears from the text that the ADF statistic is not significant, the series is therefore random non-stationary type and stationarization is through the filter of differences.

3.2.2.4. ADF test on the series in first differences

It appears from the test on the first difference series that the statistic ADF is largely significant, thus the stationarity of the series.

3.2.3. Investment Rate

3.2.3.1. Graphical Analysis

After a relatively small decrease between 80 and 97, there is a fairly steep rise between 2001 and 2012. The series is not stationary.

3.2.3.2. Correlogram Analysis

The simple Correlogram has several significant autocorrelation coefficients as well as the statistical q (critical probability < 5%). This indicates that the series is not stationary.

3.2.3.3. Augmented Dicky Fuller Unit Root Test

The test on the model with trend and constant and the model with constant without trend indicates that the ADF statistic, the constant and trend are not significant. Hence we get to the model without constant nor trend to decide on the test result.

3.2.3.4. ADF Test on the model with no constant or trend

It appears from the test that the ADF statistic is random type no-stationary and stationarization is through the filter of differences.

3.2.3.5. ADF test on the series in first differences

It appears from the test that the ADF statistic is significant; hence we have the stationarity of the series in first difference.

3.3. Estimated growth model for the Democratic Republic of the Congo

The starting point of the Solow Model:

$$Y_t = F(A_t, K_t, L_t)$$

The model attempts to explain the growth rate w and capital inputs and technical progress considered exogenous, assuming the homogeneous equation of degree 1 here below:

$$g_y = g_a + g_k s_k + g_l s_l + \epsilon$$

3.3.1. Results of the Estimate

It appears from the model estimate that all factors do not significantly influence the economic growth and the low value of the coefficient of determination suggests that the rate of economic growth in the DRC is significantly influenced by factors other than those retained in the model. But before considering these results, we will proceed by the usual tests of validation of an estimated model.

3.3.2. Residuals normality test

It appears from this test that the Jarque Bera statistic is not significant; an indication of normality of estimation residues. Consequently, we can validly conduct statistical inference and generalize the results to the entire population.

3.3.3. Autocorrelation Absence Test

The F statistic, as well as Lagrange multiplier associated with Breusch Godfrey test is non-significant (critical probability well above 5%); there is no autocorrelation of residuals and therefore no bias in the significance test.

3.3.4. Lack of heteroscedasticity Test

The Fischer statistic 'F', as well as the Lagrange multiplier associated with the ARCH test is not significant. There is therefore no heteroscedasticity.

3.3.5. Stability test of the model parameters: CUSUM test

It appears from the test that recursive residues lie within the band defining the model parameters zone of stability, the estimated parameters are stable throughout the period.

3.3.6. Interpretation

The model being validated econometrically, we can confirm the initial interpretation according to which at a 5% threshold, no parameter is significant. However, the coefficient of the investment rate is significant at the 6% threshold.

The constant term representing the technical progress and the impact of governance is not significant, indicating a lack of real benefits of governance on economic growth in the DRC. Our

main hypothesis is that governance change is equal to the implementation of monitoring and evaluation systems across programs and ministries.

In order to take in account organizational changes observed from 2002, we estimated an augmented model where we added a dummy variable ("dummy variable").

3.4. Estimated Augmented (with dummy variable)

3.4.1.1. Results of the Estimate

It follows from this estimate that no coefficient is significant at the 5% threshold but the coefficient of the investment rate is significant at the 9% threshold. The coefficient of the indicator variable being not significant, changes in governance from 2002 have not yet sufficiently influenced the growth in the DRC compared to the previous period. But before we confirm these results, we will proceed with the validation test of the estimated model.

3.4.1.2. Residuals normality test

It appears from this test that the Jarque Bera statistic is not significant, hence the normality of the estimation residuals.

3.4.1.3. Lack of autocorrelation Test

The F statistic, as well as Lagrange multiplier associated with Breusch Goldfry test are non-significant, hence the lack of autocorrelation residuals.

3.2.2.4 Lack of heteroscedasticity Test

The Fischer statistic 'F', as well as the Lagrange multiplier associated with the HARCH test is not significant. Hence there is lack of heteroscedasticity.

3.5. Interpretation of the Econometric outputs

The model being validated econometrically, confirming the previous interpretation, the economic growth in the DRC is not dependent of internal governance efforts. In other words, internal governance efforts still far from impacting positively change of the DRC economic growth.

We can, therefore conclude that there is still a way to go with governance in the Democratic Republic of Congo. This is deemed an important lever for the economic growth in the DRC. There is, therefore, room for improvement and progress is needed in order to count governance through monitoring and evaluation in the process leading to inclusive growth.

Box 1: Confirmation of the main hypothesis

The here above stated conclusion of the econometric model estimates confirms the main hypothesis of this work. In fact, we departed from the hypothesis that in this period of harsh international competitiveness, each country and especially the DRC, has to integrate the national monitoring and evaluation system in order to improve accountability and transparency. The role of a simple dashboard and a more or less long term predictive visibility tool becomes compelling.

It goes without saying that the monitoring and evaluation system remains feasible despite the post-conflict environment that currently features the country. However, such implementation should be facilitated by the unification of existing monitoring and evaluation systems in order to act positively on both the country's economic growth and ensure equitable redistribution of wealth countrywide.

The above estimates of the econometric model confirm recent research efforts led by various individuals and Agencies. While conducting its own democracy, human rights, and governance assessment of the DRC, the United States Agency for International Development came to the same conclusion: *“the DRC’s poor economic performance drives the conflicts even as ongoing insecurity hinders opportunities for economic development. The abundance of natural resources in the Congo helps fuel the flames of conflict. In a context in which the population is desperately poor and the government fails to provide even basic services, taking up arms seems to some individuals and communities to be the only way to break through the corruption, patrimonialism, and government incompetence that prevents their accessing the benefits of the abundant mineral wealth in their territory²⁶”*.

²⁶ Tetra Tech ARD on behalf of the United States Agency for International Development: “Democracy, Human Rights, and Governance Assessment of the Democratic Republic of the Congo, final report, November 2012, p. 10

CHAPTER IV:
THE DRC PLANNING AND PROGRAMMING:
FAILURES AND ROOMS FOR IMPROVEMENT

This chapter presents an overview of great moments of planning in the Democratic Republic of Congo. In fact, for the sake of better understanding, we will focus on some of the best planning experiences that have featured the last four decades of the DRC history including the Mobutu plans (With President Joseph Mobutu), the three-year plan (With President Laurent Kabila) and the PRSP (revolution of modernity with President Joseph Kabila). The approach here is to revisit these DRC development plans which have had the merit of having succeeded in galvanizing the efforts of the whole nation and nurturing the hopes of an entire people in contexts of independent governance of the country. This approach has the merit of understanding the shortcomings that have accompanied these development plans.

The history of the DRC has proven that economic growth has, over the past fifty-four years of its independence, been marked by ups and downs that come into contradiction with the many natural resources abounding in the country. This is a paradox that many economists have often pointed out without proposing concrete ways out. Indeed, with potentially strong growth, the country drags among the worst performing countries in the continent and even the world. Despite their limitations, economic indicators show this situation.

Beyond the primarily economic explanations, the situation of the DRC calls for three essential assumptions:

- 1) The DRC has suffered from a crisis of governance that does not free its potential for economic growth;
- 2) The governance of the DRC has been particularly irrational and therefore catastrophic during the fifty-four years of political and economic independence;
- 3) Lack of over time monitored and supported managerial vision.

The analysis of the country's socio-economic situation has therefore as a only starting point the triple effort to understand the history of the country; the vision of the management of the country and the country's management style.

We opt for the analysis of all these questions synchronic sections that correspond with the great moments of conscious national history of the Democratic Republic of Congo. The conscious history of the DRC is one of the Independent Congo; the Congo run by the Congolese themselves. This period begins with the arrival to power of President Joseph Kasavubu and ends with the current period managed by President Joseph Kabila Kabange.

4.1. Governance of Congo from 1960 to 1965: start of a post-colonial kind governance

The DRC acquired independence on 30 June 1960 in an economic environment characterized by lower growth which followed the deterioration of productive framework that dated back in 1957. In fact in 1957, the colonial mother country had arranged to gradually withdraw from Congo. This became clear with the outbreak of the state portfolio on the eve of independence.

Only a week after independence, serious political disturbances broke out throughout the country. This agitation lasted for five years. This is the period of the Katanga secession (centered on the

governance of the province's rich minerals); that of the South - Kasai; Stanley City; rebellions but also one that experienced the fleeing of holders of technology; mismanagement in public finances due to the arrival at the leading positions of the unexperienced and very few prepared elite to manage production systems whose complexity is with straight-jacketed in inextricable connections with international high finance. This whole situation has serious repercussions on the economic infrastructure but especially affected mentally Congolese decision makers. Indeed, it is this period which saw the first client-patron practices including the allocation of units formerly owned Belgian productions to Congolese who had as capital contributions to their political affinity, tribal or family with the new authorities of the country.

An already precarious situation on the eve of independence became immediately untenable after these tumults and systemic management failure that characterized the new authorities of Congo. The economic structures that are partially demolished can no longer generate the resources to run the system and provide useful benefits to future investments. Thus the local productive structures' missions and goals became mortgaged because of the lack of an intelligentsia capable of governing local resources with a clear vision on the future. It was suddenly a reorganization of the state apparatus and a reorganization of all workings and thus new state governance standards. It was necessary at the same time provide adequate responses to the challenges the young nation inherited from colonization namely the lack of well-trained technical staff to replace the Belgian technicians forced to leave the country because of a quickly emerging nationalistic political discourse. According to Maurice Norro, *"it implied further change in the political status, significant changes in senior staff and above all a change in the objectives of the company, in the mode of decision under the influence of the new entity, as supposed to have goals the desire to modernize the economy and the desire for economic decolonization of the country"*²⁷.

It should be noted that these initial analyzes could only be confirmed later in this work when other historical periods used will be examined. This is because only the trends over long periods can help identify the real reasons for bullish or bearish situations. Nevertheless, we can already note the need for a national trained and experienced elite that has been conspicuously absent at the start of the country's independence. Was this a bad omen for the young state or at least a bad start that could influence future inertia?

For Professor Nzanda Bwana, the period from 1960 to 1965 which is characterized by weak governance has faced economic situations perverse summarized as follow²⁸:

- 1) *Loss and / depletion of the portfolio of the young state faced with a perilous management inherited from the colonial regime;*
- 2) *Economic, monetary and financial disorders;*
- 3) *Economic Governance under the influence of politics.*

²⁷ Norro Maurice cited by Professor Nzanda Bwana of the Kinshasa University in the "Cours d'Economie Internationale, Année Académique 2012-2013

²⁸ Nzanda Bwana, Cours enseigné au niveau du Diplôme d'Etudes Approfondies de l'Université Pédagogique Nationale en Economie Internationale, Année Académique 2012 - 2013

4.1.1. Loss or depletion of the young state portfolio

Feeling the end, the Belgian authority precipitated a number of legal decisions having a major economic impact. It is here that the Belgian decision maker proved its visionary character to maintain control of the destiny of the young Congolese State. Indeed, the Act of 17 June 1960 (thirteen days before the proclamation of the independence) and the Decree of 27 June 1960 (three days before independence) affected the legal status of the great Belgian companies.

4.1.1.1. The Law of 17 June 1960 :

This law gives a new legal situation to colonial companies or chartered companies majority capital of the Belgian colony. It was to impose these colonial societies of "free choice" to become Belgian companies to remain Congolese. It is clear that these companies chose to become Belgian; which deprived of financial resources the young Congolese state.

The governance of the young state becomes hazardous for the Congolese elite in power without formal preparation and to a large debt. We had to make difficult choices between investing in the future of the State (which was urgent) and simultaneously deal with debt services without the required finances. All this dangerously mortgaged the future governance of the country. Indeed, this law did pass the Congolese public debt of 3.861 billion CDF in 1949 to 43,417,000,000 CDF in 1958²⁹.

4.1.1.2. The decree of June 27, 1960:

This decree will devote the dissolution of the chartered companies such as the Special Committee of Katanga, *Compagnie des Chemins de Fer Congo Superior* to African Great Lakes Kivu and Special Committee and at the same time strengthens the principle of waiving some rights by the Congo later in the said companies.

It is now undeniably clear that all these legal adjustments had resulted in the acceleration of dependence in terms of internal governance of the young State vis - a - vis the former metropolis. Indeed, to quote Ibrahima Kake Babe, "*a few years of postcolonial regime cannot suppress all the structures painstakingly established by the colonial power in three quarters of a century and with powerful restraints implemented even after independence*"³⁰.

4.1.2. Monetary and financial turmoil

The monetary and financial subsystems of the Congolese economy have paid the cost of poor governance that prevailed in the Congo between 1960 and 1965. The ambient tumult had consequences for the erosion of state power, the coexistence of different fiscal authorities due to the decline of the public service. It goes without saying that government revenues went tumbling in and same for national exports.

²⁹ Prof Nzanda B., idem, p. 184

³⁰ Ibrahima Baba Kaké et al. « *Comment la Belgique sous – développa l'ex – Congo Belge* », pp 41 – 85 in *conflit belgo – zairois*, p.55.

4.1.3. Economic governance under the influence of politics

According to Comelieau, *"such dependency of economic on the policy management category can only lead to a distinctive category of economic management model in which economic agents are pulled by a diversity of interests rather than having a design unanimist, close to that of the market economy, based on the harmony of interests involved"*³¹.

The colonial administration already obeyed the logic of many interests. The management of the new State has not escaped this logic compounded by the antagonisms born of the arrival of a new local bourgeoisie. All this will only push the country into the abyss.

In conclusion, besides the immediate causes, the pre - colonial period of the Democratic Republic of Congo was a major factor in the regression in governance that characterized the country during this period. We realize clearly that the new State was hardly born with the seeds of the weakening of its economic and political governance. Can this congenital weakness withstand analysis and future planning attempts? *H. Leclercq somewhat mitigates the responsibility of the newly elected authorities by saying that "there were already signs of economic imbalance and the public finances in the colony since 1958: Congo was already facing very serious financial difficulties"*³².

It should be noted here that the Congo was also abandoned at the mercy of global economic conditions. Thus, we realize that the colonial period was characterized by a period of strong growth (1946 - 1956) and a period of low growth (1957-1960). Thus, besides the absence of internal visionary governance, Congo simply suffered the blows against the international situation. It is deplorable that this remains devoid form of development that could guide the country towards an economic future or desired policy.

4.2. Governance under the Mobutu regime from 1965 to 1997 : Postcolonial model Mobutu kind

The Congo became Zaire in 1971 as a fully sovereign state. More than half of the population does not know or has not experienced the colonial period. The new power of Mobutu ends the reigning of anarchy. The country is bloodless and continues to cruelly depend on foreigners.

The new regime imposed itself by force; and quickly established totalitarian kind of political model. Despite the expression of a genuine desire to democratize in 1990, the regime remained camping on the principles of an autocratic management of the country.

To better understand the modus operandi of the Mobutu regime, we should examine the following two points of view: internal and external.

4.2.1. External point of view

The Mobutu regime is built in an international context characterized by geopolitical antagonism between East and West, the opposition between capitalism and socialism worldwide. Caught in the

³¹ Comelieau C., *L'économie à la recherche du développement : crise d'une théorie, violence d'une pratique*, PUF, Paris, Nouveau cahiers de l'IUED – Genève, 1996, pp 11-13-15

³² Leclercq cité par le Prof Nzanda op. cit. p. 191.

whirlwind and in view of the strategic position of the Republic of Zaire, President Mobutu's regime was quickly dubbed by the West. With support, the Mobutu regime will stifle democracy and reduce governance. This will result in an unspeakable regression of a nation yet better positioned thanks to its exceptional natural and human resources.

Since model comes from seniors, all persons exercising some authority in the country will pour into mismanagement and systematic misappropriation of state resources.

4.2.2. Internal point of view

The Mobutu regime is characterized by the client-patron management approach and allegiance, looting and corruption. Yet despite his contacts with international financial circles that support the Mobutu model seems remote from the doctrine of free enterprise. Indeed, he postulates of equal treatment of all economic operators. Nevertheless, one could easily see the difference between the political discourse (economic) and praxis. Indeed, the Mobutu system would carefully select few economic agents and make them benefit from the economic, commercial, financial and administrative advantages to attract their allegiance to the model in place. These economic agents eventually had a solid foundation in politics. Hence the confusion between economic and political power in the country and simultaneously illicit enrichment with snowball effects of corruption on the country.

For Professor Nzanda "significant industrial and commercial privileges were based on all permissible forms of corruption and extortion practiced by the civil and military officials as well as blocking and extortion of wages and income due to other socio – professional officers; and that by unilateral and unrealistic laws³³".

The Mobutu model created such a hellish cycle that it fed on corruption and allegiances. This ultimately ended up undermining the system from within by having the better of him.

4.2.3. The economic growth governance under Mobutu

The model provided Mobutu lucre to develop visions on socioeconomic development of the country. For the purposes of our analysis, we selected two development plans of the Mobutu regime. We will analyze the two plans and highlight the weaknesses of their development vis - a - vis the principles of results-based management.

Supported financially by the international community, the Mobutu regime established an economic stabilization program in 1966. And the results were quickly noticeable. Indeed, the real growth of GDP was 7% on average between 1968 and 1974 with annual GDP growth rates reaching 8.2% in 1968; 8.8% in 1969; 11, 1 in 1970; 7.6% in 1971; 0.4% in 1972; 10, 9 and 6% in 1973, 9% in 1974. This admirable macroeconomic performance is a result of a rigorous application of a set of political, economic and monetary measures obeying the promises made by President Mobutu upon arrival on power. The enforcement of these measures greatly contributed to the social appeasement after the first unrest of the first postcolonial period.

³³ Nzanda Bwana, op. cit. p. 213

4.2.3.1. The 1979-1981 Mobutu Plan

Facing the carelessness that characterized the Mobutu regime, soon the perverse effects of this lack of governance (despite the impressions given) was felt in national life. The population growth rate being among the highest in Africa, needs in social infrastructure such as schools, hospitals, markets, water and electricity etc. were soon sorely felt.

Mobutu plan therefore intervened as a political rather than economic approach to deal with a string of social needs: transportation, education and health. These needs translate (several years after independence) the young nature of the population and its desire to be trained in an efficiency producer. Mobutu plan appears as a set of stabilization and investment programs to the rescue a Congolese economy losing force. It primarily aimed at economic rehabilitation in preparing the ground for a comprehensive economic development program (five-year plan from 1986 to 1990).

Contents of Mobutu Plan:

The plan reveals a string of projects whose frame is as follows³⁴ :

1. Project Name
2. Description / Project Justification
 - 2.1. Goals
 - 2.2. Technical description
 - 2.3. Interest/Justification
3. Investment Cost
4. Implementation Planning/Investment Programming
 - 4.1. Progress/Optimum planning
 - 4.2. Annual Investment Programming
 - 4.3. Assumption for prices development
5. Funding plan
 - 5.1. Source
 - 5.2. Planning/Financial package finalisation
6. Implication/Recurrent expenses in thousands of Zaïres

We can realize that this program suffers from a defect, that is, the lack of indicators for measuring progress towards desired outcomes. This cannot allow a national monitoring of progress in terms of desired results. Obviously, the plan does not give visibility as to the ambitions and progress desired by the plan.

4.2.3.2. The First Five-Year Plan (1986-1990)

A lack of reliable national statistics, it is worth noting that this plan remains an ambition and political will to lead the country towards a socio-economic development. The five-year plan set itself the ambition of boosting growth (and therefore development). It seems to have aimed too high

³⁴ Présidence de la République – Commissariat Général au Plan, Plan Mobutu – Programme de relance économique 1979 – 1981, volume 2, fiches des projets secteurs de transport et Education et Santé, Novembre 1979

to meet the wishes of the base. However, in its development (and later implementation) the plan quickly became hostage to the political ambitions of the moment. This plan adequately demonstrates the confusion between the political and the development agendas which still difficult to reconcile in the Democratic Republic of Congo. We note, in fact, that the idea of its development "belongs to the president - founder of the Popular Movement of the Revolution, President of the Republic, who submitted for appreciation to the Third Ordinary Congress of the party held in Kinshasa from 6 through 10 December 1982, and placed under the theme "*affirmation of the fundamental options of the Popular Movement of Revolution and national development by boosting production*"³⁵."

4.2.3.2.1 Plan content:

The five-year plan was developed with the participation of several personalities from different social and professional backgrounds. It is not the result of an effort of listing priority needs of the Congolese people of that period but "political awareness and understanding of community needs and the progressive mastery of necessary means to meet these needs"³⁶.

The document that reveals the plan still recognizes the "*quantitative and qualitative weaknesses of the statistical information available*"³⁷."

In its content, and for each national life subsector, the plan presents:

1. Name of the subsector
 - 1.1. Goals of the Branch
 - 1.2. Strategies and policies of the branch
 - 1.3. Investment
 - 1.4. Funding Methode

Recognized weakness: macroeconomic indicators are used as benchmarks for developing goals and strategies in the various subsectors. Nevertheless, there is a lack of indicators to measure the desired development outcomes in each subsector. This blesses the blindness of the sustainability of this development plan. Indeed, it does not lend itself to further replicative evaluation (during implemented in particular) of the action put forward by the plan or in terms of immediate results, let alone the impact of the five-year plan.

4.3. Governance under Laurent Kabila from 1997 to 2001: postcolonial model of the Kabila type

The Kabila regime inherited a chaotic situation of the Mobutu regime. And as proof, the annual inflation rate reached the historical record of four digits (10000% in 1996). The Zairian currency disappeared to make way for dollars. This is referred to as the dollarization of the Congolese economy.

³⁵ Département du Plan de la République du Zaïre, *Premier Plan Quinquennal de Développement économique et social 1986 – 1990*, p.27

³⁶ Idem, p. 28

³⁷ Ibidem, p. 29

The governance of the regime of Laurent Kabila was so brief that its impact on national life is difficult to establish. Externally, the regime was a victim of isolation as it tried to break in the form of several seduction initiatives. But the context of war required the government to focus its attention on military spending rather than expenditure that could improve the lives of the Congolese. Professor B. Nzanda reports the following facts as characteristics of the Kabila governance:

- ❖ *Climate of uncertainty, fear and arbitrariness introduced by the new government and amateurism in the management of which the new leaders showed;*
- ❖ *The invasion and occupation of more than two thirds of the country by the Rwandan, Ugandan and Burundian armies, since August 2, 1998 and that for more than four years;*
- ❖ *The assassination of President Kabila on 16 January 2001 and the advent of Joseph Kabila to the presidency of the country;*
- ❖ *The long Inter-Congolese negotiations that lasted nearly two years, could not allow normal and efficient running of the institutions and economic and political reforms, also specifically challenged by those who took up arms against the government of Laurent Désiré Kabila.*

It should be immediately noted that the expectations engendered by the Mobutu thrower a year after left way to skepticism of the international community. In order to impose the new political order, Kabila regime fell into totalitarianism. And when the war broke out, Africa (and even the Western world) was divided between support to provide to the new regime and the exploitation of natural resources. This is evidenced with the report of the United Nations experts' panel.

