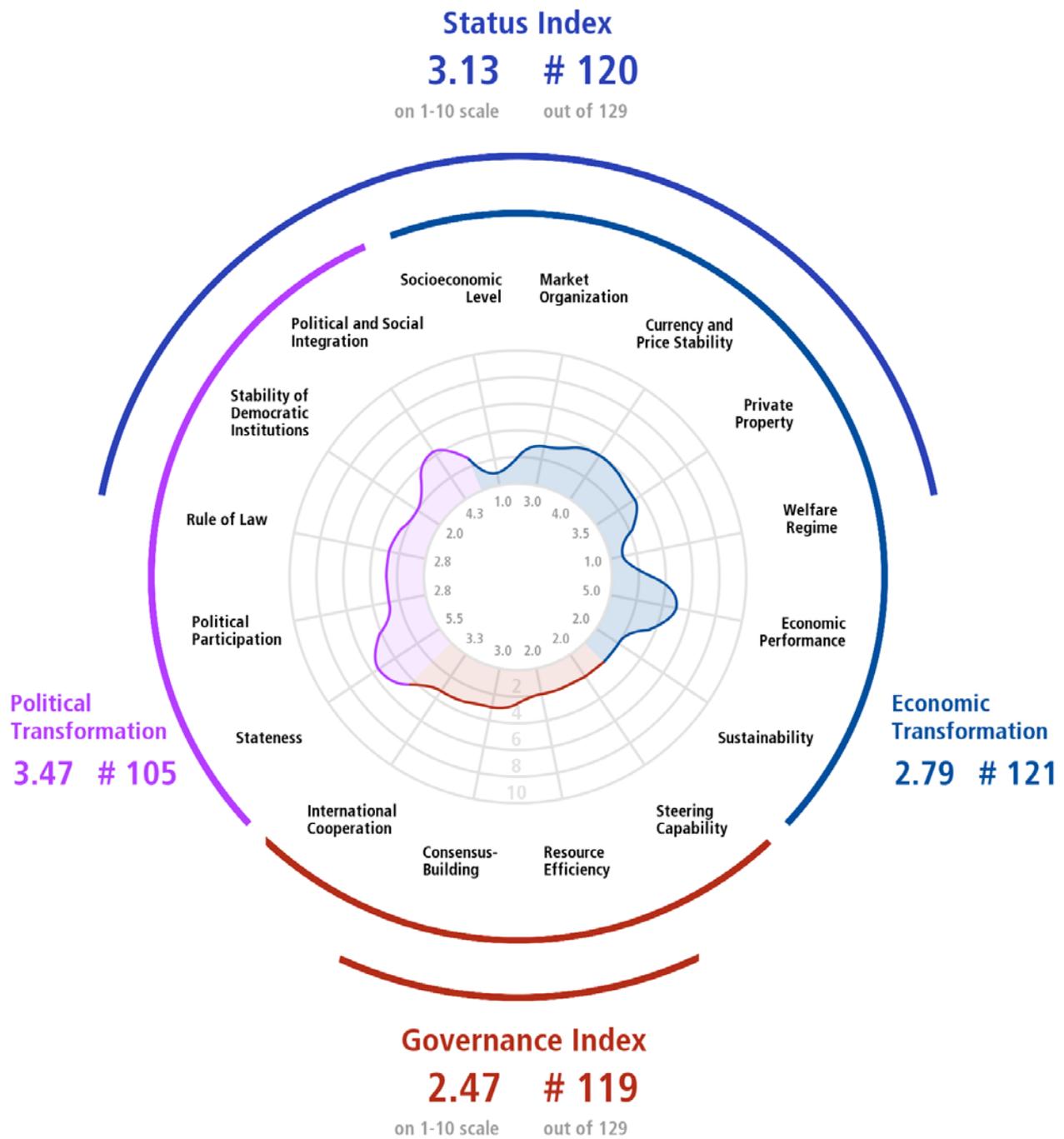


Congo, DR



This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2018. It covers the period from February 1, 2015 to January 31, 2017. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

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Key Indicators

Population	M	78.7	HDI	0.435	GDP p.c., PPP \$	801
Pop. growth ¹	% p.a.	3.3	HDI rank of 188	176	Gini Index	42.1
Life expectancy	years	59.2	UN Education Index	0.495	Poverty ³	% 91.3
Urban population	%	43.0	Gender inequality ²	0.663	Aid per capita \$	34.1

Sources (as of October 2017): The World Bank, World Development Indicators 2017 | UNDP, Human Development Report 2016. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

During the period under review, the Democratic Republic of the Congo (DRC) made no substantial progress in terms of democratic and economic transformation. To the contrary, the period was marked by increasing authoritarianism and disrespect of the constitution, with the ruling elite using any available means to tighten its grip on power. This situation did not drastically change with the agreement between opposition and government for a government of national cohesion (still not implemented at time of writing), tasked with preparing the postponed elections and managing the transition period. It is foreseeable that conflict about its configuration and implementation will lead to increased tensions and that the distribution of government posts will follow political needs, and not political merits or acquaintance of the candidates. Therefore, political and social tensions will remain high. Interest in democratic, social and economic transformation likely will remain low.

Political parties on both sides of the political spectrum are better considered political enterprises, dependent on one person to finance the party and operating for the personal wellbeing of few individuals. They are by no means instruments of social groups pushing political agendas. Political parties thus do not present any viable solutions for social conflicts. These conflicts are to date largely solved by violence, intimidation and harassment, and not by legally appropriate means.

Service delivery by the administration remained very weak. In particular, the chaotically implemented territorial decentralization increased the number of provinces from 11 to 26, with many of these new provinces having virtually no administrative capacity. This also has serious consequences for the division of powers. Since there are also no elected officials present in local administrations, there is no vertical separation of powers to be found. Horizontal division of powers is also historically low due to a weak parliament and a quasi-government-controlled, corrupt and inefficient judicial system. However, civil society organizations and some media remained very active in DRC despite growing pressure from security services.

Despite some improvements, mainly due to the support of U.N. operations in the east, security issues remained rampant. Armed groups continue to be present in the historically problematic east, and especially in the region around Beni/North Kivu that suffered from repeated deadly attacks by Ugandan-based rebels.

The economy suffered from heavy setbacks in 2016 caused by external variables but also internal mismanagement and corruption. The period of stable growth and low inflation seems to be over. The country's resources and revenues still benefit only a very small part of the elite. As a result, the social and economic situation of many Congolese did not improve to a noteworthy degree. The investment climate further deteriorated and property rights have severely declined. DRC remained among the worst countries to do business in.

Strategic prioritization, implementation and policy learning are historically weak. During the reporting period, the focus on the next elections and finding a way for Kabila to stay in power overshadowed everything, such as long-term strategic planning.

History and Characteristics of Transformation

Historically, the Democratic Republic of the Congo (DRC) has been plagued by successive armed conflicts, economic depletion and mismanagement, external meddling and severe socioeconomic problems.

The colonial period (administered by the Belgians) has been marked by particularly brutal force and extreme exploitation of resources to the detriment of the local population, creating a situation in which by the time of independence in 1960, only a few Congolese had higher education or the necessary skills to run modern politics or the economy, while at the same time traditional socioeconomic structures had long been destroyed. The early years of independence were marked by ethnic rivalries, army mutinies, power struggles and external meddling. The first prime minister, Patrice Lumumba, was assassinated in 1961. In 1965, Mobutu Sese Seko staged a coup d'état, which paved the way for his 32-year authoritarian regime. During his reign, he exploited the state for private purposes on a massive scale, while the majority of the population suffered – mostly in the last years of the dictatorship – from severe unemployment, poverty, extreme inflation and the decay of infrastructure. During the dictatorship, there was little room for socio-political mobilization and every attempt at it was stifled either by force or co-option. However, when vital support by Western allies diminished after the end of the Cold War, Mobutu was forced to open up the political sphere in the 1990s, introducing a multiparty system and formally engaging in a political dialogue during a Sovereign National Conference (CNS). The conference was attended by over 2000 representatives of political parties and civil society groups, which mushroomed after the political opening but to a large degree, had neither a constituency nor a program or objective. Nevertheless, the CNS did some important work and produced a wide range of detailed recommendations that were never implemented. In fact, the regime never took the CNS seriously, and when for the first time since 1965 a prime minister was elected (Etienne Tshisekedi from the

Union for Democracy and Social Progress (UDPS)) and a transitional government installed in 1992, Mobutu reacted by establishing a parallel government and intensifying the systematic plundering of state resources. Planned elections were continuously postponed. During the years between 1990 and 1995, any remains of the formal economic sector collapsed and plundering and armed violence – mostly in the East – soared.

A combination of internal and external factors led to the outbreak of the First Congo war, including the establishment of massive refugee camps of Rwandan Hutu from which the former Rwandan genocidal regime re-organized and attacked Rwanda; ethnic conflicts in the Kivu provinces (revolving around land, access to resources and citizenship questions); the total decay of state structures, including a disorganized and marauding army. Heavily backed by Rwanda and Uganda, the Alliance of Democratic Forces for the Liberation of Congo (AFDL) started the war in October 1996 and ousted Mobutu in less than a year, establishing a new government under the lead of Laurent-Désiré Kabila.

The new regime did not bring the political and economic changes long hoped for. On the contrary, Kabila's government style was extremely authoritarian and the president quickly antagonized not only the Congolese political class and population, but also his external allies. When he expelled Rwandan army officers and engaged in anti-Rwandan discourse in 1998, his formerly most important supporters – Rwanda and Uganda – started the Second Congo War or the “Great African War,” in which nine African states as well as around 30 local militias and several multinational companies have so far been involved; the death toll is estimated to have reached over 5 million.

Congo entered a long period of “wars within wars,” characterized by the emergence of a plethora of armed groups, quickly changing loyalties and alliances as well as a shift in focus from taking over political power in Kinshasa to controlling mining rich areas in the east, north and south of the country. As opposed to the quick advance of 1996 to 1997, the war soon stalled and broadly divided the country into three parts: a government-controlled west and south and two rebel-states in the north (MLC) and east (RCD).