In terms of performance indicators of the national economy, we witnessed the decline of records. In 1997 the economic growth rate was -4, 6%; in 1998 to -6, 3% in 1999; -9, 8% in 2000 and -10% in 2001.

Beyond the slogans calling for self - support by the people who obeyed more to combat logic than seeking efficiencies, the regime of Laurent Desire developed a three-year plan spanning from 1997 and 1999. This program aiming at the revitalization of the national economy highlighted³⁸:

- ❖ *The role of the state in the management of public and social services: primary health, basic education, justice, security etc;*
- ❖ *The leading role of the private sector in economic growth and the privatization of public enterprises to restore their competitiveness;*
- ❖ *Increased investment in priority sectors such as transport, agriculture, energy and mining.*

The government of Laurent Kabila mobilized its "friends" and received only a promise of support in the full amount to \$ 105 million of 1.6 billion US dollars required for the three-year plan. This plan will have been not only a mirage but a string of intentions without any concrete follow-up mechanism. Consequently, it fell into the depths of oblivion like other plans that sprinkle with the relatively short history of the Democratic Republic of Congo.

³⁸ Prof. Nzanda Bwana, op. cit.

4.4. Governance under Joseph Kabila from 2001 to date: Postcolonial model of the Kabila type

President Joseph's governance is characterized by liberalization and virtually constant search for attraction of investors including the reorganization of business climate. Externally, the regime renews relations with the international community. The latter opened the doors for the new regime, in view of many observers, which is an offshoot of agreements supported by the international community. Unlike the first Kabila regime and because of the sympathy it enjoys in the international community, the regime is establishing good governance instruments including:

- 1) The Enhanced Interim Program;
- 2) The Government's Economic Program;
- 3) The Emergency Multisector, Reconstruction and Rehabilitation Program.

All the above planning tools set by the government had very limited impact on the DRC population because of the absence of a strong monitoring and evaluation mechanism. We can conclude with Jean Paul Yawidi that *planning does not have place in the DRC as non evaluation is scheduled to take place in order to assess where we are bounding to*³⁹.

A common feature of all these programs is the support by the Bretton Woods institutions and therefore support by strong systems of monitoring and evaluation well-experienced. The benefits of this program, which aims to stop the country's economic deterioration, were soon to become a reality: in 2002 the growth rate is 3%; in 2003 he settled in 5, 8%. It is finally fixed to 8.4% in 2013.

The interference of donors in running the country eventually imposed on the government of the country particularly because of their contribution to the national budget, which reached 70% in the wake of the Pretoria agreements and will decrease and stop at around 40% today. Tools of good governance through monitoring and evaluation are offered, or imposed by donor countries. It should be noted here that in the meantime there is the economic and financial crisis which hit the economies of donor countries of the Democratic Republic of Congo. Being already in the country of Joseph Kabila, donor countries imposed more traceability on funds they granted to the country. And here the monitoring and evaluation system is gradually taking place within the Congolese administration. It is seen since 2002, the establishment of monitoring and planning departments in all ministries of the Government of the Democratic Republic of Congo. The Ministry of Planning is gradually regaining its role as monitoring and evaluation expert of Government.

How is structured the monitoring and evaluation mechanism for good governance in the DRC? The program of the five building sites or "*cinq chantiers*" will give way to modernity Revolution program plus a Poverty Reduction and Growth paper of first and second generation. That will be elucidated in the following chapter.

³⁹ Translation is from the author taken from Yawidi Jean – Paul, "*Procès de la Société Congolaise*", Mabiki, 2008, p.55

CHAPTER V:
MONITORING AND EVALUATION FUNCTION IN
THE DRC GOVERNMENT

The Democratic Republic of Congo (DRC) is recovering very slowly from a period of more than four decades of political and economic instability. In fact, it is since 2002 that the country is under perfusion using both bilateral and multilateral donor support and experiencing positive growth rates (8.2% in 2013). In fact, it is since 2001 that the country experienced two democratic elections which still, nonetheless, perfectible. This democratic learning was accompanied with courageous reforms that remain more driven by the Bretton Woods institutions and other donors rather than by an internal move for change. According to the World Bank, this positive growth rate that has characterized the Congolese Economy for more than a decade are mainly dependent on good governance principles that the Congolese government is difficultly trying to implement under the watchful eye of the international community. This explains why the Congolese Government is planning a two - digits growth rate by the year 2016. In the wake of the reforms that the Congolese Government is implementing is the introduction of systems Monitoring and Evaluation in key government ministries. It is unfortunate that each Ministry is going according to its own speed. The Ministry of Environment, for example, gradually unfolds a Monitoring and Evaluation system with the support of the German Cooperation GIZ. The Interior Ministry, on its part, supports the integration process of a monitoring and evaluation system through the Support Committee for the Reform of Police (CSRP). This committee includes within it a unit of monitoring and evaluation driven entirely by Congolese experts with full capacity support from the British Department of Foreign Affairs (DFID) and the European Cooperation (EUSEC AND EUPOL).

It should, nevertheless, be noted that the monitoring and evaluation function is still underdeveloped in the DRC and its degree of institutionalization within the various state structures still remains the work of the bilateral and multilateral donors. These indeed do not meet here but the requirements of transparency of aid implemented by their respective parliaments or decision making bodies. This transparency is becoming increasingly inevitable especially as the current weak Economy requires donor countries to make often severe budget cuts. These countries are most of the time torn between the need to support international aid (particularly in the terms of international treaties) in fragile or geopolitically strategic countries like the DRC and remaining as much as possible accountable vis – à– vis their nations suffering the throes of the current economic crisis. Thus these donor countries are involved much in the implementation of monitoring and evaluation systems in each program implemented in poor countries. It follows a tune that appears not as conditionality accepted by the recipient countries of aid.

Yet in the DRC there are professional private initiatives for monitoring and evaluation but often driven by outside. Furthermore, there is no national policy on monitoring and evaluation of public policies and programs that allow marking the field of practice.

From 2011 to date, the DRC Government has, nevertheless, presented favorable signals to the implementation of a nation-wide monitoring and evaluation system in public action by establishing a results-based state ministries management system under the form of “lettre d’engagement”. It should albeit be noted that this managerial style remains insufficient regarding the technical requirements of a conventional monitoring and evaluation system. The government assigns the Minister target goals and is evaluated (attributed a performance rate) after one year of work on the achievement or not of the target goals. Nothing is said about the realism of the established targets;

focus is made only on immediate effects of these targets rather than on the improvement of social conditions of the population (outcomes and impact).

However, if the monitoring and evaluation systems are gradually established within some key ministries, monitoring and evaluation directions still remain empty shells in other ministries. Mostly, Congolese government ministries remain waiting for a booster from outside in order to create a culture of results. An effort of appropriation of the tool at the national level is still needed. And as local universities have not developed full fleshed out modules on Monitoring and Evaluation, monitoring and evaluation of large programs in the areas of health or agriculture is often modeled on the best practices of donor countries, leaving very little chance to the DRC to make it its own. Confusion is welcomed here when considering the multiplicity of good practices in an already complex area that is Monitoring and Evaluation. Yet we know how culture bears on the monitoring and evaluation practices. In this context, no assurance is given on the skills and expertise displayed by those working in the field of monitoring and evaluation. Yet statistical skills (and econometrics) abound in the country to diversify the methodological choices in the research and evaluation. In this perspective, and considering the various options for developing the culture and capacity in monitoring and evaluation in the DRC, the establishment of a monitoring and evaluation network bringing together both experts in monitoring and evaluation of both state and private sector was retained by the network of the development community in the DRC as a priority approach to put forward. It serves as an informal framework for monitoring and evaluation professionals in the Democratic Republic of Congo to promote the use of evidence in the development sector.

5.1. Presentation of the Congolese Government's Monitoring and Evaluation tools

The Monitoring and evaluation function of the Congolese Government relies heavily on the efforts of the Ministry of Plan aiming at managing the performance of the entire Government. In practice, the Ministry of Plan has established a network of focal points (public officers within each ministry) that are prepared to collect data pertinent to the preparation of the annual review. The focal point in each Ministry collects data on the technical and financial performance that they submit to the Minister for approval. It is up to each minister to present in a solemn review session involving all members of the Government in front of the main donors of the Republic. A performance report comes out of this debate in the form of recommendations for the desired progress towards the desired target. The operational principles of this mechanism are still theoretical because of the bill formalizing the national monitoring and evaluation mechanism. The Congolese government foresaw a second review of its performance at the end of 2014.

This exercise is now considered a major step towards the establishment of genuine accountability system but its ownership by the Congolese Government remains a real challenge. Indeed, it seems to meet the requirements of donors rather than meeting the legitimate needs for information and learning on the Government's performance on the part of the Congolese citizens. This aspect is also supported by the fact that the implementation of the recommendations of the first review continues to face a major challenge.

Among the needs expressed by the Ministry of Plan in monitoring and evaluation is that of capacity building in monitoring and evaluation in different departments of the Republic. Very few specialists

in monitoring and evaluation are currently well trained. The specialists who exist in the country are those trained by donor countries or by multilateral organizations such as the World Bank or the United Nations Development Programme. Furthermore, the quality of data in the different sectors (especially in the most funded sectors which is that of health) remains a serious challenge as the national statistical system is still under construction with the support of donors. The absence of a reliable national statistical system will remain a real problem for monitoring and evaluation systems evolving in Congo because the effects and impacts of the programs will still be biased for a long time.

The establishment of a single monitoring and evaluation device of the national strategy in the Democratic Republic of Congo: the Government of the Democratic Republic of Congo, after reaching the completion point by the satisfactory implementation of its first generation Document of Strategy for Growth and Poverty Reduction, has developed and adopted its second generation growth and poverty reduction strategy document 2011 - 2015 in October 2011, after a development process following a participatory approach that lasted 15 months. This document is for the country, a unifying framework for public investment of all development stakeholders of this period. It was formally transmitted to the International Monetary Fund and the World Bank on 21 February 2012 for a joint evaluation of their services. At the same time, the Government presented the second generation Poverty Reduction Strategy Document to all external partners. In September 2011, the President launched his vision of the Revolution of Modernity: *"... a project of reconfiguration of Congo in economic, cultural and social sectors; a requirement of new customs and a new lifestyle; one goal: the emergence in 2030 and global power on the horizon 2060"*⁴⁰. In May 2012 the Government, after the elections of November 2011, presented its action plan for the period 2011-2016 to the National Assembly for its inauguration. This program is an ambitious implementation of the second generation strategy paper for growth and poverty reduction.

In order to preserve the nature of the unifying framework for all development interventions in the country, the Government of the Democratic Republic of Congo has initiated thematic groups for strengthening of the second generation priority Action Plan strategy document with the inclusion of shares used in the Government's program of actions and the Revolution of modernity document's strong ideas.

5.2. Analysis of Monitoring and Evaluation of the Congolese Government

The analysis of the monitoring and evaluation framework of the Congolese Government has been made through the score card that was submitted to the discretion of the Minister of Plan Advisor in charge of the implementation of monitoring and evaluation. The card shows three essential points which are the designing of the monitoring and evaluation system; functioning of monitoring and evaluation system and performance of monitoring and evaluation system. The criteria are divided between the criteria of the first order; second and third-order. The test of the first order has a score with fifteen points. The criterion of second order has ten points, while that of the third order has five points.

⁴⁰ DRC Ministry of Planning, *"Programme d'Actions Prioritaires Renforcé 2012 – 2016"*, Ministère du Plan et SMRM, May 2013, p. 2.

5.2.1. Findings⁴¹

5.2.1.1. Monitoring and Evaluation System Designing

- The sole first order criterion consists of the definition of methods for collecting, processing and analysis of data and storage modes. This criterion is essential for a monitoring and evaluation system. The counselor to the Ministry of Plan assigned to this criterion the rating of 10 out of 15 (10/15);
- For the second order criteria, quotations appear respectively as follows: identification of objectives (10/10); choice of indicators (9/10); relevance of indicators (9/10); definition of data sources (9/10); definition of responsibilities (9/10); definition of resources (9/10); evaluation of resources (6/10); definition of responsibilities (7/10); existence of a manual of procedures for monitoring and evaluation system (2/10); implementation of recommendations (5/10);
- For the criteria of third order quotes are: planning (5/5); Identification (5/5); identification of information needs (3/5); definition of the types of information (3/5); identification of sources of information (3/5); participatory data collection (3/5); definition of collection tools (3/5).

5.2.1.2. Functioning of Monitoring and Evaluation system

- For the second order criteria, quotes are: evaluation of resources (7/10); definition of responsibilities (7/10); existence of a manual of procedures for monitoring and evaluation (2/10); the implementation of recommendations (5/10);
- To the criteria of third order quotations are: existence of a work plan (5/5); use of planning tools (Gantt, PERT, logical framework, results framework) (5/5); compliance with the reporting frequency (3/5); existence of an information dissemination system (3/5); monitoring the progress of activities (4/5); analysis of any discrepancies (4/5).

5.2.1.3. Performance monitoring and evaluation system

- For the criteria of third order, the quotations are as follows: timely information available (4/5); reliable data (3/5); gap between the information generated and those expected (3/5); monitoring and evaluation of the contribution in steering the program (3/5); discrepancies between information provided and cost of production information (3/5); level of adequacy between the information collected and those expected (3/5); consistency of data collected by different sources (3/5).

⁴¹ Findings are based on Interview of Mr John Kamana, Principal Advisor to the Ministry of Planning of the DRC on October 15, 2014 in Kinshasa (DRC)

All the above collected information was gathered into the below chart. This presents as follow:

Order Criteria	Monitoring and Evaluation system Designing			Functioning of Monitoring and Evaluation System		Perform ance du Système de suivi et évaluati on	
	Criteria	Scores	Mean	Scores	Mean	Sco res	Me an
First Order Criteria (15)	Definition of Data, collection, processing, analysis and storage of data	10	10				
Second Order Criteria (10)			7.5				
	Objectives Identification	10					
	Indicators Choice	9					
	Relevance of indicators	9					
	Definition of source of data	9					
	Definition of collection frequencies	9					
	Definition of responsibilities	9					
	Evaluation of necessary resources	6		7	5.3		
	Definition of responsibilities	7		7			
	Existence of a	2		2			

	Procedures Handbook						
	Application of recommendations	5		5			
Third Order Criteria (5)							
	Planning	5	3.7		3.9		
	Existence of Work Plan			5			
	Use of Planning Tools (Gantt, PERT Network, Logical Framework, Results framework)			5			
	Users identification	5					
	Scattering Plan	4					
	Respect for reports periodicity			3			
	Definition of types of information	3					
	Existence of diffusion system			3			
	Identification of information sources	3					
	Existence of a good work climate			4			
	Existence of a training program		3				

	Follow up of the progress of activities			4			
	Participatory Data Collection	3					
	Analysis of possible discrepancies			4			
	Definition of collection tools	3					
	Availability of timely information					4	3.1
	Reliable Data					3	
	Discrepancy among produced and expected information					3	
	Contribution of the Monitoring and Evaluation System to the piloting of the program					3	
	Discrepancy between real and foreseen costs					3	
	Discrepancies between provided information and the cost of information production					3	

	Appropriate level between collected and expected information					3	
	Concordance of data collected with different sources					3	
Means of means (out of 10 points)			7		6		6

It appears from the above chart that the design of the Congolese Government monitoring and evaluation system has its strong point (score 10/7) while the same system still has much to improve as regards the operation and system performance (scores 6/10).

It is therefore necessary to stress that effectiveness of the Congolese system of monitoring and evaluation still to conquer because it should:

- 1) Measure the performance achieved by public policies and programs implemented;
- 2) Power up the dialogue between the various stakeholders;
- 3) Use monitoring and evaluation information to correct these policies to improve the pertinence and effectiveness.

The current result, according to the Ministry of Planning, highlights several weaknesses including:

1. The government does not yet have a unified framework that describes clearly the division of labor and the principles of information flow among the various bodies of the system and among them and concerned permanent administration structures, particularly the National Institute of Statistics, Offices of Studies and Planning or certain directions in charge of monitoring of programs and / or budget (Plan and Finance);
2. The general system of piloting and monitoring of the first generation strategic growth and poverty reduction document (with its plan of operationalization or Priority Action Plan) still seems too heavy and the one proposed in the second generation Growth and Poverty Reducing document much improved still suffers from a problem of appropriating it. Besides, the bodies created within the framework of the development and piloting of strategic growth and poverty reduction document have a very variable degree of operationalization. Senior authorities (political) work particularly hard and the provincial steering group should be reviewed. As for thematic groups, only a few manage to fulfill their monitoring missions close to sector programs for various reasons: lack of appropriating the national strategy, lack

of programmatic approach across sectors, cumbersome system (thematic groups having finally generated the creation of several sub - groups), lack of dashboard to improve the monitoring activity.

Despite some progress in the field of planning, the monitoring and evaluation mechanisms proposed in the existing documents are worth harmonizing by based on lessons from the experience of the past, including in the first generation growth and poverty strategy document. To this end, the Congolese government intends to propose, through the Ministry of Plan and Monitoring of the Implementation of the revolution of modernity, an institutional framework for lightened and more efficient monitoring – evaluation.

This framework should be designed to improve the degree of appropriating the policies contained in the Government's agenda via the national strategy. The strengthening of permanent programming and monitoring - evaluation structures appears on this critical respect given the role they must play in the development of programming tools, improving sectorial information systems and providing Thematic Groups with Monitoring documents. Particular attention will also be given to the establishment of technical, well equipped and competent secretariats to each of the committees and groups constituting the foundation of the system. In the meantime, the adoption of a unique monitoring-evaluation mechanism of the Congolese Government is still lagging. This further explains the weaknesses of operation and performance system.

As per the above analysis and comments, it clearly appears that current weaknesses of the so called DRC monitoring and evaluation system still suffer upward from the lack of strong planning process. Such a process should be tackled at two levels: at the top level but also at the grass roots level. There are examples of sound practices (From the United States Agency for International Development planning approaches as an example) the DRC Government should learn from. At the top level, the DRC should use the comparison approach (with “comparators”) in order to set its own national development priorities/objectives and at the lowest level, the DRC should learn from current models built upon emerging markets of carbon involving local communities.

CHAPTER VI:
**INNOVATIVE TOOLS FOR PLANNING AND
MONITORING AND EVALUATION IN THE DRC**

Old tools used for planning did not work not only because of poor governance throughout the implementations phases of the various programs but also because of a lack of workable monitoring systems. In this chapter we are going to sort out an innovative tool for planning in the DRC. This tool has the advantage of projecting the country in the future by identifying its key constraints to growth. In fact, in 2012 the DRC mission of the United States Agency for International Development (USAID) undertook consultations as part of the effort for setting a five – year strategy of aid to the Democratic Republic of the Congo. As usual, this endeavor was well framed by the Washington – based development organization, and steps to go through. Developing a Country Development Cooperation Strategy (CDCS) usually involves discussion with the host government key ministries as well as with the opposition and other strong local associations. It also involves gathering its own data and finding out the best approach for improving lives of Congolese people within the limits of budgetary allocation from the United States Government. Things get complex as the world economy is difficulty stepping out a situation of economic downturn.

As former USAID employee, I was part of this endeavor, and gathered relevant data on the DRC economy in order to have a clear idea of the country’s binding constraints. This chapter will use quantitative data to sort out key binding constraints of the economic growth of the Democratic Republic of the Congo; show how to use comparators in order to determine the DRC binding constraints; and highlight the limits of the economic growth diagnostic approach for the DRC case.

Aid effectiveness relies mostly on the capacity of aid agencies to detect the most binding constraints to economic growth of the host country. Many countries including the DRC have enough natural resources but lack the necessary governance skill to put them on the path of growth. They face constraints that impede them unleash their full potential.

Sometimes, local authorities are fully aware of these constraints but prefer to keep the statu quo in order to keep the benefits on insiders through patron – client attitudes and/or rent seeking which are both detrimental to country’s economic development. Most of the African countries including the Democratic Republic of the Congo are experiencing certain level of economic growth but which still excluding large chunks of their populations from these community benefits.

Identifying these binding constraints to growth should be a good step from acknowledging the need for introducing sound monitoring and evaluation systems. This is deemed the only way to reduce systematically inequalities throughout the country.

6.1. The Democratic Republic of the Congo Problem

The DRC economy relies mostly on mining and service sectors which both receive money from outside and expatriate their benefits. Macroeconomic aggregates sound to be on good track whereas the social situation of populations is getting worry some. If this paradox persists, the country could face further social unrest. The Growth in gross domestic product was 8.1 percent in 2013 and 9 percent in 2014. This is mainly the result of the existence of demand (due to population growth), some improvements in business environment, and the rebuilding of some infrastructure.

The economic policy has been featured mostly by the DRC Government willingness to control the monetary offer through sound fiscal and banking policies. Unfortunately while these means are able

to stabilize the DRC economy, they don't allow the DRC Government to improve social conditions of its own civil servants. In fact the DRC Government has never been able to clarify its salary policy and impose it vis – à – vis the private sector.

The Growth Diagnostics framework is used here to identify the binding constraints to economic growth in the Democratic Republic of the Congo. While many policies potentially promote economic growth in practice only policies that relax identified binding constraints do so. In contrast, policies that relax non – binding constraints will by definition do little or nothing to promote economic growth. We do believe that a clear identification of binding constraints to economic growth is a critical step for not only unleashing one country's potential but it is also the necessary way for a sound target setting for better socioeconomic development.

This thesis builds on data gathered during the development of the five – year strategy of the Democratic Republic of the Congo office of the United States Agency for International Development (2014 – 2019). It tapes extensively on sensitivity analysis in order to sort out binding constraints to country's economic growth. Conclusions of other approaches are compared to the one proposed by the sensitivity analysis as an effort to triangulate results for learning purposes.

6.2. Terminology overview

Very few studies on economic growth take in account country specific contexts when it comes to provide guidance on improving economic growth. The great scientific work to date that builds upon economic theory while taking in account existing country context is the growth diagnostics framework developed by Hausmann, Rodrik, and Velasco.

As per Yaroslava Babych and Michael Fuenfzig, “*most standard growth strategies recommend implementing a wide variety of reforms, thus addressing must or all potential constraints. If this is not feasible standard growth strategies recommend targeting those constraints in which the country is lagging the most relative to its international peers*”⁴². The question is now to know which of these approaches the best one is when it comes to prove growth effectiveness. In fact, none of the above stated approaches works because identifying constraints in which a country is lagging behind does not necessarily means sorting out contextual binding constraints to growth.

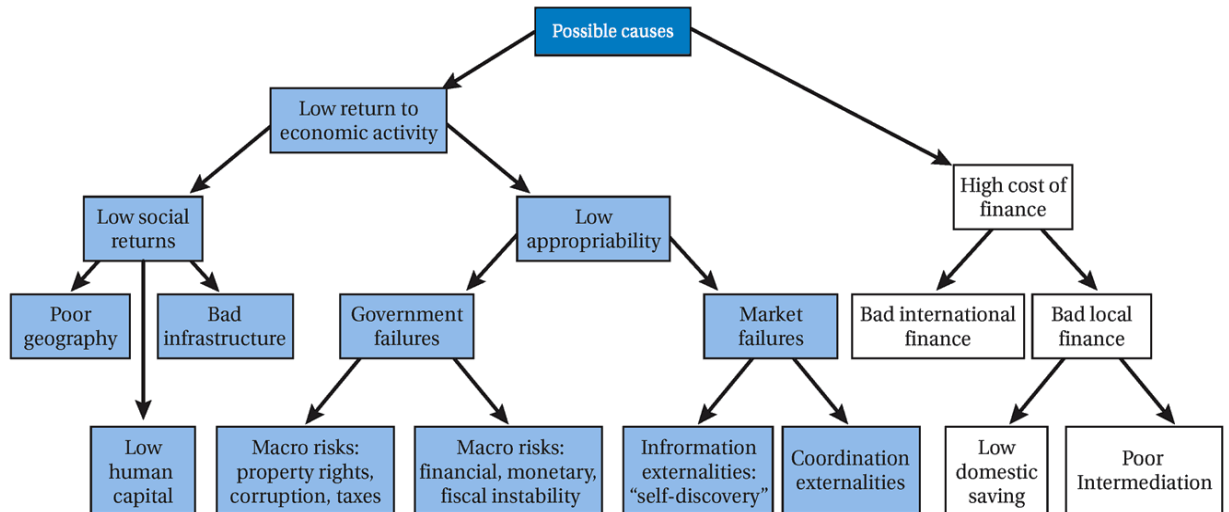
1. Sensitivity analysis: *it's a way to predict the outcome of a decision if a situation turns to be different compared to the key prediction(s)*⁴³. Sensitivity analysis implies involving reviewing alternative decisions;
2. Decision tree: this is a diagram for management decision that uses a bunch of nodes to showcase economic growth constraints. Constraints start from low levels of private investment and entrepreneurship and go down using economic logical reasoning.
For example: Enterprises could fail bankruptcy because either the returns to economic activity are low or because they are unable to finance any new investment. Access to finance is a problem because of the supply of finance. The supply of finance could either be restrained by a limited financial flow of international or domestic finance or by poor

⁴²Yaroslava Babych et al, « An application of the growth diagnostics framework : the case of Georgia », May 2012

⁴³<http://www.investopedia.com>, February 2015

intermediation between savers and borrowers. Low returns to economic activity can be explained by low social returns or by the incapacity of firms and companies to appropriate the returns on their investment. Below is the decision tree from Ricardo H⁴⁴.

Problem: Low levels of private investment and entrepreneurship



Source: Ricardo Hausmann, Dani Rodrik, and Andrés Velasco, "Getting the diagnosis right," *Finance and Development* 43 (2006), available at <http://www.inf.org/external/pubs/ft/fandd/2006/03/hausmann.htm>. Used with permission.

3. High cost of finance: according to Yaroslava Babych and Michael Fuenfzig, high cost of finance is "a potential constraint to private investment and entrepreneurship"⁴⁵;
4. Economic growth diagnostic: this is an analytical process which leads to the identification of the most binding constraints in order to inform country's economic policy. As per Herald Habermann, "a growth diagnostic of a given country's economy can be based on national data, cross country comparisons, comparisons with similar neighboring countries, international rankings or enterprise surveys"⁴⁶.

6.3. Growth Diagnostic framework of Hausmann et Rodrik

The growth diagnostic framework of Hausmann departs from the belief that reforms may lead not only to economic stabilization but also to strong economic growth. In order to make a reform successful, it has to be informed by a sound identification of real binding constraints and take in account contextual facts.

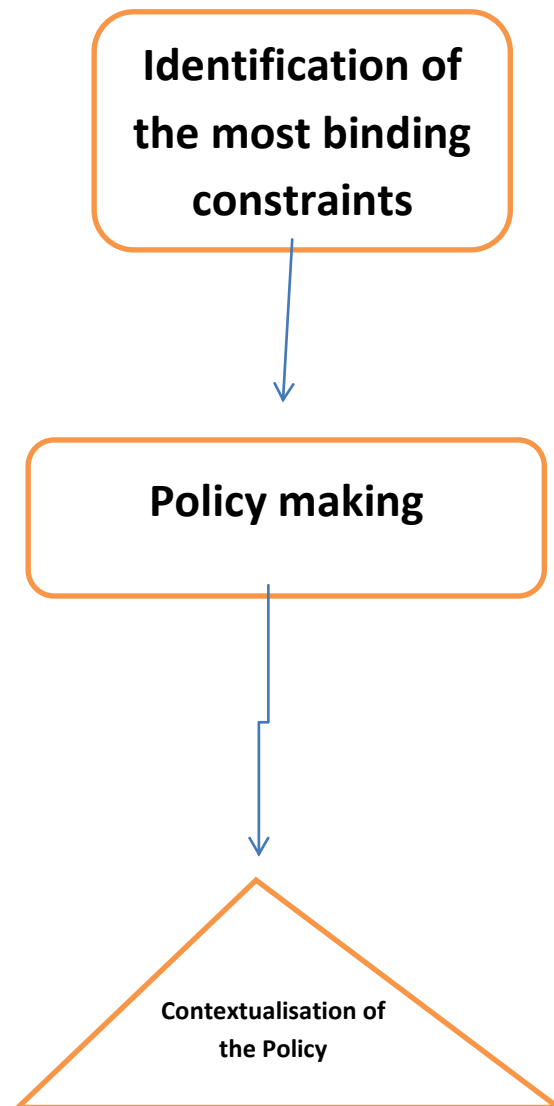
⁴⁴ Ricardo Hausmann, Dani Rodrik, and André Velasco, <http://www.info.org/external/pubs/ft/fandd/2006/03/hausmann.htm>

⁴⁵ Yaroslava Babych et al, idem, p. 12

⁴⁶ Herald Habermann and Pablo Padruitt, Growth diagnostics : strengths and weaknesses of a creative analytical framework to identify economic growth constraints in developing countries, *Journal of knowledge Management, Economics and Information Technology*, Issue 7, December 2011

Therefore, following main steps can be identified in a growth diagnostic process:

Diagram 1: Growth diagnostic process.



The key reasoning behind the economic growth diagnostic approach is to try to identify the most binding constraint which is the constraint that generates a higher pay off when relaxed⁴⁷.

The basic equation underlying the economic growth diagnostic approach of Hausmann and Rodrik is:

$$Y_c = \frac{r(1 - \theta)(1 - \psi)(1 - x) - \rho}{1 - \beta}$$

In this equation, r is the rate of return (which relies on productivity), θ the level of uninternalized external effects, ψ the level of distortionary taxation, $1 - x$ the expected appropriability, β measures constraints on borrowing and ρ the discount rate.

⁴⁷ Francisco Rodriguez, Comment on Hausmann and Rodrik, <http://citeseerx.ist.psu.edu>, May 11, 2005

In practice, the process will consist in:

1. Selecting similar neighboring countries ;
2. Finding out the most binding constraints to Economic Growth;
3. Following forks of a decision tree;
4. Continue asking the question “if this was the most binding constraint, then what would be the most ...”

Donor countries’ aid policies have been mostly informed by recent evolvments of economic approaches aiming at boosting economic growth. The perception of the inefficiencies of economic reforms came out of failures that were noticed in attempting to implement economic recipes suggested by donor countries. Following donor policies have been parts of donors’ attempts to improve growth in developing world:

- The great push with a clear focus on infrastructure or import substitution (1960);
- Human basic necessities (1970s);
- Market reforms with an extrovert orientation (1980s);
- The Washington consensus (1990s) that targeted south American and African countries;
- The Economic Growth diagnostics (Around 2000s);

The economic growth diagnostic is still an excellent planning tool for both governments and development agencies. As the Asian Development Bank points out, “*the growth diagnostics methodology can be a useful tool for policymakers to formulate a focused development strategy in the presence of limited resources*”⁴⁸.

6.4. Using the World Bank Approach to the DRC Case

The World Bank has been one of the biggest multilateral donors of the Democratic Republic of the Congo. In this position, the bank has accompanied the DRC along the road of its quest of economic growth. The World Bank wrote a bunch of reports on drivers of economic growth for the DRC. Most of these reports emphasize on the need of implementing successful reforms or reforms that may jump-start economic growth. One of the criticisms to the World Bank’s reports is their case study approach which isolates the studied country. Also, when comparisons are made, they are conducted with a mindset of compliance to pre – existing economic standards. In this sense, the World Bank does not take in account the necessary contextualization of constraints.

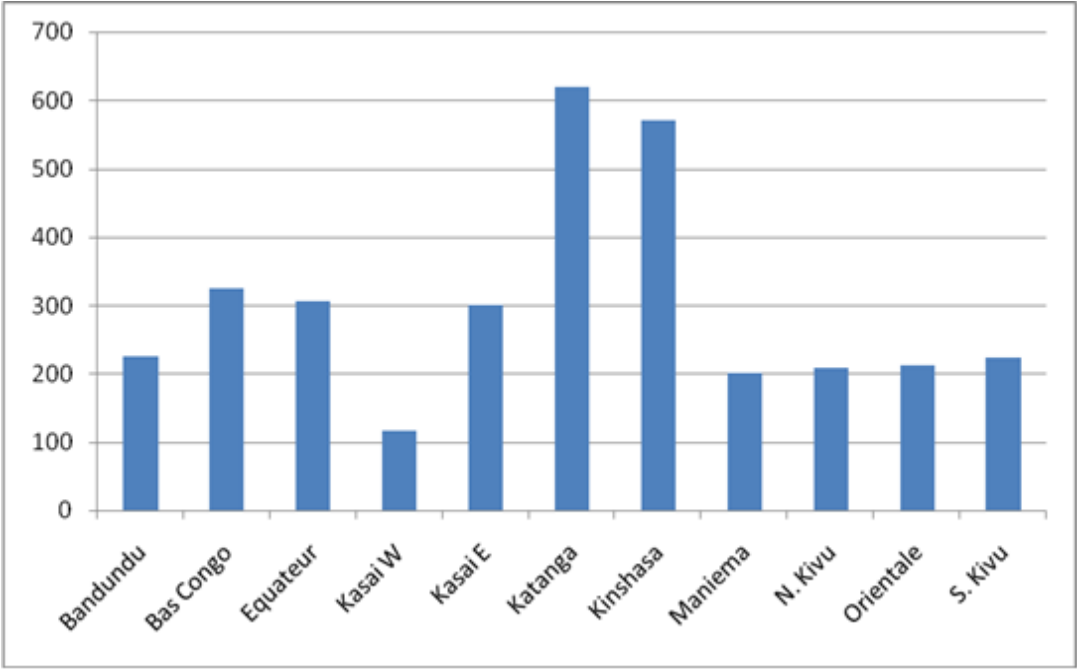
In its case study crystallized in a 2009 report on the DRC, the World Bank analyzed the DRC constraints to economic growth by comparing five provinces and dividing the country into agricultural and non-agricultural sectors. The World Bank identified following constraints: failure

⁴⁸ Jesus Felipe and Norio Usui, Rethinking the growth diagnostics approach: questions from practionners, <http://www.adb.org,number> 138, November 2008

of the government; lack of funding and of key infrastructures (energy and transportation) despite the existence the DRC rich endowment.

In its analysis, the World Bank made a clear difference between the DRC agricultural and non-agricultural sectors. Constraints analysis covered five provinces out of the eleven that counts the country.

Graphic 1: Gross Domestic Product levels per DRC provinces in 2010⁴⁹



6.5. Economic Growth Diagnostic Approach to the DRC case

We went through following steps in order to do the economic growth diagnostic of the DRC:

6.5.1. The Identification of peers

It is a recommendable practice to start with the selection of groups of countries for comparison purposes. To this end, the DRC peers were identified at three levels:

- 1) Actual peers;
- 2) Medium – term comparators;
- 3) Long – term comparators.

Various factors militated to the selection of countries. These include the per capita income, the economic structures, the geographic location, the size of the population, the recent history of the country, and the languages. For the DRC, following countries were selected for comparison purposes:

- 1) Actual peers (income varying from \$100 to \$ 500 per capita): these countries include Ethiopia, Liberia, Mozambique, Sierra Leone, and Zimbabwe.

⁴⁹ Pulled from World Bank, <http://siteresources.worldbank.org>, February 2010.

- 2) Medium – term comparators (income varying from \$1000 through \$1300 per capita): this group comprehends Cameroon, Laos, Sudan, Vietnam, and Zambia.
- 3) Long – term comparators (income varying from \$4000 to \$ 7000 per capita): these include Angola, Botswana, Colombia, South Africa, and Thailand.

6.5.2. *The identification of key criteria*

The most important criteria for selecting peer countries included conflicts, existence of mining activities, geography, and population.

6.6. *Sensitivity tests*

For the DRC case, this consisted in testing the sensitivity of results as countries changed. We noticed that results remained almost the same despite changes.

6.6.1. Credit - Foreign Direct Investment, net flows (% of GDP)

(Pop)	GN pc	Countries	2007	2008	2009	2007-09 avg	Group Avg
Short run comparators							
69,7	180	DRC	18,1	14,9	9	14	
87,2	380	Ethiopia	1,2	0,4	0,8	0,8	
4,2	190	Liberia	17,9	46,8	24,9	30	
23,9	440	Mozambique	5,3	6	9	6,8	
5,9	340	Sierra Leone	5,8	2,9	3,8	4,2	
12,8	460	Zimbabwe	1,4	1,2	1,1	1,2	9,5
Medium term comparators							
20,4	1160	Cameroon	0,9	-0,3	1,5	0,7	
6,5	1000	Laos	7,5	4,2	5,4	5,7	
44,1	1270	Sudan	5,2	4,5	4,9	4,9	
90	1100	Vietnam	9,4	10,6	7,8	9,3	
13,6	1070	Zambia	11,6	6,5	5,5	7,9	5,7
Long term comparators							
19,5	3960	Angola	-1,5	2	2,9	1,1	
2	6890	Botswana	5,2	6,6	2,1	4,7	
46,9	5510	Colombia	4,4	4,4	3,1	3,9	
50,8	6100	South Africa	2	3,5	1,9	2,5	
68,5	4210	Thailand	4,6	3,1	1,9	3,2	3,1

Chart 1 : Foreign Direct Investment.

Compared to its peers, the DRC has a good flow of direct investments. In fact, the average value of direct investments is still far beyond the average value of the group. While this level of direct

investment is deemed good for country reconstruction, it does not guarantee creation of wealth among DRC citizens. The latter are reduced to acting as workforce to the benefit of owners of foreign capitals i.e. foreigners.

6.6.2. Low domestic savings

Chart 2 : Domestic savings.

	Indicator	Year/Average of Range of Years	DRC	Short run comparators	Medium term comparators	Long term comparators
	Branches, commercial banks (per 100,000 adults)	2009	0,3	1,8	2,8	9
	Deposit accounts, commercial banks (per 1,000 adults)	2009	6,1	84,6	293,1	979,7
	Domestic credit provided by banking sector (% of GDP)	2007-09	7,4	17,2	31,1	71,3
	Domestic credit to private sector (% of GDP)	2007-09	6,1	12,7	28,4	66,6
	Percent of firms with a bank loan/line of credit	various	11	20,5	28,7	43,9
	Percent of firms using banks to finance investments	various	6,7	9	21	38
	Proportion of investments financed internally (%)	various	88	83,9	81,8	59,3
	Proportion of working capital financed by banks (%)	various	2,2	8,5	10,8	16,3
	Proportion of loans requiring collateral (%)	various	79	87,1	91,7	76,1
	Value of collateral needed for a loan (% of the loan)	various	261	129,4	221	138,9
	Percent of firms identifying access to finance as a major constraint	various	73	47,4	27,3	29,5

The DRC is severely featured as one of the countries that face the issue of low domestic savings. This is mainly due to the small number of banks. As a result of this situation, access to finance becomes a severe problem; and levels of required collaterals keep sky rocketing.

6.6.3. Poor Intermediation

Chart 3 : Poor intermediation.

Indicator	Year/Average of Range of Years	DRC	Short run comparators	Medium term comparators	Long term comparators
Poor intermediation					
Deposit interest rate (%)	2007-09	13	8,3	6,6	7
Lending interest rate (%)	2007-09	52	23,3	18,4	13,2
Real interest rate (%)	2007-09	23	7,3	9,4	6,9
Interest rate spread (lending rate minus deposit rate %)	2007-09	39	15	12	6,2

In the DRC context, interest rates will still high because of many factors including funding scarcity; potential security unrest as the country still difficulty stepping out of war situation especially in its eastern side. This is a severe problem which should draw the attention of the DRC policy makers.

6.6.4. Poor Geography

Chart 4 : Geography criterion.

Indicator	Year/Average of Range of Years	DRC	Short run comparators	Medium term comparators	Long term comparators
Poor geography					
Agricultural land (sq. Km)	2007-08	224500	214,307	362,425	490,19
Agricultural land (% of land area)	2007-08	9,9	38,7	29,8	50,1
Renewable internal freshwater resources, total (billion cubic meters)	2007	900	249,1	186,6	506,3
Exports of goods and services (% of GDP)	2007-10	20	24,9	38,6	46
Imports of goods and services (% of GDP)	2007-10	33	63,4	44,2	41,3
Cost to export (US dollar per container)	2007-10	2974	1896,1	1608,1	1620,5
Cost to import (US dollar per container)	2007-10	3058,5	2369,2	2096,9	1953,5
Time to export (days)	2007-10	45	35,9	36,6	30,8
Time to import (days)	2007-10	65	43,4	42,5	32,5

Exports and imports are costly between 2007 and 2010. Costs related to imports are higher from costs related to exports. This is a major problem as it keeps importing inflation in the country.

Policy makers should make every effort to invert this tendency which might torpedo efforts towards sustainable growth.

6.6.5. *Low human capital*

Chart 5 : Human capital.

Low Human Capital	Indicator	Year/Average of Range of Years	DRC	Short run comparators	Medium term comparators	Long term comparators
	Literacy rate, adult total (% of people ages 15 and above)	2007-09	67	57,3	76,1	84
	School enrollment, primary (% gross)	2007-09	87,7	110,1	102,7	115,2
	Primary completion rate, total (% of relevant age group)	2007-09	52,6	61,3	70,7	99,3
	School enrollment, secondary (% gross)	2007-09	34,5	30,8	40,8	85,4
	School enrollment, tertiary (% gross)	2007-09	5,1	4	10,2	40,1
	Percent of firms identifying an inadequately educated workforce as a major constraint	various	65	25,6	18,4	30

Efforts are made countrywide to improve levels of school enrollment. This situation puts school enrollment in a position of moderate problem, but which still call for improvement. In fact, a good number (percentage) of firms are still pointing out the lack of adequately educated workforce as a major constraint.

6.6.7. *Bad Infrastructure*

Chart 6 : Infrastructure.

Indicator	Year/Average of Range of Years	DRC	Short run comparators	Medium term comparators	Long term comparators
Bad Infrastructure					
Roads, paved (% of total roads)	2004-08	1,8	12,2	22,6	32,9
Road density (Km of road per 100 sq. Km of land area)	2004-08	7	4,9	23,8	17,7
Percent of firms identifying transportation as a major constraint	various	38,8	28,6	15,4	19,3
Electricity production (KWh per capita)	2007-08	121,5	383,8	506,5	1857,5
Electricity power consumption (KWh per capita)	2007-08	96,8	406,8	440	1910,2
Number of electrical outages in a typical month	various	21,8	10,2	4,4	2,9
Duration of a typical electrical outage (hours)	various	7,3	6,1	3,3	4,8
Losses due to electrical outages (% of annual sales)	various	22,7	7,1	4	4,2
Percent of firms owning or sharing a generator	various	49,3	47,2	24,7	30,2
Percent of firms identifying electricity as a major constraint	2008	51,6	42,1	24,9	31,2
Improved water source (% of population with access)	2008	46	55	68,4	85,2
Improved water source, rural (% of urban population with access)	2008	28	38,7	58,4	75,4

Improved water source, urban (% of urban population with access)	2008	80	86,5	82,8	91,2
Number of water shortages in a typical month	various	9,9	5,3	5,9	2,3
Internet users (per 100 people)	2009	0,6	2,6	10,5	17,9
Mobile cellular subscriptions (per 100 people)	2009	15,4	18,7	52,2	89,8

The DRC is facing major problems with basic infrastructure. If access to water (in some urban areas) and to the use of mobile cellular have been made easier compared to other infrastructures of great interest to economic growth, the DRC still lagging behind when it comes to key infrastructure that can boost economic growth. In fact, compared to its peers, the DRC still have a long way to go before improving its infrastructure. This is deemed the principal constraint for the DRC development as it blocks externalities than can make other economic sectors unleash their potentials.

6.6.8. Corruption

Chart 7 : corruption

Indicator	Year/Average of Range of Years	DRC	Short run comparators	Medium term comparators	Long term comparators
Transparency International Corruption perception Index (10=low, 1=high)	2009-11	2	2,5	2,4	3,8
Percent of firms expected to give gifts to public officials "to get things done"	various	65,7	33,7	39,5	18,5
Percent of firms identifying the courts system as a major constraint	various	33	17,1	13,2	14
Bribery index (% of gift or informal payment requests during public transactions)	various	52,9	26,8	23,2	13,2
Value of gift expected to secure a	various	9,3	4	3,5	3,6

government contract (% of contract value)					
Percent of firms identifying corruption as a major constraint	various	72,7	37,9	24,6	42,8
Time to export (days)	2007-10	45	35,9	36,6	30,8
Time to import (days)	2007-10	64,5	43,4	42,5	32,5

Compared to infrastructure, the above chart has large areas of shadow which means that corruption still a severe problem for the DRC. Perception of firms vis-à-vis the justice sector is essentially negative, and the recourse to bribery practices is so institutionalized that key sectors of the DRC economy should be paralyzed. The DRC is in its worst situation among its peers in all of the above corruption indicators. This should be also one of the priorities of the DRC decision makers.

6.6.9. Taxes

Chart 8 : Comparing tax pressure levels.

Indicator	Year/Average of Range of Years	DRC	Short run comparat ors	Medium term comparat ors	Long term comparat ors
Total tax rate (% of commercial profits)	2007-10	302,6	116,1	34,9	44,2
Profit tax (% of commercial profits)	2010	58,9	34,4	16,6	22,3
Tarif rate, applied, simple mean, all products (%)	2007-10	12,9	13,4	12,1	9
Tarif rate, applied, weighted mean, all products (%)	2007-10	11,1	9	9,3	6,5
Percent of firms identifying tax rates as a major constraint	various	39,5	34,4	30,2	24,6
Percent of firms identifying tax administration as a major constraint	various	56,8	25,2	26,9	22,6

Taxes are still very high, and as a result do not encourage entrepreneurship. Compared to its peers, the DRC has the highest levels of taxes. Decreasing the number of taxes as well as their toll on benefits should be on the DRC policy makers' top priorities list. In addition, the DRC Government should set in place a good public marketing strategy in order to improve its own revenue without hammering the economic sector.

6.6.10. Doing business

Chart 9 : Doing business

Indicator	Year/Average of Range of Years	DRC	Short run comparators	Medium term comparators	Long term comparators
Ease of doing business index (1=most business-friendly regulations)	2009-12	177	148	127,6	64,2
Cost of business start - up procedures (% of GNI per capita)	2011-12	643,3	169,3	25,6	32,8
Start up procedures to register a business (number)	2009-12	10	7,3	7,5	7,7
Time required to start a business (days)	2011-12	74,5	35,3	41,6	38,8
Procedures to enforce a contract (number)	2009-12	43	38,1	41,4	34,7
Time required to enforce a contract (days)	2009-12	610	694,2	563,8	812,2
Procedures to register property (number)	2009-12	6	7,7	5	5,4
Time required to register property (days)	2009-12	54	50,7	59,4	48,6
Time to prepare and pay taxes (hours)	2011-12	336	252,1	453,8	219,7
Days to obtain an electrical connection (upon application)	2011-12	58	182,2	106	117,8
Cost to obtain an electrical connection (% of income per capita)	various	30617,8	8365,5	2230,4	893,3
Percent of firms identifying labor regulations as a major constraint	various	20	8,8	7,4	17,1
Days to obtain an operating license	various	40	23	27	31,2
Senior management	various	29,4	10,3	4,4	8,3

time spent dealing with the requirements of government regulation (%)					
Percent of firms identifying business licensing and permits as a major constraint	various	31,9	16,5	9,3	19,4

The doing business scores of a given country are always the result of the above tackled issues. The DRC is not an exception. Improvement in the other above stated issues should have its impact in the improvement of the doing business of the country. This is a country where nothing is easy to obtain from its administrative services. A good reform in this sector should center ethics in the DRC administration operations.

6.6.11. Labor reliability

Chart 10 : Labor reliability.

Indicator	Year/Average of Range of Years	DRC	Short run comparators	Medium term comparators	Long term comparators
Life expectancy at birth, total (years)	2007-09	47,7	50	58,8	58,9
Prevalence of undernourishment (% of population)	2007	69	41	24	19,4
Malaria Cases per 1000 People ⁵⁰	2010	106,7	160,9	91,9	30,4
Malaria Deaths per 1000 People ⁵¹	2010	0,3	0,4	0,1	0,1

Many natural factors actually (2007 – 2009 data) are still undermining productivity in the DRC. Life expectancy, prevalence of undernourishment, malaria cases, and malaria death rates are pretty high compared to peers. This raises the issue of lack of workforce to carry on economic growth ambitions. Unlike Peru⁵², where the key message of the policy drawn from a growth diagnostic was that public sector must act to encourage the development of new export activities that better utilize the human resources of the country, the DRC can't rely on its labor due to the above stated indicators.

⁵⁰ World Health Organization, Malaria Report, 2011

⁵¹ World Health Organization, Idem

⁵² Ricardo Hausmann and Bailey Klinger, *Growth Diagnostics in Peru*, CID working paper, number 181, Sept 2008

6.6.12. Fiscal and monetary policy

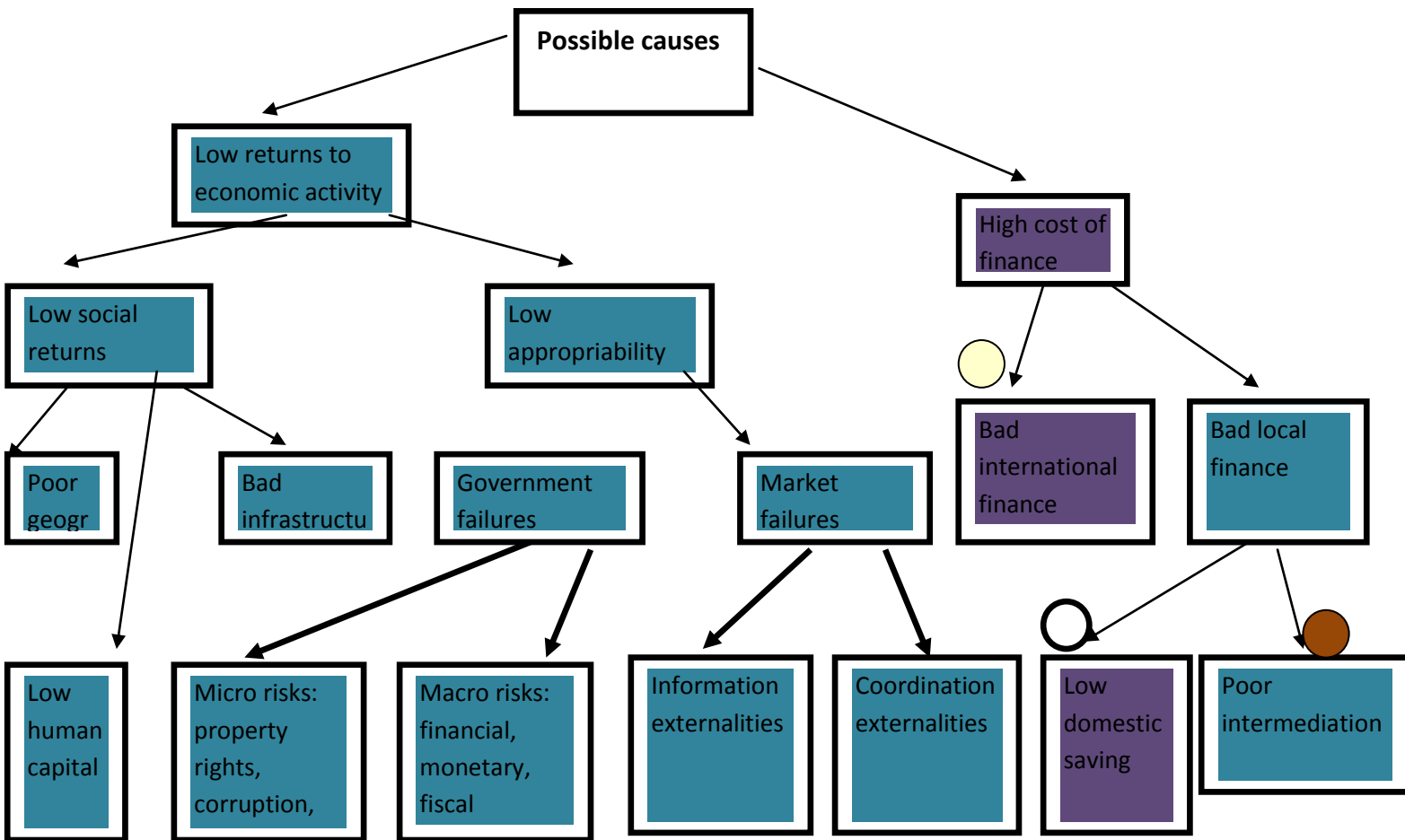
Chart 11 : Fiscal and monetary policy

Indicator		Year/Average of Range of Years	DRC	Short run comparators	Medium term comparators	Long term comparators
Fiscal						
	Public and publicly guaranteed debt service (% of GNI)	2007 -09	4,8	8,8	1	1,9
	Total debt service (% of GNI)	2007 - 09	6,1	16,2	2	3,8
Monetary						
	Consumer price index (2005 = 100)	2007 -09	143,6	144,7	126,9	125,7
	Inflation, consumer prices (annual %)	2007 - 09	17,1	14,9	8,7	7,7
	Inflation, GDP deflator (annual %)	2007 - 09	24,5	14,2	8,7	7,2





The fiscal policy is still a moderate problem with regard to economic growth. However, high inflation rates are deemed a major constraint to economic growth. The DRC government has made efforts to stabilize its macro-economic framework, but the lack of good levels of production should be a major concern of the DRC policy makers.

6.7. Decision tree

The key problem of the decision tree is the low levels of private investment and entrepreneurship.



Color coding:

-  The Problem is minor
-  This is a moderate problem
-  This is a major problem
-  This is a severe problem

The World Bank, in its report of 2009, used different methodology to analyze the DRC constraints to economic growth but the results are similar. As a reminder, the World Bank used a case study to analyze the DRC constraints to economic growth by comparing five provinces and dividing the

country into agricultural and non-agricultural sectors. The World Bank identified following constraints: failure of the government; lack of funding and lack of key infrastructures (energy and transportation) despite the existence of rich endowments on its territory.

We sorted out following convergences between both approaches:

1. **Failure of the government:** findings of the sensitivity analysis have proven the uncertainty of the juridical frameworks and weak contracts enforcement as critical issues. We may add on the top of this following considerations: high levels of taxes on enterprises' profits is a constraint to investment; corruption rates are higher in DRC compared to comparators; and difficulties to start up new enterprises;
2. **Poor finances:** the DRC banking sector is plaguing under severe problems like the absence of banks in large portions of the country and as result a small number of saving accounts across the country; poor intermediation is still to be highlighted and lending rates and gaps between interest rates still high;
3. **Poor infrastructures:** The World Bank's report and this sensitivity analysis concur that infrastructures are a critical constraint to the economic growth especially transportation and energy. In fact, levels of production and consumption of electricity are extremely weak and losses due to electricity outages are pretty high. The absence of a reliable road network has led to waste of time and subsequent costs to enterprises.

The decision tree showcases causal links that explain the problem of poor entrepreneurship and investment levels. It helps the policy maker to identify key constraints and pave the way for working on the contextualization of policies. In the case of Bangladesh, top binding constraints were electricity, education, and governance⁵³.

Other critical considerations:

- Towards a mix approach: Both approaches are worthy to be used when it comes to determining binding constraints of the country economic growth. Comparing the DRC with its peers throughout a period of time is a good way to determine whether the country is lagging behind its cohort throughout the key indicators. On the other side, analyzing the country as a specific entity which is supported by its key economic sectors is a great step towards defining a contextualized policy for relaxing binding constraints;
- DRC problem of inclusive growth: the DRC recorded a Gross Domestic Product growth of 8.4 percent for the fiscal year 2014. The country is planning to make a two – digit economic growth rate by 2016. However, this high level of economic growth goes with high levels of poverty spread out across the country. There is a need to conduct an inclusive growth analysis, and the *bridge between growth diagnostics and inclusive growth analysis comes from the role of employment: when labor is the most important asset of the poor, employment will be the transmission channel between individuals and growth*⁵⁴. The DRC

⁵³ USAID, Bangladesh inclusive growth diagnostic, <http://www.usaid.gov>, June 2014

⁵⁴ Henrik Hansen and John Rand, *Inclusive Growth Thinking in IDA : the influence of the growth diagnostic approach and inclusive growth analysis on Country Economic Memoranda and Country Assistance Strategies*, November, 2012

inclusive growth suggests looking at the high employing sector of the country (which is agriculture in this case) along with reviewing causes of low investment in the agriculture sector.

The DRC decision makers should, therefore, set tangible and measurable objectives in order to render the ongoing economic growth inclusive. This passes through realistic objectives in terms of investments in the agriculture sector as well as employment in this sector which is deemed the highly employing one of the country. In fact, the business climate improvement should be monitored using DRC index which take in account improvements in the agriculture sector as well as in the labor aspects.

The benefit of this a growth or inclusive growth diagnostic is the fact that it can help drawing consistent conclusions as to how to improve the ongoing situation and how to set realistic targets to be used as key indicators for measuring governance improvement overtime.

PART TWO:
**PRACTICAL APPROACH FOR GROWTH
INCLUSIVITY IN THE DRC**

Part one of this work presented the Democratic Republic of the Congo problems with regard to governance. It reminded the theories underlying governance via monitoring and evaluation systems. The recourse to the recent politico – economic history of the Country was deemed worthwhile as it provided more contexts for the topic. The DRC lacks an integrated national Monitoring and Evaluation System, but yet the country has enough pieces of the system which still needs to be integrated like pieces of a puzzle.

The overview of countries that are already engaged on the implementation of nationwide M&E systems was a good opportunity to understand the struggling of other countries – in their inner specificities – on their way to a full implementation of the system. This system is challenging but at the same time rewarding in the long run. It has been acknowledged via a forest of theories and evidences from scholars that governance is not a prerequisite of economic growth in the short run but it is when it comes to growth inclusivity. It is the only way that can allow growing populations of Africa including the Democratic Republic of the Congo to benefits from the outcomes of an increasing economic growth.

The second part of this work will present innovative and practical approaches for addressing the ongoing problem that face many African (and even non-African Nations) of economic growth coupled with misery for large chunk of the DRC populations. Monitoring and Evaluation tools are becoming compelling not only because funding of development programs is getting scarce but also because African societies including the DRC one are experiencing changes. These are perceptible through the improvement of health conditions (despite some regression like with the Ebola outbreak in western African Countries) many African countries which has resulted in skyrocketing demographic statistics as well as massive access to new technologies of information and communication.

It is obvious that situation challenges Africa Governments, especially the DRC due to its size, as the information can circulate pretty quickly from one side to another of the world creating non controllable information feedback from populations. This means that Governments should put an end to business as usual, and accept to integrate fully the requirements of nationwide monitoring and evaluation systems. So, new problems call for new types of response. Otherwise, the future of many Africa nations (including the DRC) caught amidst the strong wind of globalization is really jeopardized.

There appears, therefore, the need for improving the DRC planning approaches in order to set in place workable monitoring system at national level. This should be a courageous decision as “insiders” are keeping the state apparatus hostage of partisan interests. This poses clear challenge of transparency, and this has its toll on the DRC populations.

CHAPTER VII:
**PERSPECTIVES OF MONITORING AND
EVALUATION IN DRC**

The persistence of an economic growth evolving beyond the 5% for more than five years (it was 8.4% in 2013), presumes a huge amount of wealth creation each year. Paradoxically this steady improvement in economic growth is witnessed by a disproportionate increase in social demand. While the Congolese government highlights economic growth in both national and international fora, the lower people complain of not seeing dividends of that growth. Besides, the country is experiencing an unprecedented baby boom along with first ever noted access to new technologies of information and communication. There is an increasing need for communicating differently with populations on the side of the government. Business as usual should be put aside if the Government leads for better welfare and peaceful days ahead. The example of the Arab spring and other similar movements in some Western African Countries should interpellate ruling regimes in the Democratic Republic of the Congo.

It becomes now obvious that is still struggling to maneuver for the welfare of the Congolese populations amounting now to more than 80 million armed with vehement and legitimate social demands. With this challenge, the best response should be through the improvement of the service to the population, the increased transparency and accountability which can be addressed through a nationwide and workable monitoring and evaluation system. Government agencies are forced to take this route to ensure that state budgets both for investment and for normal operations of the State are effective and efficient. Public sector agencies need to manage their internal development processes so that they can use their resources for the greatest impact. On this momentum, the government has begun implementing initiatives aiming at establishing results-based management systems as evidenced by the implementation of a monitoring and evaluation system within the Ministry of Environment of the Congolese Government and within many programs implemented by donor Agencies across the country and under the supposed oversight of the ministry of planning. In addition, each DRC Ministry is currently equipped with a Directorate of Monitoring and Evaluation. However, the bulk of these directorates are still empty shells because of lack of capacities and absence of allocated budget for rendering them fully functional.

There are new ways of handling this issue. Due to its location in the world, the DRC has been in greater position to invest in the reduction of Gas emission or at least to reduce impact of gas emission. In the ongoing logic of the pollutant paying model, the DRC is currently well prepared to tape on the dividends of the benefits from the REDD schemes. One of the tools that the DRC Government can tape on is the community – based monitoring system of sustainable development indicators tool developed by the World Wide Fund for Nature (WWF) for its DRC programs.

In fact, this is a new tool which is being piloted by WWF in the DRC in a bid to showcase its own results while working with vulnerable populations located around a few landscapes. It is rooted on its participative approach of land use management within villages. The concept was shared with the Ministry of Rural Development as well as with the Ministry of Environment and Sustainable Development. Therefore, suggestions from the various stakeholders were thoroughly integrated.

7.1. Inefficacy of traditional measures of income distribution

Economists have struggled throughout ages to improve their capturing of the distribution of income and thus the perception of inequalities. Traditional measurements of inequalities include the analysis of the Lorenz curves and the aggregated Gini coefficient. Both measurements involve reviewing the redistribution of percentages of national income among percentages of population. Simply said, the national income is perceived as a cake to be shared among different groups of population.

It should be clear at this stage that inequality as captured by the above stated tools exists in both the developed and developing worlds. Besides, these tools seem to focus their analysis on the formal sectors of the considered economies. In that sense, these tools exclude from their analyses marginalized groups which do not participate upward in the production process. It's obvious that the same groups are excluded in the distribution of wealth of fruits of economic growth. This situation pushed Professor Gary Fields to analyze three limiting cases of dualistic development (and thus growth) presented as follows⁵⁵:

- 1) *The modern-sector enlargement growth typology in which the two-sector economy develops by enlarging the size of its modern sector while maintaining constant wages in both sectors. This is the case depicted by the Lewis model. It roughly corresponds to the historical growth pattern of western developed nations, and a lesser extent, in countries like Japon, South Korea, and Taiwan;*
- 2) *The modern-sector enrichment growth typology in which the economy grows but such growth is limited to a fixed number of people in the modern sector with both the numbers of workers and their wages held constant in the traditional sector. This has been the experience of many Latin America and African economies.*
- 3) *The traditional-sector enrichment growth typology in which all of the benefits of growth are equally divided among traditional-sector workers with little or no growth occurring in the modern sector. This was the case in Maoist China and a few other revolutionary, socialist economies.*

The monitoring and evaluation system appears to be a systematic way of collecting data on critical aspects of country productivity as well as country redistribution of the national income. By implementing a workable monitoring and evaluation system, the Government entails to involve all citizens into production processes in a long run, and ensures that national wealth is equitably redistributed to the DRC populations.

⁵⁵ P. Todaro Michael, Economic Development in the third world, Orient Longman, 1993, p.148

Fig. Operationalization of the National M&E system.



The DRC economy is still in the second typology in which the near two-digit economic growth does not benefit to eighty percent of the populations. Inequality is perceived downward, but the same problem is noticed upward with the exclusion of large chunk of the DRC populations from the production process. Sound monitoring and evaluation system should identify the bottleneck, suggests changes, and move forward with some valuable indicators that can be monitored and evaluated as necessary.

7.2. Monitoring and Evaluation concept at the Grass root level

There are three major functions of the monitoring concept in any organization. These include internal management; communication; and empowerment (or accountability). In this case, this sustainable monitoring tool aims at involving as much as possible local populations into local development matters. Therefore this may become an empowering tool which may help local people interact with the developing community and the DRC Government when it comes to addressing key development issues especially those related to the Millennium Development Goals.

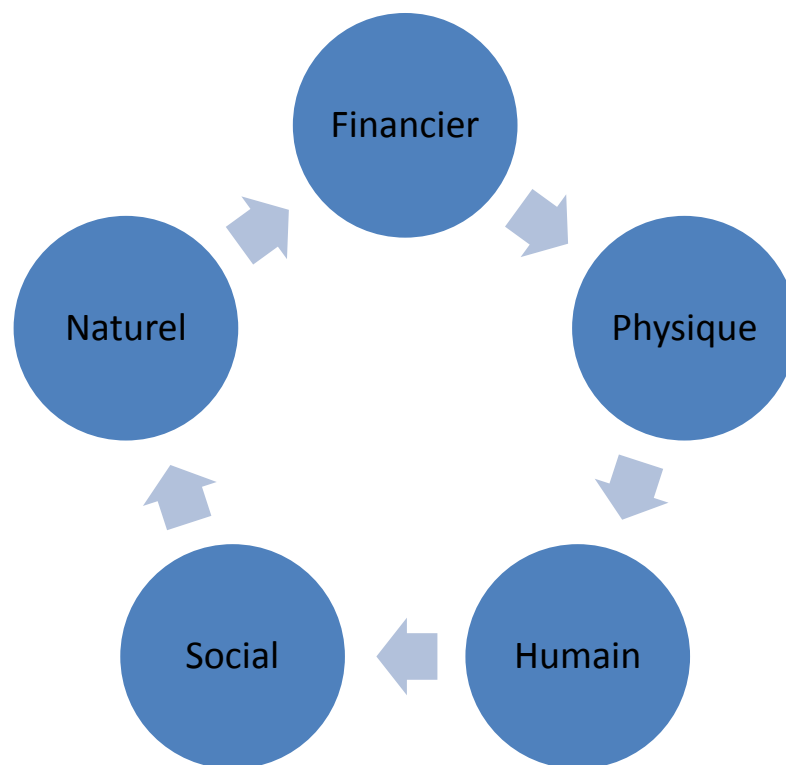
It is fortunate that the DRC Government has authorized local populations to get organized through small entities called “Local Development Committees” (CLDs). As per the newly publicized law, CLDs are the only authorized structures to manage development projects at the grass root level.

Monitoring refers to systematic and continuous collection and analysis of data related to progress towards one or many project/program results. It aims at enhancing both the efficiency and the efficacy of a social/economic project or of a private organization. Monitoring is always based on predefined objectives along with planned activities within an organization.

7.2.1. Pillars or the community – based monitoring

The community – based monitoring system for tracking sustainable development indicators is based on the five capitals suggested by the United Nations through the Millennium Development Goals including Financial Capital, Natural Capital, Physical Capital, Social Capital, and Human Capital.

Fig. n° Pillars of the World Wide Fund for Nature's community – based monitoring system



7.2.2. History of the Sustainable Development Indicators

The idea of tracking Community Development Indicators departs from the Rio summit of 1992 with the “21 Agenda” based upon three pillars including economy, ecology, and social. Later on was raised the need of gathering quantitative information for measuring progress towards the path of sustainability. In 1995, a handful of countries adopted a set of 134 indicators under the banner of international organizations. In 2001, the European Union adopted 116 indicators among them 11 acknowledged as key. In 2005, the idea was adopted at the infra-national level and opened the gate to the contextualization of the millennium development goals.

The idea of monitoring sustainable indicators in the Democratic Republic of the Congo is a result of efforts that aimed at contextualizing the millennium development goals in the DRC. This endeavor has been pushed mainly by the World Wide Fund for nature to ensure not only better governance of natural resources’ but also more accountability of the development community working in the DRC. This tool brings to the table the DRC issue of development as linked to specific problems of the DRC.

7.2.3. Strengths and Weaknesses of the Sustainable Development Indicators

Sustainable development indicators are practical tools for measuring populations' progress or regression towards commonly accepted benchmarks of welfare. In fact, they fill the gap that derives from the use of macroeconomic indicators. In the DRC and in many other countries, local populations do not believe in the power of macroeconomic indicators. Growth improvement is not perceived the same way by companies' owners and local populations. Poverty is still widespread in the DRC while macroeconomic indicators are getting more and greener. For more context, below is a summary of the limits of the Growth Domestic Product indicator⁵⁶.

Fig. n° : Internal and external limitations of the GDP

GDP Internal Limitations	GDP External Limitations
<ul style="list-style-type: none"> • uncertainties affecting sharing volume cost in the service sector (valued at cost of production) • uncertainty on the measurement of capital stock (lack of information about obsolescence, the decommissioning of equipment); • inadequate consideration of intangible investment 	<ul style="list-style-type: none"> • Non-inclusion of unpaid work ; • Not taking into account the negative externalities of growth in terms of well-being (insecurity / inequality / environmental degradation); • No consideration of irreversible (biodiversity, not renewable energy) • Not taking into account non-utilitarian aspects of well-being (quality of life in all its aspects).

7.2.4. Sustainable Development indicators are composite Indicators

Sustainable development indicators are by essence composite indicators. They are an aggregation of simple indicators of sustainable development calculated from simple averages involving various social dimensions and thus indicators. The disparate aggregates should be brought to one scale before defining scores usually spanning from 0 to 5.

Over time, time series will emerge, and trends would be assessed. This method is deemed the simplest as it does involve consensus around sustainable indicators.

⁵⁶ Pulled from: http://aces.ens-lyon.fr/eedd/climat/dossiers/empreinte_eco/indicateurs-de-richesses-et-developpement-durable; July 25, 2014

Fig. n° Exemple of Sustainable Development Indicators from WWF – DRC

Capital	Indicateurs Intégrés de DD	Sources d'information
Capital Financier	<p>Revenu moyen par personne; Proportion de personne salariée</p> <p>Proportion de personnes ayant accès aux points de vente des produits de premières nécessités à moins de 5 km</p> <p>Proportion des personnes ayant accès au crédit auprès de structure officielle</p> <p>Proportion de personne ayant reçue des appuis pour le développement durant les 12 derniers mois; Proportion des revenus du tourisme</p>	<p>Services administratifs décentralisés</p> <p>Suivi périodique CLD</p> <p>Suivi périodique CARG</p> <p>Enquêtes spécifiques</p>
Capital Physique	<p>% de maisons en dure, tôlees, ayant une source d'énergie électrique, des latrines améliorées, produisant du compost;</p> <p>Proportion de centre de santé, pharmacie par personne</p> <p>Proportion d'enfant ayant accès à l'école primaire/secondaire à moins de 5 km</p> <p>Proportion de vélos, de pompe à eau, moulins, de motos, de tracteurs par personne</p> <p>Proportion de bureaux communautaires par personne</p> <p>Proportion de personne ayant accès au marché pour commercialisation à moins de 15 km</p> <p>Proportion de personne ayant accès à l'eau potable (puis, source aménagée)</p>	<p>Services administratifs décentralisés</p> <p>Suivi périodique CLD</p> <p>Suivi périodique CARG</p> <p>Enquêtes spécifiques</p>
Capital Naturel	<p>Nombre d'ha de terre agricoles disponibles par personne</p> <p>Nombre d'ha de forêt disponible par personne</p> <p>Nombre de petits bétails par personne</p> <p>Nombre d'ha reboisés par personne</p> <p>% d'ha zoné pour la conservation de la biodiversité</p> <p>% de superficie destinée à l'exploitation durable du bois</p> <p>Taux de déforestation du terroir</p> <p>Indice de présence des espèces phares (grands singes, éléphants, buffles, etc.)</p>	<p>Services administratifs décentralisés</p> <p>Suivi périodique CLD</p> <p>Suivi périodique CARG</p> <p>Enquêtes spécifiques</p>
Capital Humain	<p>Taux de mortalité des enfants de moins de 5 ans</p> <p>% d'enfants de moins de 5 ans présentant une insuffisance pondérale</p> <p>Proportion d'enfants de 1 an vacciné contre la rougeole</p> <p>Taux de mortalité maternelle</p> <p>Proportion d'écologistes commençant au primaire et achevant la cinquième</p> <p>Taux d'alphabétisation des 15 à 24 ans, et des filles</p> <p>Proportion d'enseignant, d'agronome, d'infirmier par rapport à la population</p>	<p>Services administratifs décentralisés</p> <p>Suivi périodique CLD</p> <p>Suivi périodique CARG</p> <p>Enquêtes spécifiques</p>

Capital Social	<i>Présence d'une organisation représentative officielle du terroir</i> <i>Proportion de femmes participant à cette organisation</i> <i>Nombre de réunions trimestrielles et annuelles tenues avec PV</i> <i>Nombre d'organisations d'appui et partenaires (ONG locales)</i> <i>Proportion d'utilisateurs internet par habitant</i> <i>Proportion des ordinateurs disponible par habitants</i> <i>Proportion d'habitants ayant accès à la radio communautaire</i> <i>Nombre d'organisations collectives (agricoles, d'épargne, forestières, etc.)</i>	<i>Services administratifs décentralisés</i> <i>Suivi périodique CLD</i> <i>Suivi périodique CARG</i> <i>Enquêtes spécifiques</i>
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The below chart is very illustrative as it provides an example of sustainable development indicators along with their computation formulas.

Fig. n° Data collection tool for tracking sustainable development indicators.

Capitaux	Questions	Réponses	Indicateurs	Côte d'évaluation	Evaluation Indicateurs agrégés
Capital Naturel	-	-	Nombre d'ha de forêt/pers.	1	3
	-	-		2	
	-	-		3	
	-	-		4	
	-	-		5	
	-	-	Nombre d'ha reboisés par personne	1	2
	-	-		2	
	-	-		3	
	-	-		4	
	-	-		5	
	-	-	Nombre d'ha zoné pour la conservation de la biodiversité	1	4
	-	-		2	
-	-	3			
-	-	4			
-	-	5			

7.2.5. Roles and Responsibilities in the system

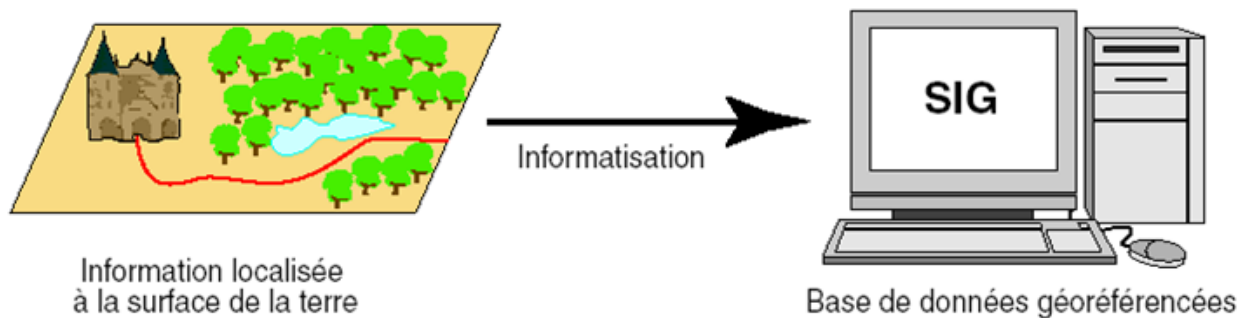
In a bid to ensure timely data collection of data related to sustainable development indicators, one development entity (that is the World Wide Fund for Nature in this case) should take on its own the task of collecting data. Later on, this function should be handed to the Democratic Republic of the Congo Ministry of Plan (Provincial and National).

Data collection, analysis, and reporting should be done by WWF. Once these steps are done, the report should be shared primarily with the Local Development Committee for further interaction

with targeted populations. The latter should decide whether to contact the local Government leadership or interact with International Organizations for technical and/or financial support.

Later on data collected would make a single Geographic Information System that would present as follows:

Fig. n° Using GIS for showcasing Sustainable Development Indicators trend



7.3. Monitoring and Evaluation Concept at the national level

Following the South Africa model, the DRC national monitoring and evaluation system should be very prescriptive and demonstrate the way taken by the country leadership. It implies that all information systems of the government are lined up with the unique and integrated monitoring and evaluation system to guaranty data quality and thus credibility of the whole system. In this sense, and following the South Africa model, following prerequisites should be addressed⁵⁷:

- 1° Government must be seen to take the initiative by creating appropriate policies and showing willingness and capacity to control and guide implementation;
- 2°. Infrastructure and financial and human capacities must be available and be deployed as required;
- 3°. Public involvement improves the quality and impact of Monitoring and Evaluation and makes findings more widely accepted and useful.

In this sense, current DRC information systems including the National Institute of Statistics, the DRC Central Bank, and the National Geographic Agency should be better equipped to ensure the National Monitoring and Evaluation System receives data of good quality. Alike the South Africa Monitoring and Evaluation System, the DRC system should be at the national level prescriptive and clear about what information should be submitted to by provincial entities and other public organizations/enterprises. The DRC system should be accommodating and flexible with regards to how information should be collected and who should be responsible for doing so⁵⁸.

⁵⁷ South Africa Government: "Government wide Monitoring and Evaluation System: a publication for program managers retrieved from the Official South Africa Government website www.coza.org on May 15.

⁵⁸ South Africa Government, idem, p. 9.

CHAPTER VIII:
**HISTORY OF GOVERNANCE AND ECONOMIC
GROWTH POLICY: A MARRIAGE AGAINST
NATURE?**

Decision makers made a long way before coming up with the governance recipe as a critical factor for improving economic growth. The overall goal of this work is not only making the link between governance via an outstanding national monitoring and evaluation system but also show that the latter is the unique tool for rendering economic growth inclusive.

This chapter will review the historical steps that led to iconize the governance in the process of sharing of wealth at the national level. In fact, the governance via the monitoring and evaluation system clarifies the intention of the major economic operators of developing countries that is the Government. In most settings including post conflict ones like the Democratic Republic of the Congo, the Government appears to be the most financially and economically powerful entity with great influence on allocation of natural resources. In such settings, support to the state rebuilding process should not only focus on restoring the Government's authority but also work courageously on improving Governance as the pillar of economic growth sustainability. Otherwise, all the changes may collapse and lead the country back to the awful situation that the country and its partners are attempting to leave behind.

The Democratic Republic of the Congo has made large strides in improving country economic context since the reunification process of 2001. Departing from 2001, the country experienced a new era made of political and economic interference of both bi and multilateral donors in order to improve country economic context. Unfortunately, this support was not well organized in order to unleash conditions for sustainable growth. In fact, in this country and elsewhere, social unrest as caused by wars and rebellions have been mostly caused by poor governance. Therefore, working only on sources of growth could be counterproductive in the long run.

One national monitoring and evaluation system across the Democratic Republic of the Congo Government has the benefit of sharing with the economic operators (producers) the information related to Government's ambitions (targets in terms of intended Country goals including the Millennium Development Goals) but also providing hints as to how citizens intends or are actually investing their financial resources. Such a wealth of information should gathered in a context of liberalization of the economy should end up boosting an inclusive economic growth in the Democratic Republic of the Congo.

8.1. History of economic growth and governance policy

Nobody can understand the history of economic growth and governance without clarifying the departing point of this policy. In fact, this policy departs from the clear consensus of policy makers that emerged after the world war two around a couple of concepts including commitment to liberalization and market – driven growth. Later on the events of the end of the nineties consecrated the domination of the liberal ideology in the world. Many authors including Huntington wrote on this issue.

Mushaq H. Khan presents three phases of the history of economic growth and Governance policy⁵⁹. These phases coincide with the turbulent economic history that faced many developing countries and present as follows:

1. First phase of growth and governance policy: phase of decolonization.
2. Second phase of growth and governance policy: phase of structural adjustments.
3. Third phase of growth and governance policy: phase of the emergence of the institutional economic discourse.

The following lines of this chapter will provide the quintessence of these three phases.

8.1.1. First phase of growth and governance policy: phase of decolonization.

This is the phase of import – substituting industrialization that featured the decade running from 1960 through 1970. This phase came just after year sixties that succeeded the decolonization of most developing countries including the Democratic Republic of the Congo. This is a period of uncertainties due to poor management capacities that followed the departure of colonizing powers. The new leadership was mostly concerned at speeding up the growth – enhancing sectors in the newly freed nations.

This is a period of high levels of economic growth and high lifestyle standards. Countries were experiencing economic growth that resulted from wealth created by expatriates from colonizing powers who were producing goods and services locally while generating jobs. Some of these capital holders decided to stay in their hosting countries and some left colonized countries sometimes after decolonization. This explains the high levels of economic that feature this decade.

The results of this period were very mixed across developing countries due to the variety of contextual situations of the various countries. Some countries maintained their levels of outstanding performance while others did not. Race towards economic growth and higher life standards (at least for the elite) overshadowed the need for striving for developing governance capabilities adequate for implementing economic strategies. Leadership in many developing countries overemphasized on import – substituting strategies as a way to cut off the colonizing power’s oversight.

While this posture of recently freed countries vis-à-vis the colonial power was legitimate and defensible, it did not pay enough attention to the way the country was governed. Spending of the new nations skyrocketed occasioning clear budget slippages. This situation drew policymakers attention to levels of spending; and thus to structural adjustment.

8.1.2. Second phase of the economic growth and governance policy: Phase of structural adjustment

This phase starts with the year eighties. Here policymakers with the support of both bi and multilateral donors’ technical support understood the need for restoring budget’s equilibrium. Therefore the adjustment phase aimed at addressing budgetary crises, rent seeking behavior and other governance issues. Rent seeking behavior was mostly encouraged by the newly established

⁵⁹ Mushaq H. Khan, “Governance, Economic Growth and Development since 1960s, DESA working paper, n° 54, August 2007, pp. 108 - 115

elite more interested in imitating western lifestyle than really working for the welfare of the majority of their populations.

Despite the investment of many donors, results were generally poor. Authors like Krueger, Posner, Bhagwati, Bardhan, Colander, Alt et al.; Lal et al.; Bates and Harris – White provide more details on this. They all highlight the inability of this strategy to instill capacities for market – promoting governance.

8.1.3. Third phase of the economic growth and governance policy: phase of the emergence of a new focus on the role of the state.

This period runs from the end of the eighties up to now. This period is characterized by the rising of a new institutional economic speech with emphasize on pro poor service delivery m2approaches. In fact, the economic adjustment policy left many people job less as many parastatal companies had to be restructured by downsizing the number of staff. Many people had, therefore, to struggle in order to step out of poverty.

Causality analysis of the crisis pushed policy makers to admit that there were strong ties that link economic growth to governance. This shift consecrated the emergence of the economics of governance.

How the Democratic Republic of the Congo Struggled through the above stated phases.

As stated above in the diagnostic chapter of this thesis, the governance issue started with the Mobutu regime.

Governance under the Mobutu regime from 1965 to 1997: Postcolonial model Mobutu kind

As said in the above lines, the Mobutu regime enjoyed the financial support of the international community. This support led the country through an economic stabilization program by 1966. As a result of this economic stabilization support the real GDP growth went up. This economic stabilization program was a recipe made of rigorous application of a set of political, economic and monetary measures.

The complex history of the Democratic Republic of the Congo seems to repeat itself overtime. It is as if the same movie comes back again and again. This history starts with a full support from western countries crystalized in the Belgium kingdom over the colonization period. When the country gets decolonized, technical supports were offered by both bi and multilateral institutions in a declared objective of restoring macroeconomic parameters.

The political and financial support from western countries did not encourage the Zairian leadership to adopt better budgetary policies. So, after investing in heavy infrastructure (for import substitution) just after the decolonization period, the country went through serious difficulties. In fact, in 1971, the Government nationalized all companies by granting the management responsibilities of these companies to unprepared Congolese elite. The distribution of this productive tool was mainly based on the patron – client criterion which rendered the whole political manoeuver counter - productive.

One of the consequences of the nationalization in Zaïre was the opening of a new era made of dependence to the rest of the world mainly the western countries. The DRC (then Zaïre) started its road of reliance to western countries. In a sense, nationalization of productive companies in the DRC benefited to western countries by rendering the country dependent to their exports. All the investment the country made soon after the colonization era scrambled under the management of unprepared captains of industries.

As pressing social needs rose, the Zairian Government faced quickly serious budgetary deficits. These pushed the country to rely on both debts and international aid. Despite its reach natural resources, the DRC could not transform its rough rich mineral resources locally and seize the opportunities offered by the international market of key mineral products. On the top of this wretched situation, the rule of Mobutu exasperated Zairian populations. This ended up in a couple of huge social unrests accompanied with the plundering of a handful of companies which made the local productive system.

When President Laurent Kabila took over power in the DRC by 1997, he first decides to change the name of the country from Zaïre to the Democratic Republic of the Congo. The country has paid a heavy toll of mismanagement and further plundering. The four – digit annual inflation rate that faced the country gives a hint of the socioeconomic situation the Kabila regime inherited. Laurent Kabila set in place a transitional regime based on dictatorship model. As the governance of the country was very poor, the ruling regime submitted a three – year plan in a quest of funding. This was an attempt of the then DRC Government to prove to donors that the country was still worthy of confidence. In the meantime, the country is under rebellion. This rebellious movement moves forward pretty quickly and succeeds to torn out the country into three parts.

President Laurent Kabila passes away on January 2001; he's immediately replaced by the 29 years old president Joseph Kabila. The latter accepted immediately a political deal which shared the political power between former belligerents. This gentlemen agreement was so fragile that it required the heavy support of the DRC traditional allies including Belgium, the United States of America and the France governments.

The Joseph Kabila regime was set in place thanks to the support of the DRC donor community. This opening of the DRC to donors deep support put the country under the wing of the international community, and thus obliged the new Government to adopt sound governance principles including accountability via monitoring and evaluation mechanisms. In fact, these mechanisms were already part of the development programs supposed to alleviate hardships that the DRC populations were facing.

The current context made of a return to growth and fight for meeting the Millennium Development Goals, obliges both donor and recipient countries to invest effort in improving accountability. Monitoring and evaluation systems are iconized both at project/program and institutional levels. In most the cases, monitoring and evaluation systems are demanded by western countries' constituency bodies.

The fact that the Democratic Republic of the Congo is one of the countries that relies heavily on donors' generosity put the country in good position to benefit from accountability mechanisms

imposed by donors. The arrival to the top leadership of President Joseph Kabila marks a new era which unfortunately reminds strangely the political support that enjoyed the Democratic Republic of the Congo under the leadership of Mobutu. Donors provide lavishly their financial support to the country in all country sectors including security (reform); health, education, economic growth, Governance etc... There is no sector which is not supported by donors in the DRC. While this situation appears as a good opportunity for improving country governance and render current economic growth inclusive, it is also perceived as a threat to the country independence.

Delays to fully integrating governance value in the country are mostly due to rent seeking behavior which results in clear inability of the country to reach the full ownership of governance – related mechanisms including the unique national monitoring and evaluation system.

CHAPTER IX:
GOVERNANCE AND MARKET IN THE DRC

Setting in the DRC a unique national monitoring and evaluation system is the best way to address the omnipresent issue of lack of transparency and lack of accountability. Economic agents are interested to learn from the Government its plans as related to improving the welfare of its citizens but also as an attempt to know about opportunities that may derive from short or long term investments of the government. In most of the developing economies including of the Democratic Republic of the Congo, the Government is the largest investor enough financial capabilities to cope with challenging economic settings.

Most of the time developing countries, including the DRC, have rules that oversee markets. These countries are equipped with good rules and good structures but all these do not serve economic growth and general welfare. It is as if these countries have everything to move forward but still something is missing to enable occurrence of economic growth that benefits to all groups of their populations and ends up in development. This something missing is the National Monitoring and Evaluation system. The DRC has already accepted monitoring and evaluation systems as well as many other mechanisms that facilitate transparency and accountability, but these seem to be more responses to donors' solicitations rather than an indication of the full acceptance of these governance-enhancing tools. The DRC Governance top leadership seems to contemplate this acceptance as a way to take advantage of the international "parrainage" vis-à-vis the international market or simply as a lobbying opportunity for obtaining a sit in the international arena. On the other side, traditional multilateral donors including the World Bank and the International Monetary Fund are imposing governance tools including monitoring and evaluation systems as a guaranty of the success of the reforms their implementing.

In a bid to understand the interactions between governance through a national monitoring and evaluation system and economic growth, it will be worthwhile reviewing constraints that feature the DRC economy. In fact, the DRC economy is marked by the following constraints:

- 1°. The DRC economy is outward – oriented;
- 2°. Poor local production capacities;
- 3°. Foreign investments still very low;
- 4°. Absence of long term strategy to improve production;
- 5°. Clear incapacity to influence international markets' mechanisms and need to operate under the umbrella of other countries;

9.1. Underlying theories

Governance is the way a country is governed when it comes to progress towards objectives that may affect the welfare of the majority of targeted populations. It encompasses all aspects of the populations' socioeconomic status. This departs from their daily life to complex market issues, salaries, or access to social services including health, education and social protection.

The optimal Governance to my sense is attained when Governance can have impact on levels of investment, consumption and utility via evident changes in leading institutions. For many

economists, institutions may also lead to governance. According to Ha - Joon Chang, “the currently dominant view is that institutions are the ultimate determinants of economic performance. However, the causality in the other direction is usually neglected⁶⁰”.

Linkage between Governance and Investment

Good governance puts economic operators in confidence with the near future. When new investments from the Government are planned and communicated as appropriate, they become by essence new opportunities for dynamic economic operators. In fact, economic operators even in situation of funding need may have recourse to bankers in order to bridge the gaps. Business climate improvements are one of the ways of attracting new investors. As it usually takes a long time to get rid of bad habits, climate sanitation takes a long while. Therefore from t_1 through t_0 developing countries' path towards better governance moves over a smooth slope. Optimal governance will be the one that corresponds to optimal investment, optimal consumption, and optimal utility. It is obvious that sound governance brings serenity and allows capital to grow slowly but surely.

Linkage between Governance and Consumption

Optimal governance should lead to optimal consumption via sound redistribution of marginal income generated from country economic growth. In fact, developing countries are featured mostly as countries that concentrate capital and power into the hands of minority who owe their lives through rent seeking behavior. In the DRC case, economic growth of 8 or 9 percent is shared between a handful of people or companies. In fact, thanks to the information gained from a sound national monitoring and evaluation system and lavishly shared with populations, new social equity demands would emerge. The implementation (and subsequent monitoring) of laws dealing with minimum wages will improve lives of the average citizen. If this situation lasts, this situation may end up with the creation of a new medium size class. This would raise the levels of consumption bringing it up to the optimal level of consumption.

Linkage between Governance and Utility

As a result of the above statements, the optimal governance will allow consumers to reach the optimal utility. This is the result of the fact that local population consume items that are the most likely to satisfy their needs. The DRC populations taken as a whole will no longer buy second hand clothes or second hand cars but rather cars or clothes that really meet their socioeconomic satisfaction. This is where we start talking about optimal utility. In this context, you buy food or eat food that come from where you want it to come. You don't eat food because you no longer have choice to select an alternative item. Such situation takes a long time to be in place as it presupposes having in place a good production system iconized by a good set of licenses. Such outcome is a result of long investment into research and development.

⁶⁰ Ha – Joon Chang, « *Institutions and economic development : theory, policy and history* », Journal of institutional Economics, 7 : 4, 473 – 498, October 15, 2010

9.2. Governance and Quality of institutions

9.2.1. Lack of consensus for measuring governance progress

Economists have not yet agreed upon the substance of governance, and this does not facilitate the use of metrics when it comes to showcase governance improvement. Of course, one may talk about changes from G_x to G_{x+1} in order to show some changes in terms of governance. Governance itself is a composite index, and as such it raises some questions about its utilization. According to Fransisco L. Rivera⁶¹, *the index of quality of governance is itself the average of two indexes. First is an index of the quality of government institutions based on data assembled by political risk services, a firm specialized in providing assessments of risk to international investors. The quality of government institutions is based on a comprehensive evaluation of each country's government institutions regarding: 1) Law and order; 2) bureaucratic quality; 3) corruption; 4) risk of expropriation and 5) Government repudiation of contracts. Second is the extent to which the country is open to international trade. The idea here is that protectionist governments are more likely to engage in policies that distort prices and undermine the ability of the private sector to produce efficiently and innovate. This may be a direct result of the trade – and other – taxes and restrictions imposed by the policymakers but also the indirect cause of the rent – seeking activities that are almost inevitably associated with the protectionist policies.*

Criticism was raised later on by economists who analyzed closely data provided by governance experts. *In 2007, Kaufmann et al said that governance lacks an accepted common definition and that their choice of indicators are broadly in line with commonly used definitions. On the same tune, Kurtz (2006) and Glaeser et al (2005) said that there is not enough discrimination between outcomes and processes in the measurement of governance. A bit more consensual, Knack (2006) acknowledges that this situation applies to most of the “first generation” indicators. Criticism is also oriented towards the information it self. They argue that indices rely heavily on the fact that subjective data risks the possibility that ratings are affected by experts' knowledge of recent economic performance (Knack in 2006; Kurtz and Schrank in 2006, Arndt and Oman in 2006). Also others point out the fact that indexes may be biased in favor of the interests of foreign investors who pay for the studies and that reports from one source may influence another.*

While all these critics are still objective, I think that the most important thing should be finding out a common ground based on clear methodology for collecting governance – related data. This has been the normal undertaking of monitoring and evaluation experts who are still striving to impose the legitimacy of their domain of expertise. It is unfortunate that governance data consumers want to use the ready to be used information while comparing the governance information with other non-composite indicators. The latter deserve their proportionate attention and consideration despite the effort they require for making easier the understanding of the average citizen. On the other side, Regional Organizations should make every effort to ensure governance information data is produced based on rigorous methodology or at least methodologies that can guarantee data quality. That said, and once the methodology is maintained identical overtime, comparison of governance situations from time “x” to time “x+1”. Such information is pertinent and useful as it can inform

⁶¹ Rivera-Batiz Francisco, “Democracy, Governance and Economic Growth: theory and evidence”, in Review of Development Economics, Vol. 6, No 2, June 2002, 225-247

decision makers as to the way that still to be gone in order to improve governance. It obvious that the topic is by essence source of tough controversy given the fact that political interest of some groups may be affected by the level of governance assigned to a given country between two periods. Most of the time, the most powerful groups that have succeeded to maintain hostage the whole government, if not the country, are the one to validate figures related to governance improvement or regression.

9.2.2. Importance of the Governance indicator for Developing Countries

Developing countries are striving to set in place institutions that are likely to be impacted by governance. The latter becomes an ideal or even a dream which should orient energies of the whole country. Moving from G_x to G_{x+1} may take long or short time depending on each developing country's internal dynamics. There are many factors that may encourage keeping the statu quo including rent seeking behavior developed by personalities who take benefit of the ongoing opacity. Also, the top leadership of the country may also set in place a real predatory culture supported by client politics. As anyone may realize, all the above highlighted factors fit better with scarcity of information or simply absence of information on the exact intention of actors.

Such lack of free information sharing is very close to the absence of liberalization. In fact, in such environment, the lack of information distorts the rules of a full competition among economic operators. This situation violates the basic rules of the liberal game. As per Ha Joon Chang, *“institutions that protect private property rights most strongly and provide maximum economic freedom (especially business freedom to seek profits) will best promote investment and thus economic growth”*⁶².

Improving governance via a workable monitoring and evaluation system for the welfare of the majority of the populations should be the objective of politicians because politics by essence should be seeking the welfare of populations even in developing countries like the DRC. Therefore, in a bid to know where a country is bounding to, there is a need to measure governance using metrics and thus monitoring and evaluation tools. While the monitoring system of such a tool may show where the country is heading to, the evaluation of governance should be able to sort out the effectiveness, sustainability, and efficiency of the whole governing system set in place. As per Hossein Jalilian et al, *“economic development is seen not simply as a matter of economic resources in the form of physical and human capital, but as a matter of “institution building” so as to reduce information imperfections, maximize economic incentives and reduce transaction costs*⁶³.”

A Government which integrates the principles of good governance via an outstanding monitoring and evaluation system commits it-self to improving quality of its institutions. According to the well-known economist Gregory Mankiw *“another important institutional difference across countries is the quality of government itself. Ideally, governments should provide a “helping hand” to the market system, protecting property rights, enforcing contracts, promoting competition, prosecuting fraud, and so on. ... Empirical studies have shown that the extent of corruption in a nation is indeed*

⁶² Ha – Joon Chang, idem, p. 477

⁶³ Hossein Jalilian, The impact of regulation on economic growth in developing countries : a cross – country analysis », University of Bradford, UK, p. 8

*a significant determinant of economic growth*⁶⁴. Therefore, a nationwide monitoring and evaluation system is a good attempt to introduce transparency and accountability in a country, ensure better allocation of scarce national resources, and thus improve sustainably economic growth.

There are many metrics that help measuring governance. Some are used by complex international organizations mostly for the use of stakeholders when it comes to financial interests. There still a need to set in place a tool that can help measuring and questioning governance performance. Such a tool should be able to come up with performance made in terms of governance, and provide an opportunity for setting realistic objectives for the whole country. The assumption here is that there exists a clear will for making a diagnostic of inclusive economic growth and thus plan subsequent changes for the welfare of the majority.

9.3. Theory on market efficiency and Good Governance

Developing countries are characterized by market inefficiencies which are partly due to rent seeking behavior and client – patrons’ approach of governance. However, there is a clear consensus that economic growth (and finally development) passes through market efficiencies. Market capabilities that are deemed market – enhancing help reduce transaction costs.

Theory around transaction costs evolved from Ronald Coase (Nature of the Firm, 1937) through Olivier Williamson (2004) passing by Friedrich Hayek (1945) and Kenneth Arrow (The Organization of Economic Activity: Issues pertinent to the choice of market versus non – market allocation, 1969). Ronald Coase departs from the zero transaction cost of the neoclassical economic model whereas Kenneth Arrow raises the general concept of transaction costs and with respect to vertical integration. As per Oliver Williamson, *“market failure is not absolute; it is better to consider a broader category, that of transaction costs, which in general impede and in particular cases completely block the formation of markets.”*⁶⁵

Finally, the economics of governance ends with setting three “governance structure distinctions: classical markets, hybrid contracting, and hierarchies. The key features of governance are postulated to vary among modes in internally consistent ways. Different attribute combinations give rise to distinctive adaptive strengths and weaknesses. Specifically, the market mode works out of high powered incentives, little administrative control, and a legal rules contract law regime which is well suited to implement autonomous adaptations but poorly suited to effect cooperative adaptations... The viability of the hybrid turns crucially on the efficacy of credible commitments (penalties for premature termination, information disclosure and verification mechanisms, specialized dispute settlement, and the like – the cost effectiveness of which varies with the attributes of transactions”⁶⁶.

Developing countries face transaction costs which have various channels. Below are two most important channels that may affect transaction costs in developing countries: 1) Rent seeking behavior and 2) Client – patron’s way of governance.

⁶⁴ Mankiw Gregory, “Macroeconomics”, sixth edition, Worth Publishers, 2007, p.216.

⁶⁵ E. Williamson Oliver, “The Economics of Governance”, University of California, Berkeley, January 2005

⁶⁶ E. Williamson Oliver, idem, p. 16.

Box 2: International shocks and international market

In a context made of international market shocks and instability, developing countries evolve in a setting made of deterioration of export markets; falling of remittances; decline of access to foreign lending; and the slowness of direct foreign investment. Export markets deteriorated because of the decline in the demand of goods and services traditionally produced by poor countries. Also, the international market stresses on quality of products to be put to the market. This is something unaffordable to developing countries due to the fact that their production is rarely subsidized.

Remittances have fallen because of the fact that the economic and financial crisis had a heavy toll on employment. While this resulted in the downsizing of levels of staff within the various companies it also impacted the purchase power of many citizens in developed countries. Foreign lending has declined due to the uncertainty which goes with developing countries' poor credibility. A part from structural reasons that explain this low credibility, international economic shocks puts developing countries in a position which does not allow them to intervene at the international market without the *parrainage* of a developed country.

Direct Foreign Investment may slow down due to the fact developing countries are riskier than the developed ones. In a context made of political instability, the risk is so high that it can't allow new foreign investments. The uncertainty of the international market ends up discouraging any attempt to invest money outside the country.

Rent seeking behavior is mostly due to poor law enforcement or to a law enforcement which benefits to some people in a country. People benefitting from the provisions of the law are the only one person who can provide monopolistically some goods and services.

Citing Kaufmann and Kraay, Sebastian Dellepiane states that *«there is no doubt that per capita income and the quality of governance are strongly positively correlated across countries. Yet, reverse causality is always an issue in growth regressions. In this case, problems may arise not only because causality may run from income to institutions, but also because several institutional variables are measured at the end of the growth period»*⁶⁷.

Potential origins of the rent – seeking behavior

In the absence of sound democracy, sources of legitimacy in developing countries become very mushy. In fact, the person who is awarded the full exercise of the power arrives to power thanks to many internal and external supports. He will then rule the country with these supporters who would be paid back through weak law enforcement which benefits group of the ruling regime. This situation renders the game so unfair that no reasonable economic player would accept entering the market. This situation ends up distorting the market and creating a situation of artificial monopoly.

⁶⁷ Dellepiane Avellaneda Sebastian, *Good Governance, Institutional and Economic Development: beyond the conventional wisdom*, University Pompeu Fabra, Barcelona, May 2006.

The situation becomes alarming when the top leadership of the country participates collaboratively to the survival of this rent – seeking behavior.

Non democratized regimes usually put in place dictatorships which discourage any initiative aiming at clarifying the rules of the game. This does not allow the implementation of any accountability and transparency policies. As the regime deploys its power over its territory of control, civil servants supposed to enforce the law apply the law for the benefit of the ruling players. This attitude may end up distorting the market and rendering it inefficient.

Client – Patron attitude

In a bid to ensure the survival of their political regimes, developing countries' leaders share huge financial resources with their followers. These are people who are in the political system for ensuring the survival of the leader regardless the results produced by the regime. Again, people involved in this political survival inside and outside the country are lavishly paid by the ruling regime even when this may distort the market. In such situations, barriers or constraints to exports or imports may be squarely removed for the benefit of the client.

9.4. Market efficiency in the DRC

The DRC has been accessing the international market through the agriculture, transportation and mining sector.

The agriculture sector has great potential as a source of economic growth. However, this sector has been constrained by several factors including deterioration of the network of rural feeder roads; the dislocation caused by the Zaireanization measures of 1973 – 74; inadequate credit for small – scale producers; lack of foreign exchange for essential imports; insufficient storage and other marketing facilities; and the uncertainties created by the government's pricing policies⁶⁸.

All the above constraints highlight the importance of governance – enhancing approach when it comes to improving economic growth in the DRC. We should go through the same report of the International Monetary Fund to learn more about the other sectors.

The DRC mining sector is plugging under the weights of monopolies or firms operating through monopolistic schemes. The DRC mining sector's contributions to GDP and export earnings have been declining dramatically. In the mid – 1980s, mining accounted for almost one – fourth of real GDP and provided over 70 percent of export receipts; in 2000, while the mining sector remained the main source of export earnings (owing to diamond exports), it accounted for only about 6 percent of real GDP⁶⁹.

Internally, the DRC transport sector has been a serious constraint as the transport network inherited from the Belgian colonization scrambled a few years later. As per the IMF report, the transport sector accounted on average for about 12 percent of real GDP in the 40 – year period, 1960 –

⁶⁸ Akitoby Bernardin and Cinyabuguma Matthias, "Sources of Growth in the Democratic Republic of the Congo: a cointegration approach", IMF Working Paper, 2012, WP/04/114, p. 8

⁶⁹ Akitoby Bernardin and Cinyabuguma Matthias, idem, p.10

2000⁷⁰. This situation exacerbated with the creation of three different markets based on transportation costs including the east, west and south markets. This situation has significantly impact the volume of exports.

Again, governance issues explain performance decline in the three sectors. Monopolistic schemes have made inefficient the various markets of the country. Players at the international market have also taken benefit of the situation as both rent – seeking behavior and poor business climate played a catalytic role.

The different episodes of governance have proven to be unsuccessful in reducing factors that can affect markets in the DRC. In fact, rent – seeking behavior and patron client activities have resulted most of the time in creating opacity of governance. Such opacity has been detrimental to country's capacity to attract investors willing to settle for the long run. This resulted in the mentality of court-termism and creation of monopolistic schemes if not simply creating huge barriers to any potential entering market players. This has been unfortunately the fate of sectors which are deemed supporters of growth like transportation, mining sector, banking and agricultural sectors. The DRC populations have been, at the end of day, the bill payers as the distortion of the market inhibited innovation and maintained artificial high prices of domestically consumed goods and services.

⁷⁰ Akitoby Bernardin and Cinyabuguma Matthias, *idem*, p. 11.

CHAP X: HIGHLIGHTING THE ROLE OF ETHICS

Capacity building is a key component of the nationwide M&E system that should be put in place in the DRC in order to reach inclusivity of the near – to – two – digit economic growth. M&E capacities should be built across the country in a very formal way. However, once the system is fully functional, continuous capacity building plans should be developed in order to ensure Government employees have not only the right skills but also are capable to meet the highest standards of ethics. In order to fully ensure that capacities are transferred to the DRC administration, the Government should provide the necessary budget for the operations of this system.

The absence of an inclusive growth interpellate both the donor community - which has invested its best effort in DRC since 2001 when President Joseph Kabila took over power- and the DRC citizens. There are evident ethical responsibilities on both sides.

I would like to start first with the review of concepts. Later on I try to sort out existing connections between a few concepts related to ethics. Morality: as per the *legatus Tampa bay* website, morality is “the first - order beliefs and practices about good and evil by means of which we guide our behaviour”⁷¹. Morality is beyond people’s opinion. Some philosophers contemplate morality as printed in the deep conscience of any human being. Though morality has tight link with God’s revelation, it is granted even for people who have never had any exposure to any holy book. **Ethics** is the application of morality in a specific field. It, therefore, calls for interpretation and consideration of general settings. Ethics intend to provide the most appropriate behaviour in specific fields as a way to avoid violating the general existing order of the world. Effectiveness refers to the ability to achieve what is supposed to be achieved. Effectiveness and efficiency is categories that show orientation towards results. Effectiveness seeks to lead to results regardless the quality and these results. God’s revelation is the amount of thoughts and speeches that people believe to have received from God and/or his own ambassadors. Religion comes from the Latin word “religare”. It means linked to someone. In this case, most of the religions in the world believe to be linked to God and speak on behalf of Him. There are similarities across religions as all of them encourage people to love each other. They all tend to show that the world is not the final word. They all believe that there is life after life. Christianity is the teaching of Jesus known, according to revelation, as the true son of God. Finally aid is understood here as any types of support that a country receives from its partners. These can be countries or international organizations. Usually these organizations/countries plan their financial/material/technical support in their budgets and have clearly expressed (or non-expressed) expectations from countries or governments that receive their support. Currently, expectations from international aid differ from one stakeholder to the other. While through international aid the United States of America expects to contribute to its own internal security, poor countries of Africa benefiting from this aid expects to get better welfare or relief from existing problems.

There are connections that should guide the understanding of the above concepts. In fact, the best way of understanding these concepts is to put them together and try to get some unexpected light. This light is the one that will guide our interpretation of data we collected on the Democratic

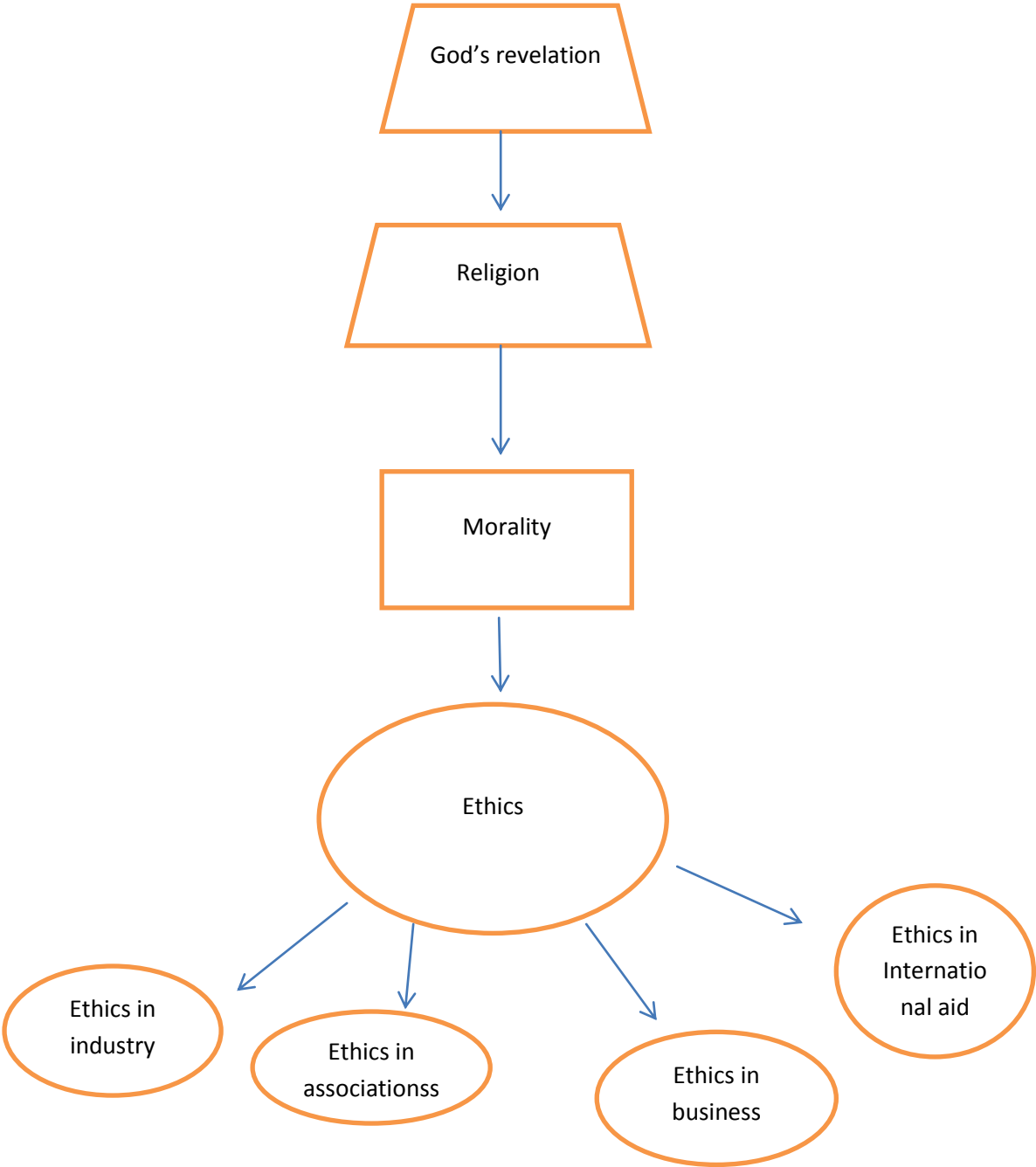
⁷¹ Pulled from Legatus Tampa Bay article pulled from www.legatustampabay.com on April 2015

Republic of the Congo case study. First vowel, there is a clear line between God’s revelation and ethics. This passes through religion, morality, and ends with ethics.

10.1. Striking connections

There is an existing link between God’s revelation, religion, morality, and ethics. Later on we may show the link between ethics and aid effectiveness.

Fig. 1. Connections between concepts



The above concepts are ontologically interlinked. This means that nothing can be achieved in terms of ethics in aid effectiveness without being linked to morality and to God.

It has been proved that people who declare themselves to be atheistic are less inclined to behave ethically in their business. And as result, this usually ends up in falling bankruptcy.

- **Morality and God's revelation (Christianity)**

Discussion around God is usually confined in the boundaries of belief. This is unfortunately the world of accepting or rejecting. Either you accept that God exists or you reject His existence. As per my understanding, there is no mid –term when it comes to accept or reject God's existence. This is to me the departure point for acknowledging the objectiveness of morality. A person who does not accept God's existence will have serious difficulties to accept morality which derives from God. God exists as the nature exists. That's why philosophers use to argue that morality is the fact of the natural law. The causality reasoning itself leads to the existence of a certain Being who was not created. This could be the departure point of people who would like to have proof of God's existence.

- **Ethics and morality**

As a reflection back to morality, ethics are influenced by the moral. However, I do believe that usually people raise tough ethics questions when they are confronted with serious questions. The latter could have been raised by the Government or any other private entities the person interact with. In a sense, if we want ethics questions appear or impose their negotiation with commoners, organizations should be built upon strong moral standards. This is the only chance to push people act according to the moral or some specific application of the morality.

I conclude this point by stating that the debate or struggling with ethics questions depends on how well the society is organized to introduce morality into its approach of business. Failed states or countries with poor leadership are inclined to not instil moral principles in their business and are more likely to end up noticing less aid effectiveness.

- **Effectiveness and ethics**

Effectiveness has to go with ethics. I agree with Hugo Slim who says, "Ethics without effectiveness can be unethical"⁷². In fact, if a project is not invested properly it ends up becoming ineffective i.e. unable to meet expectations of targeted beneficiaries.

Also, the way governments and donors organize themselves to make aid effective could also end up setting in place ineffective structures where each of the donors tries to prove that he is doing something somewhere in the country but without bringing any proof of effectiveness. Donor coordination could be one these attempts to improve aid effectiveness, but can be also unethical given that donor coordination still far from concerns related to effectiveness.

At some point, effectiveness becomes the way of making international aid more ethical. However in practice there still some distance between effectiveness and ethics. And this due to the lack of link between God, morality and ethics. In fact, not matter how your willingness to improve effectiveness

⁷² Hugo Slim, "Humanitarian Effectiveness and humanitarian ethics", Presentation to Ocha Policy Seminar Series, New York, 17 April 2013, p.2

is, if you (or your entity) is not connected to the natural order (God --- Morality -----Ethics) things may end up becoming unethical.

10.2. Paris Declaration versus aid effectiveness

The Paris declaration on aid effectiveness was endorsed in 2005 and has been a good step forward in development assistance. Designed to improve the quality and effectiveness of development assistance, it is built around five mutually reinforcing principles which should guide interactions, relationships and partnerships between development agencies and partnering countries.

10.2.1. Content of the Paris declaration

The Paris declaration is centered on key values that should accompany any development assistance.

- **Ownership:** developing countries must lead their own development policies and strategies, and manage their own development work on the ground. Donors must support developing countries in building up their capacity to exercise this kind of leadership by strengthening local expertise, institutions and management systems.
- **Alignment:** donors must line up their aid firmly behind the priorities outlined in developing countries' national development strategies. Wherever possible, they must use local institutions and procedures for managing aid in order to build sustainable structures.
- **Harmonization:** donors must coordinate their development work better amongst themselves to avoid duplication and high transaction costs for poor countries. In the Paris Declaration, they are committed to coordinate better at the country level to ease the strain on recipient governments.
- **Managing for results:** all parties in the aid relationship must place more focus on the end result of aid, the tangible difference it makes in poor people's lives. They must develop better tools and systems to measure this impact.
- **Mutual accountability:** donors and developing countries must be accountable to each for their use of aid funds, and to their citizens and parliaments for the impact of their aid.

The Paris Declaration provides a practical, action – oriented roadmap with specific targets to be met by 2010. It is a major international agreement on aid relationships which identifies appropriate roles for all major actors, specifies twelve indicators to provide a measurable and evidence – based way to track progress, and sets targets for the indicators to be met by 2010. At the Third High Level Forum (HLF3) on Aid Effectiveness held in Accra in 2008, both donors and developing countries reaffirmed their commitment to the Paris Declaration and agreed to speed up the process of fulfilling the Declaration's pledges. This agreement was codified in the Accra Agenda for Action, which was endorsed at the High Level Forum 3.

10.2.2. Paris Declaration Flaws

In the Paris Declaration, there is no indicator for measuring ownership as related to donors' commitment. In fact, partner country ownership is by definition the responsibility of the partner. However, donor has final word and effective means to help country partner move towards more ownership.

Despite the widespread compliance with the managing for results principle by the bulk of the donors, there are still many concerns. During the Carnegie council that took place in 2013, William Easterly pointed out the fact that “too often aid agencies are under pressure to spend all the money allocated to a certain project within a certain time frame, leaving out the important task of assigning resources to evaluate the project success. Unfortunately, this is all too common. The aid community must take monitoring and evaluation too serious if it wants the outcomes to improve”⁷³.

Here again, implementing monitoring and evaluation and learning plans are good initiatives. However, as scientific rigor has been brought in, these initiatives should count on time. In the meantime aid will continue to be ineffective, and thus unethical. This situation has prompted some thinkers from developing countries like Moyo to state that “a new concept should be adopted for getting Africa out of poverty: building up a system that puts Africa on the financial playground of the world, putting resources toward promoting innovation and creating an environment that encourages capital growth, in order for Africa to create revenues for themselves and eventually grow independent of aid”⁷⁴.

10.3. Current trend of the DRC as opposed to the Paris Declaration

The Democratic Republic of the Congo is difficultly emerging from a two – decade war situation. Yet, its eastern side still experiencing security unrest due to the continuous presence of various militia and rebel groups. In North and South Kivu provinces alone, armed rebel and government forces currently exceed 20, 000 persons. Since 2005, the United Nations Mission in Congo has documented 80,000 reported cases of sexual violence in South Kivu alone. These systematic acts of violence traumatize populations and have irrevocably harmful repercussions. Local populations feel powerless to curve the situation, and still desperately abandoned to international aid.

The International Monetary Fund (IMF) slowed down on approving the Poverty Reduction and Growth Facility Program (PRGFP) of the Government of the Democratic Republic of Congo (GDRC). In 2006, a program, known in French acronym as PEG (Expansion Program of the Government), was suspended by the IMF, due to excess fiscal slippages. The IMF monitored macroeconomic indicators as well as key structural reforms before coming up with PRGFP. In March, a team of experts from the IMF visited DRC (Democratic Republic of Congo), and had discussions with key government officials and the civil society, to assess ongoing economic situation. In fact, DRC macroeconomic indicators deteriorated given the global economic slowdown and increasing military expenditures due to rebellious activities in the Nord Kivu and South Kivu provinces. For the first time since President Joseph Kabila took over power in 2002, DRC has been battling with grave liquidity challenges, due to the shrinking Foreign Currency Reserve, which could not cover importations. In order to get things clearer, the IMF delayed the new agreement that could provide the GDRC with substantial financial means to confront social challenges, exasperated by a fragile post conflict situation. If this situation continued, DRC could have faced acute civil unrest.

⁷³ Sylvana Rochet – Belleri, <http://www.globaethicsnetwork.org/profiles/blogs/is-foreign-aid-effective>, February 28, 2013

⁷⁴ Idem, p1

The IMF team acknowledged in 2008 that the continued decline in key export commodity prices has taken a toll on economic activity. Coupled with security and humanitarian spending, this situation has led to fiscal slippages and unleashed pressure on the exchange rate. The 6 percent growth rate in 2008 was blamed on a slowdown in mining and construction activities. Annual inflation fell to 28 percent in December, reflecting a decline in world prices for petroleum and food, while international reserves fell to a five-year low.

As a key result of discussion between the IMF team and the GDRC, the GDRC lowered its forecasts for 2009. Economic growth was projected at 2.5 percent and inflation for the year was expected to be 25 percent. With revenues below expectations and expenditures on the rise, the financing gap was projected to widen significantly. The government was implementing corrective measures and seeking additional concessional external financing consistent with macroeconomic stability and debt sustainability.

The IMF did not show clear position with regards to a Chinese deal, in which DRC was expecting the construction of new infrastructures (Schools, hospitals, roads, and social houses) to be paid off by tons of copper and cobalt, valued at USD9 billion. The GDRC put all its efforts in the implementation of the Chinese deal deemed crucial due to president Kabila's promises during the 2006 campaign. MF experts, however, considered this Chinese loan as non-concessional, and urged for its review.

Elected for a second term, president Kabila set in place a government led by a technocrat. Thanks to the direct leadership of this prime Minister, the DRC economic growth went increasing. The latter ambition a two – digit economic growth before the end of Joseph Kabila's second term. So far, the economic growth of the DRC has shifted from 8.6 percent (Fiscal Year 2013) to 9 percent (Fiscal Year 2014). While this positive trend proves that DRC is creating (or at least within the limits of its territory) wealth, it also raises the issue of justice and sharing of the wealth produced locally.

The Democratic Republic of the Congo is post conflict country. Unlike other post conflict settings, governance has a certain improvement which was not enough to boost the investment aggregate. Insecurity persists especially in the east with serious links with the poor quality of justice. Wars officially ended in 2006 with the organization of presidential elections for the first time. The second elections took place in 2011 and its poor quality was denounced by many observers.

10.4. Sound macroeconomic policies mingle with poor socials

The DRC economy relies mostly on mining and service sectors which both receive money from outside and expatriate their benefits. Macroeconomic aggregates sound to be on good track whereas the social situation is getting worry some. If this paradox persists, the country could face further social unrest. The Growth in gross domestic product was 8.1 percent in 2013 and 9 percent in 2014. This is mainly the result of the existence of demand (due to population growth) , some improvements in business environment, and the rebuilding of some infrastructure.

The economic policy has been mostly featured by the Government of the DRC's willing to control the monetary offer through sound fiscal and banking policies. Unfortunately while these means are able to stabilize the DRC economy, they don't allow the DRC Government to improve social

conditions of its own staff. In the fact the DRC Government has never been able to clarify its salary policy and impose it vis – à – vis the private sector.

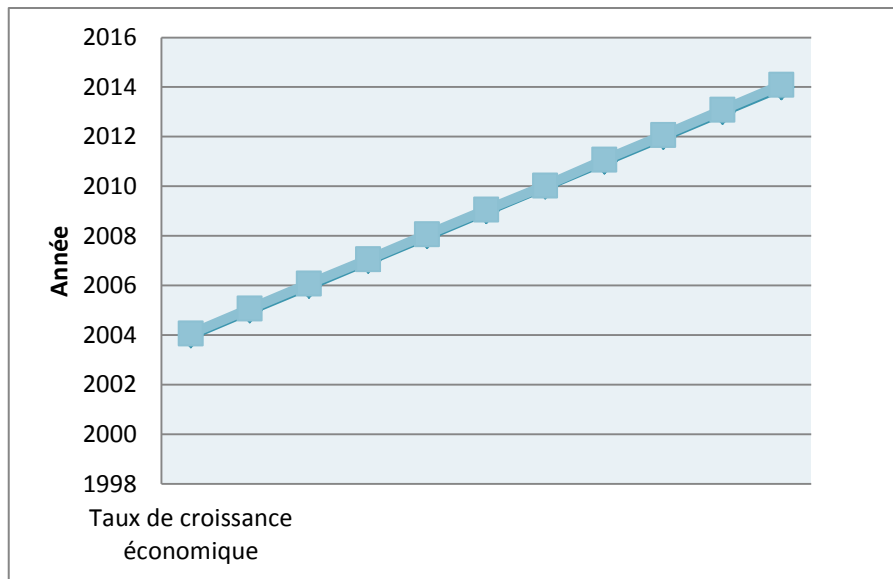
As a result of the above pictured situation, social conditions of the bulk of the DRC populations are worsening. In fact, in this huge country most of the villages (even some located in a radius of five hundred kilometres from the capital city don't have access to the market due to lack of sound infrastructure. Hundred thousands of children are unable to attend school; women and children die because of lack of basic medicines or incapacity to afford costs of surgeries.

The trend of the economic growth presents as follows:

Calendar Year	GDP Economic Growth
2004	5,80%
2005	6,60%
2006	7,80%
2007	5,60%
2008	6,30%
2009	6,20%
2010	2,80%
2011	7,10%
2012	6,90%
2013	8,10%
2014	9%

Chart 1: Economic growth statistics from the DRC Central Bank⁷⁵

⁷⁵ Pulled from the DRC Agency of Investment's Website, <http://www.investindrc.cd/fr/spip.php?article107>



Graphic 2: Economic growth rate trend.

It is worth mentioning that the DRC has one of the richest natural resources of the world. DRC has a fabulous forest along with lots of mining resources including gold, diamond, wolfram etc. Nobody can understand why this potentially rich country still relies on international aid. Efforts have been made to help this country improve its own internal governance. Impacts from this international investment still thin as ethics are always put aside by both the DRC government and donors.

10.5. GDRC Effort aiming at a better donor coordination

Following the above considerations, aid effectiveness is put into question in this current context made of slow economic recovery with potential financial crisis. It's worth mentioning, at this stage of the discussion, that DRC donors still have a long way to go in order to make their assistance more effective to DRC populations.

In fact, DRC donors are fully committed to establishing a more coordinated assistance strategy. Thematic groups set in place have proven to be effective when it came to pushing the various actors to work together, but no detailed information has been made available regarding their respective outputs. Neither the results framework nor the logical framework is known for each thematic group.

The GDRC (Government of the Democratic Republic of the Cong) still have to provide more leadership in this sector by supplying donors with a clear roadmap towards the achievement of its key goals. Donor support is still linked more to the donors' own strategies than to the one put forward by the GDRC. This situation results in serious flaws in donor coordination area. In fact, many projects implemented in the country suffer from following factors pointed out by the report of the African Development Bank: poor culture of managing for results on the DRC Government's side; poor coordination of official development assistance in order to improve its effectiveness; and weak ownership of projects in order to accelerate their implementation⁷⁶. In addition, the existence

⁷⁶ African Development Bank: *Mid-term Review of the Results-based Country Strategy Paper, 2018-2012, April 2010*"

of hidden or classified agendas among donors (especially in the security governance support to DRC) still counterproductive, and may hinder full coordination of the assistance in the future⁷⁷.

Thanks to the Minister Olivier Kamitatu (Minister of Planning from 2008 through 2012) leadership who strived to put in place the Kinshasa Agenda declaration and organized donors in clusters, some outcomes are being noticed. For instance, the agriculture sector has established its database providing a basis as to the who – do – what – where. If this is critical outcome for the cluster, a long way still to be done to instill in the cluster a real result – managing approach based on co-funded baseline studies and evaluation of programs.

The DRC, along with its major donors including the United States and United Kingdom, are signatories to the recent Busan Declaration. This is likely to facilitate discussion with a clear focus on addressing the DRC's vulnerabilities. Again, there is a major gap between the declaration and its implementation.

There is unfortunately no major study covering the topic of donor coordination in the Democratic Republic of Congo (DRC). The bulk of the information is found among donor reports in the last five years. Among the most relevant in this field are: African Development Bank, DRC Ministry of Planning, European Union, United Nations Development Program, and the World Bank.

10.6. Literature agreement on DRC Donor Coordination

All the reports and studies agree that donor coordination is a well-documented challenge in the DRC. They are also unanimous in acknowledging that very few improvements have been made in some specific sectors, such as the agricultural sector. Thus, much is still to be done before effective coordination is achieved. Moreover, it is worth noting that several studies mention that the GDRC refers to the PRSP with an emphasis on “growth” – making the acronym “PRGSP” – while donors still are not referring to the growth aspect in their reports. This seems to indicate that the GDRC's expectations are higher than the donors.

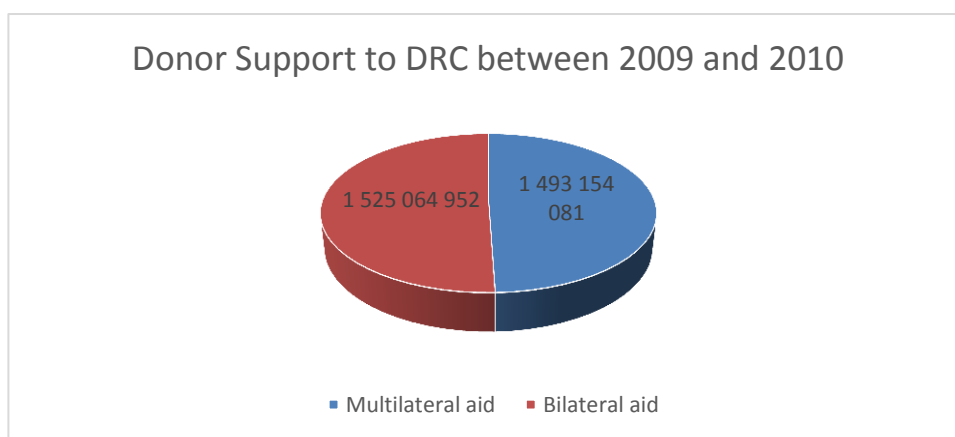
10.7. Recent Developments

Under the leadership of Mr Olivier Kamitatu, the Government of the Democratic Republic of the Congo made large strides in improving donor coordination. He put in place thematic groups, which have created a new dynamic in the donor community (there are 20 groups today). This has resulted in the revision of the country's Poverty Reduction Strategy Paper. Minister Kamitatu publicized the second generation of the PRSP on November 2, 2011. This PRSP II is a results-based paper aligned to the MDGs with a clear agenda for addressing long run poverty.

The International Community provides strong support through diplomatic, humanitarian, and development assistance. International investment in the Congo reached more than 14 billion USD between 2007 and 2010.

⁷⁷ Sylvie More and Megan Price: “The EU's Support to Security System Reform in the Democratic Republic of the Congo: perceptions from the field in spring 2010”, May 2011.

However, every donor is still following their own strategic framework, despite the above achievement. For example, among EU partners, security sector reform has suffered during the last five years from the lack of coordination. In this field, the European Commission has acknowledged the lack of a singular and uniformly-backed policy or strategy to which all the EU actors adhere. Field actors have made little reference to an overarching common EU strategy for supporting security sector reform in the DRC. Nor has there been a clear leading EU figure to align and direct the various EU actors working in the field. So each EU actor in DRC has been intervening based on their own agendas. In addition, this situation has presented a dichotomy between political actors and field staff regarding the European security agenda in the Democratic Republic of Congo.



Graphic 3: Donors’ involvement in the DRC development between 2009 and 2010⁷⁸

After the PRSP-I, DRC donors whose aid represented eighty five percent of the assistance to the country developed a Common Assistance Framework (CAF, 2008 - 2010) for DRC. CAF partners included the World Bank, the European Commission, the International Monetary Fund, the United Nations System, Belgium, Canada, and France, Germany, Japan, China, the Netherlands, Sweden, United Kingdom, and United States. This joint effort was meant to coordinate donor support for the implementation of the DRC Government’s Poverty Reduction Strategy Paper of the first generation. The CAF provided an analysis of the country context and the risks of providing development assistance in DRC. It described how the CAF partners will contribute to implementing the five PRSP pillars on Governance, Growth, Social sectors, HIV/AIDS and Community Dynamics. Besides, CAF included a joint results matrix. The Government of DRC endorsed the CAF, and used it to formulate its own short – term priority action plan (“*Plan d’Action Prioritaire*”).

The conclusions of the PRSP-I and the mid – term review of the Country Assistance development partners confirmed the relevance of the strategic orientation of the PRSP – I and the Priority Action Programme (PAP). All these documents were used during the drafting of the PRSP of second generation as the donor community anticipated that DRC would face the same challenges identified during the PRSP-I.

⁷⁸ DRC Ministry of Plan, Plate-forme de gestion de l’aide, **Bulletin d’Informations Aid Infos**, number 1, 2011, p. 4

The Kinshasa Agenda was the key outcome of the National High Level Forum on Aid Effectiveness held by the Government of Congo from June 15 -16, 2011 in Kinshasa. The Forum aimed at engaging the Government of Congo, Development partners, and Civil Society Organizations on practical steps for enhancing aid effectiveness. To this end, the forum considered following topics: aid distribution and appropriateness; mechanisms and programs' implementing tools within priority sectors; and aid architecture. The Forum was aligned to a series of international initiatives including the MDGs.

The Kinshasa Agenda was a "mini-version" of the Paris Declaration for the DRC, and was endorsed by all donors. It was welcomed by donors as a good starting point for harmonizing between the Technical and Financial Partners at the strategic level. Even so, this framework has not always prevented the multiplication and dispersal of activities. In order to operationalize the Kinshasa Agenda, Minister Kamitatu established twenty thematic groups. Thematic groups' productivity varied from one sector to another. The agricultural sector, for example, has been able to produce a sectorial database thanks to technical and financial partners' support. This database should be sustainably managed by government technical services, and serve as the basis for sectorial monitoring and evaluation. However, other thematic groups did not achieve such successes. The uneven results of the thematic groups across the spectrum prompted the Minister of Planning to launch an assessment of the implementation of the revitalization framework of the thematic groups. Following its agenda, this assessment's overall goal will be aimed at reviewing the operational framework and effectiveness of the thematic groups.

Several factors have hindered the GDRC's attempts to exert more effective leadership over donors' interventions in the DRC. These include: donors' focus on seeking more financial resources rather than on operations in the field; lack of clear engagement on the humanitarian and development agendas on the GDRC's side; and donors' preference of pursuing their own agendas.

Lastly, the PRSP II has been welcomed by the donor community as a key contribution in the GDRC's attempts to curb poverty by using measurable indicators. This results-based programmatic tool should serve as a basis for the GDRC's self-assessment.

10.8. Major knowledge gaps

All donors are fully committed to establishing a more coordinated assistance strategy. Thematic groups have proven to be effective in pushing various actors to work together, but no detailed information has been made available regarding their respective outputs. Neither the results framework nor the logical framework is known for each thematic group. A publication that encompasses all the above details and that is widely distributed would be a good step toward strengthening unity across the donor community.

10.9. Major GDRC deficiencies

The GDRC still have to provide more leadership in this sector by supplying donors with a clear roadmap towards the achievement of its key goals. Donor support is still linked more to the donors' own strategies than to the one put forward by the GDRC. This situation results in serious flaws in donor coordination area. In fact, many projects implemented in the country suffer from following

factors pointed out by the African Development Bank: Poor culture of managing for results on the DRC Government side; poor coordination of official development assistance in order to improve its effectiveness; and weak ownership of projects in order to accelerate their implementation.

In addition, the existence of hidden or classified agendas or interventions documents is still counterproductive, and may hinder full coordination of the assistance in the future. The GDRC's incapacity to address good governance issues across all sectors, combined with impunity and security problems on the one hand, and the lack of a clear roadmap on the other hand, will complicate donor coordination.

10.10. Niches for further improvements

Rather than paralyzing DRC decision makers, current problems that the DRC is facing constitute a good basis for facilitating frank discussion between the GDRC and its humanitarian and development partners. These problems include flaws in the electoral process, insecurity, corruption and mismanagement, and dire poverty across the country. These issues offer windows of opportunities for a dialogue between the GDRC and donors. A clear matrix showing which donors are doing which activities and in which location should be re-activated.

10.11. DRC Struggling to meet the Millennium Development Goals

After the implementation of its Country Assistance Strategy (from 2009 through 2011), the USAID DRC Mission is planning to step in a new five year strategy called "Country Development Cooperation Strategy" to run from 2012 through 2017. While this endeavor is ambitious due to the current situation of the country, which is still struggling with war and security volatility issues and mismanagement, it questions the country's improvements toward the Millennium Development Goals by the 2015 horizon.

Such an exercise cannot be done without providing retrospective insights on the DRC Mission's achievements during the last past three years. The exercise becomes even exciting when it comes to establishing comparisons with MDGs' landmarks.

The MDGs entail eight international development goals that 193 governments and 23 international organizations agreed to achieve by the year 2015. The DRC is one of the country signatories of this agreement. The MDGs focus on achieving the following goals: 1) end poverty and hunger eradication; 2) realize universal education; 3) enhance gender equality; 4) improve child health; 5) improve maternal Health; 6) combat HIV/AIDS; 7) increase environmental sustainability; and 8) create global partnerships.

The MDGs aim at improving socioeconomic conditions in the world's poorest. Due to its particular context, the DRC cannot achieve all the eight MDGs by 2015. The donor community task force that was commissioned to work on DRC's capabilities to achieve the MDGs made three categories of MDGs: those which the DRC was likely to meet by 2015; those which are still potentially achievable; and those that are unlikely to be achieved by 2015.

Like other developing countries, the DRC is still struggling to meet the MDGs by 2015. The DRC is not in a good position to meet following goals: ensuring full employment (1B), realizing

universal education (2A); reducing maternal mortality (5A); combatting HIV/AIDS (6A, 6B); integrate the principles of environmental sustainability (7A); and enhancing the lives of people living in slums (7C).

Despite its rich endowments, the DRC is facing tremendous challenges of governance. Poor governance has become a real cross-cutting issue that deprives the country from financial resources. Therefore, key ministries called to invest in social sectors have been unable to deliver measurable results. Young people in the DRC's big cities are the most affected by idleness. The 1-2-3 survey conducted by UNICEF-DRC has revealed that 32 percent of youth are affected by idleness, which is substantially above the national average of 18.00 percent. The country is plagued by long-running food insecurity.

In general, the literacy rate is lower among women (58.8 percent) than men (85.8 percent). This difference is worse in rural area where gaps between both sexes may vary between 20 to 30 percent. However, in urban area this difference is between 10 to 15 percent. The current trend is good in terms of improvement of the literacy rate for both sexes, but much still to be done⁷⁹.

Most of the DRC women work in the agricultural sector. Only 34 percent of them work outside of the agricultural sector. Despite the recognition of some rights, the situation of women is still wretched. Furthermore, despite the improvement of enrolment of girls in primary and secondary schools, the number of girls in schools is still lower than boys⁸⁰.

Child mortality is alarming. Child mortality statistics show the current situation is worse than in the previous decade: child mortality has actually increased to 148 per thousand in 1998 to 126 per thousand in 2001. Child vaccination is still very low in DRC. Less than one child in three receives all the required vaccines. Despite the slight improvement between 2001 and 2007, the level of vaccination is far below 80 percent targeted by the national vaccination program⁸¹.

Maternal health is still a big challenge for the DRC. The DRC is one of the African countries with high fecundity. This situation is the result of weak utilization of modern family planning methods. Male condoms are the most frequent form of contraception utilized in the DRC.

HIV prevalence among pregnant women is around 4.3 percent. Available data prove that higher prevalence rates are found in the east of the country. The systematic recourse to sexual violence by some segments of the population has contributed largely to the spreading of HIV. In the DRC, malaria is still endemic and constitutes the greatest source of morbidity

High pressure is put on the environment with higher rates in urban than in rural areas [unclear what you mean here]. In fact, 47 percent of the population occupies ten percent of the national territory. As a result, forests disappear quickly around big cities. In Kinshasa, forests have disappeared within a radius of 150 kilometers. Despite its rich endowment, access to potable water in the DRC increased from 22 percent in 2004 to 27 percent in 2005. It is worth mentioning that this rate was 37 percent in 1990, and thus there is still a long run decreasing trend [if I understand you correctly].

⁷⁹ Op. cit., p. 29.

⁸⁰ Op. cit, p. 30.

⁸¹ Op. cit. p. 30

In the framework of the world partnership, the DRC enjoys international public aid, which represented 4.48 percent of GDP in 1999. From 2000 to 2005, donors' support was channeled to the government (68 percent) and NGOs (26.4 percent). The DRC has seen the cancellation of \$13 billion of its public debt in Highly-Indebted Countries Program (HICP) framework.

There is no sign that the DRC can meet the MDGs without donor support. However, there are no statistics showing clearly the contribution of donors versus the Government. The DRC Government's contribution in establishing an enabling environment, in putting together a reliable database, and coordinating efforts in the various sectors is still paramount.

DRC contribution means strategic thoughts ex-ante to ensure projects implemented countrywide prove enough guarantee for sustainability. This is feasible only through co-funded studies including baseline studies (and subsequent evaluations) aiming at guiding the GDRC's way towards sustainable development.

The achievability of the MDGs depends on the GDRC capacity to manage effectively the inflow of aid that the country is receiving at the national level. Thanks to "groupes thematiques", this work is on good tracks, but work still to be done at the level of every project.

The lack of sound good governance does not allow DRC to collect the full benefits of the international aid. In fact if someone asks for water, he should have a good glass in order to collect the water. DRC seems to be unable to take all the benefits of aid because of poor governance.

Donors operating in the Democratic Republic of the Congo have been spending their monies through international Non-Governmental Government. As Crispin Malungumu was trying to understand the reason why donors overlooked the DRC administration, he pointed out that "donors are still reluctant to entrust their monies to the DRC administration as they still suspect corruption and poor governance on the DRC administration side"⁸².

This situation usually ends up with projects prepared in Washington or Paris without any participation from local populations. Such projects can't bear strong ownership or sustainability. Janice Kopinak warns that "exclusion assumptions of implementing agencies based on failure to recognize and include the community in planning and delivering services, can push recipients into a dependent state and negatively impact confidence, building capacity and future sustainability"⁸³. While Janice K. is talking about possibility for dependency, we can confirm that the DRC administration is already in this situation of dependency.

The GDRC has been struggling to coordinate donors around a framework accepted by all of them. Yet this endeavour has got some payoffs as clusters have been put in place and a donor platform has seen the day in The DRC. Coordination can help to avoid overlapping projects in the same areas. While this is seen to be a large stride in improving aid management for the welfare of local populations, there still a lot to be done. Baseline of projects should be done in a timely fashion so as to sort out impact of projects through rigorous methods of evaluation. Such a group of donors may

⁸² Crispin Malungumu, www.afriqueredaction.com, November 2010

⁸³ Janice Kopinak, "Humanitarian Aid : are effectiveness and sustainability impossible dreams", <http://sites.tufts.edu/jha/archives/1935; March 2013>

overcome the cost – related barrier by sharing costs among them. But here again, interests of stakeholders may differ at a point that the feasibility of such initiative could be jeopardized.

DRC setting has proven that despite the fact that donors come from the same continent and belong to the same continental platform does not preclude donors to not share the same interests while providing aid to the DRC people. Unlike in marketing management, beneficiaries' expectations are not taken into considerations. Aid becomes a terrain for implementing activities just for spending money and justify that the budget line was fully used. Financial officers of Non-Governmental entities implementing donors' aid are judged according to their ability to spend money regardless of what has been achieved in the field.

Some donors are trying to introduce the concept of “value for money” which contrasts a little bit with the idea of having in place one indicator i.e. money spent throughout the life of the project. On the other side, the DRC government has demonstrated to be unable to manage international aid. Internal poor governance explains this situation which, unfortunately, is all around poor ethics. The DRC government behaves as if donor money can replace the responsibility of the Government. No country got developed solely with money provided by donors. Good governance should come in a sake of stabilization.

Aid effectiveness does not put into question donors' approaches and mistakes. It has to go beyond and question the recipient countries' willingness to get developed. This is the moment to question the DRC Government's willingness to really move forward the DRC Development agenda. Axelle Kabou's question still actual: *“And if Africa opposed refusal to development” (Kabou A., 1992)⁸⁴*. The question still needs to be asked as African countries' governments seem to block development due to their unethical attitude towards aid. International aid is quiet often considered as an opportunity to manage countries in total opacity. It encourages even more money embezzlement.

Internalizing the link God – Morality – Ethics should be the main concern of the DRC managers following the sad observation from Sesanga Hipungu cited by Joseph Cihunda “... The DRC is facing an ethical impasse due to lack of morality: lack of sense of duty, desacralization of the state and the public authority, lack of individual responsibility, deficit of love of the general interest, deliberately weakening of the administration, reluctance to institutionalize the exercise of power instead of its personalization, dilution of the administration culture; lack of professionalism in the functions of the administration...”⁸⁵

⁸⁴ Kabou Axelle, « Et si l'Afrique Refusait le développement », Edition Flammarion, 1992.

⁸⁵ Cihunda Hengelela Joseph, Aide de la Banque Mondiale à la République Démocratique du Congo: problèmes de gestion, responsabilité des acteurs et perspectives d'avenir, 2012, p. 2

It is time to start getting donors in the Democratic Republic of the Congo more focused on results rather than on the money spending indicator. Economic downturn and financial crisis are good opportunities to put into question the important amount of money taken from tax payers of rich countries and distributed in the DRC. The current trend proves that very few donors have engaged in impact evaluations of their programs. This should be seen as an unethical way of approaching international aid vis-à-vis both donors' countries and the DRC populations. Donors should focus their efforts on improving aspects that hinder DRC (or any other developing country) to take over its own destiny. This passes through sincere commitment to make real change. Ethical attitudes are required from both donors and country recipient. Priorities and projects should be set up by both sides and implemented together using the most objective metrics. To recollect all pieces, the world should get back to the link GOD – MORALITY –ETHICS.

That said, the DRC civil servants (and the whole DRC Government) should be prepared to take on their own programs that are being implemented in this country. Capacity building programs should be implemented for preparing the transferring of responsibilities to the DRC administration. In fact, if current situation persists, the DRC Government would develop the childish syndrome of eternal dependency on aid. This will never be productive in the long run. DRC civil servants should be prepared non only to implementing transformational programs but also to monitoring and evaluating their own programs through ethically correct structures.

CONCLUSION

The DRC has already many monitoring and evaluation systems in place. Most of these systems are being pushed by the donor community intervening directly through different ministries (example the Ministry of Environment with the support of the GIZ). Donors on their side, have been implementing huge programs with monitoring and evaluation systems connected with information systems set up by their own constituency bodies. Yet all these systems are not integrated in a DRC nationwide monitoring and evaluation system. Therefore, there is a great opportunity for implementing a unique performance based monitoring and evaluation system for monitoring the sustainable development of this country. The key prerequisite here is to set in place a long term Development Plan which does not exist by the time being in the DRC.

We have proven throughout this work, that the implementation of such a system is still feasible despite the post – conflict profile of the country. There are steps to go through namely the acceptance by all “insiders” of the opportunity to surrender. Clear and transparent rules of the game should be set in place by the top leadership who should champion the initiative aiming at setting a nationwide Monitoring and Evaluation System.

The nationwide monitoring and evaluation system has the advantage of embracing all the problems that the country is facing. If the long term development plan is built upon identified growth constraints, it is likely to have the support of the majority of the populations and bear the fruits of inclusivity of the economic growth.

Our reasoning is that the Nationwide Monitoring and Evaluation System should be composed of a couple of sub-systems. The first should be the national sub-system and the second should be the Monitoring and Evaluation System placed at the grass-root level. The latter is developed and managed in a very participative way and should be based to some international landmarks leading to high international standards of welfare. Local Populations regrouped into local community development entities (already recognized by the DRC law) will be able to monitor their progress towards international standard lifestyle and struggle for this. At the end of the day, the DRC top leadership will be the one channelizing populations expectations into national wide programs.

There will be the need to set in place strong impact evaluation mechanisms in order to keep an eye on impact rather than outputs. This implies investing important financial means which help address the issue of rigor which should be the hallmark of each impact evaluation endeavour. Both the donor community and the Government should work together to ensure that high impact evaluation costs do not serve as deterrent to conducting frequent impact evaluations and thus fail to inform decision makers on what works or does not.

Setting in place outstanding monitoring and evaluation systems is very challenging given the volatility of many socioeconomic parameters. However, experts should work very closely with the DRC Government to make sure that the right investments are made to improve transparency and accountability. The top leadership of the country should champion this endeavour in order to make it happens. This is risky given the DRC setting, but this still the only way for putting an end to the business as usual trend. Business as usual is getting out of date as new technologies of communication are rendering the world tiny, and this raises the issue of practical impossibility to control the various sources of information.

RECOMMENDATIONS AND WAY FORWARD

Following recommendations derive from this study:

- 1) The GDRC should prioritize developing an integrated Development covering the next thirty years: once this long term development plan is in place, the country should put in place five – year strategies and run the country using a results – based budgeting approach;
- 2) The GDRC should invest heavily in impact evaluations as a way to sort out the welfare of populations. Following old tools could be a great help: recourse to tools which have proven to be successful in various sectors like the Human Basic Necessities Survey set up by Rick Davies or the United States Agency for International Development Governance Assessment Tool etc;
- 3) The GDRC should set in place a National Agency for coordinating the DRC Government effort aiming at integrating a nationwide monitoring and evaluation system: this implies equipping the new Agency with the necessary budget;
- 4) The Government should keep a participatory approach during the implementation of the system.

Way forward:

Need of Championship for M&E System Impulsion

Also, the DRC Government needs to have a strong champion at the highest level and a structured government team for centralizing the system. As per the current budgeting process (the M&E system should build upon the existing system) following constitutional institutions should be associated to the deal:

- 1) Presidency;
- 2) Prime Minister’s Cabinet;
- 3) Ministry of Finance;
- 4) Ministry of Budget;
- 5) Ministry of domestic Affairs;
- 6) Ministry of Planning;
- 7) Ministry of Public Service or the Ministry that deals with Civil servants.

All the above institutions have to be involved in the process as they have an important role to play in the monitoring and evaluation system because of their links to allocation government human, financial resources that can ensure delivery of greater impact.

Need of Quality Information to Decision-makers of the National M&E System

Decision – makers are key managers in public companies or services including: managers of public enterprises/services and members of the government. They need access to regular and reliable monitoring and evaluation information that contribute to their own management processes; they need to know strategies and practices that work and which ones need to be improved; they need to have a set of lessons learned overtime and assess and report on a regular basis on they own progress in terms of performance indicators.

This management information should be as detailed as possible and should be generated by regular, integrated management processes run by the Ministry of Planning.

Oversight bodies

As per the DRC constitution⁸⁶ namely its provisions under article 178, 210, and 212 following bodies should ensure technical oversight to the system:

- 1) The “Cour de compte” (Account Court);
- 2) The Electoral Commission;
- 3) The Human Rights Commission;
- 4) The Audiovisual And Communication Advisory Body;
- 5) The General Inspection of Finances;
- 6) The Anti-corruption body to the Presidency;

Each of the above stated entities should have access to existing quality information in order to review government’s compliance with the various legislative and other requirements related to government performance in specific areas of public management.

The General Public

Good governance is not the matter of solely the government. Any improvement in governance should get its impulse from the general public in the country. “Good governance requires that the public be encouraged to participate in governance and policy-making processes⁸⁷”. There are different ways of handling this. People should be invited to comment on policy proposals through media or directly through surveys and provide their inputs when it comes to assess governance or provide any other opinion on government’s impacts.

Again, the national monitoring and evaluation system should be able to provide clear, accurate and easy to read information on progress made by the Government and its impact on the millennium development goals or any other worldly set milestones for the welfare of populations.

How should look like the DRC National M&E System Architecture?

It is not easy to provide details of the DRC National M&E System architecture. The below lines aim at drawing the attention of experts on key principles that should guide the process. This is not a one fit – all process as it has to take in account specificities of the DRC Government as well as the capacity for gathering quality information in the various areas. In fact, once defined M&E principles should apply to all the different sectors of the DRC government. We will provide just the system’s aim, objectives, results to be achieved, and the logic model, and indicators of the core system.

⁸⁶ DRC Constitution in Journal Officiel, numéro special du 05 Février 2011, Constitution de la République Démocratique du Congo pulled from www.journalofficiel.cd

⁸⁷ Pulled the Official South Africa Government’s official website, <http://www.southafrica.net/za> on June 15.

System aim

- Allow to improve governance and enhance the effectiveness of public sector organizations/institutions.

System Objectives

1) Ensure the collection, collation, analysis, dissemination and application of information on the progress and impact of programs and initiatives in order to:

- Improve transparency and accountability;
- Promote service delivery improvement;
- Ensure compliance with statutory and other requirements;
- Promote the emergence of a learning culture in the public sector

Results to be achieved

- RESULT 1: Accurate and reliable information on progress in the implementation of government and donor community is collected and updated on a continual basis;
- RESULT 2: Information on the outcomes and impact achieved by government and other public bodies is periodically collected and disclosed;
- RESULT 3: the quality of monitoring and evaluation practices in government and public bodies is improved

Indicators of the system

Indicators of the National System should be presented according to their performance area and subsequent performance indicators. It is worth mentioning that indicators at national level should interact with the WWF sustainable indicator set.

Performance area	Performance Indicator
M&E practices (norms and standards) are prescribed and adhered to	<ul style="list-style-type: none">• Quality of standards• Level of dissemination of standards• Extent of compliance to National M&E standards
Information on implementation processes (outputs) and impact (outcomes) gathered and reported upon	<ul style="list-style-type: none">• Frequency of quality reported by Government entities and cross cutting systems
Compliance to regulatory frameworks is measured	<ul style="list-style-type: none">• Number of compliance reports• Quality of compliance reports• Proportion of government on which compliance reporting is completed• Implementation of recommendations from compliance reports
Learning by doing leads to best practice promotion and collaborative problem solving	<ul style="list-style-type: none">• Number of practice improvements resulting from learning from the system

Interventions are designed and implemented	<ul style="list-style-type: none"> • Number of support interventions • Quality of support interventions • Quality of interventions' results
Evidence – based decision making supports policy adjustments	<ul style="list-style-type: none"> • Number of policy revisions resulting from system reports
Transparency and accountability is improved Service delivery is improved Improved governance Enhanced public service effectiveness	<ul style="list-style-type: none"> • Results developed • Quality of indicators developed

Performance Indicators and sources of information

Performance indicators should be monitored at both national and local level.

Nation level Indicators

The DRC National indicators should be selected according to National Results or high level results from each ministry area. There should be intermediate results for better traceability.

Sustainable Development Indicators (as per the above WWF sustainable indicator set) should apply at the grass roots level to ensure DRC populations are fully aware of the progress towards meeting key internationally agreed upon life standards.

Information on Government programs

Each Ministry should provide right ahead of the fiscal year details relating to :

- 1) Ministry strategy for tackling key development problems in its sector;
- 2) Quarterly reports on the achievements of targets set in terms of performance indicators included in their strategic plans;
- 3) Bi-monthly collation of information on progress made in relation to the government's action plan and reporting to the Prime Minister's Cabinet;
- 4) Reports on impact studies for each of their programs undertaken at least every five years.

Information on Donor Programs throughout the Country

In order to ensure leadership of the aid from the donor community, the DRC Government (through the Ministry of Planning) should be able to gather following key information:

- 1) Each donor's five – year strategy linked to the DRC long term Development Plan;
- 2) Quarterly reports on achievements in the various programs implemented by donors;
- 3) Bi-monthly collation of information on progress made (through sectorial ministry);
- 4) Reports on eventual impacts assessed by independent evaluators paid by donors.

Information Verification

The national M&E system should be managed by the DRC National Monitoring and Evaluation Agency (DNMEA). This body should coordinate the DRC Government's effort in implementing the system countrywide namely by:

- 1) Maintaining communication with all affected stakeholders and ensuring each of them is fully aware of what is required of them and when;
- 2) Providing the information technology infrastructure for the submission of information and the creation of system reports;
- 3) Reviewing and assessing the frequency and quality of information provided by the transversal systems;
- 4) Alerting the relevant authorities when system information indicators that there are problems or matters requiring attention, for example by triggering implementation of the framework for Government interventions;
- 5) Developing and improving the system overtime.

System Management and Maintenance

Each Ministry or public entity should provide the necessary information as required and should determine procedures and processes appropriate to their own operations. Guidelines for reporting should be developed and disseminated through the M&E standards.

The above DRC National M&E System's elements are very prescriptive. They pave the way for implementing a workable a nationwide M&E system that can guaranty economic growth inclusivity in DRC and for the long run. This is currently a gap in the DRC government which should improve dramatically the DRC Government's communication.

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