Assassinated in January 2001, Laurent Kabila was succeeded by his son Joseph Kabila, who resumed parallel peace negotiations with the governments of Rwanda and Uganda, as well as with Congolese rebels (in Sun City), culminating in three different peace agreements in 2002 and 2003. The Sun City agreement installed a transitional government with Kabila as president and four vice-presidents from the Kabila faction, the RCD, the MLC and the political opposition. The agreement foresaw comprehensive power-sharing in political institutions, the military and parastatal companies down to the provincial level. The largest U.N. peacekeeping mission MONUC (later MONUSCO) was established. While the war was officially over, violence in the east continued, but decreased slightly within the last years.

The first post-war elections in 2006, which ended the transition period, brought a landslide victory for Kabila. His promises of widespread reforms entitled “les cinq chantiers” (“the five building sites”) – allegedly to tackle infrastructure, health and education, housing, water and electricity, and employment – have become nothing more than the butt of cynical jokes, as the logic of

governance in Congo under different prime ministers has remained one of corruption, embezzlement and opportunism, with no tangible improvement for the general population.

Due to the unfulfilled reform promises and his compromising stance toward the rebels in the Kivus, Kabila's popularity decreased enormously, to the point where he could only win another electoral victory in 2011 through blatant fraud.

Toward the end of his last constitutional mandate, indications that Kabila would try to stay in power by every means materialized, worsening the climate in Kinshasa and other big cities. Protests were met with a disproportionate use of force by the police and presidential guard units.

With the end of Kabila's mandate in December 2016, government, (some) opposition parties and other relevant actors agreed on a transitional government, that ought to prepare elections within the coming 12 to 18 month (no consensus on this at time of writing) leaving Kabila in power. It is by no means guaranteed, that Kabila's side will not continue to block the transition. Questions around elections will be crucial during the next month and perhaps years, leaving DRC's future highly unpredictable.

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

Transformation Status

I. Political Transformation

1 | Stateness

In the history of the Congo, the state had rarely, and only for brief periods of time, the full monopoly on the use of force over the whole of its territory. The immense size of the country and a disastrous lack of infrastructure coupled with notoriously prolonged poor administrative management have contributed to the fact that the state is absent in most rural and less densely populated areas of this huge country.

For decades, the state's monopoly on the use of force has been remarkably contested to varying degrees by various groups, especially in east, for instance in the periphery of the Ituri, Maniema, Tanganyika North and South Kivu provinces.

The most affected areas are located in the eastern part of the country. In the east, even though the rebel groups have full control of violence only in a few areas, the continuous presence of MONUSCO peacekeepers resulted in an unstable and precarious control of the use of violence overall. Rebels continue to attack villages or kidnap and kill people. The massacres of Beni in the province of North Kivu by Alliance of the Democratic Forces of Congo (AFDC) Rebels from neighboring Uganda in the course of 2016, leaving dozens of people dead, is one of the most illustrative cases.

In addition, the slow integration of the Armed Forces of the Democratic Republic of Congo (FARDC) into a solid and professional national army does not help the Congolese state move towards fully monopolizing the use of force throughout the country. To date, the FARDC remains an integration of various rebel groups with split command loyalties, marred with corruption and proven frequent accusations of rape and human rights violations.

There is clearly no urgency or strong political will from the Congolese presidency or successive governments to rapidly professionalize the FARDC for it to effectively take on its duties.

Question
Score

Monopoly on the
use of force

3

'06 '18 10



A unit within these forces, the republican (presidential) guards, highly trained and well-paid, has almost become a private army only concerned with protecting the president, his family and his most trusted inner circle.

The other FARDC's units and those of the national police usually operate to instill fear within the population (unofficially using their military position to sometimes extort money and belongings), and control protests and insurrections – sometimes with orders to kill as was the case with mass protests in September 2016 around the country. In these cases, these units received special incentives and were usually mixed to operate with a few republican guards and were guided by foreign military consultants.

Despite the violent history of the state, its immense territory and the diversity of its ethnic groups, languages and cultures, the Congolese have a remarkably strong sense of national identity. This goes back to Mobutu's policy of "authenticité." Apart from early, post-independence attempts at secession in Katanga and Kasai, no rebel movement or other major group has ever advocated for secession.

The absence of the state in most rural areas increased the importance of traditional governance (based on ethnic groups and their leaders) to manage many conflict resolution mechanisms or policies on land-rights and heritage.

Minority groups are thus not denied civic rights as a matter of government policy, but may be discriminated against in accessing these traditional instruments (which is mainly a problem of the rule of law).

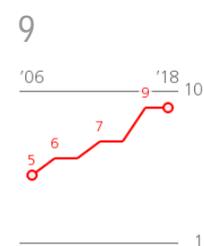
In recent years, despite the inclusive character of the 2006 law on Congolese citizenship, an anti-Rwandan sentiment gained traction beyond the eastern provinces, where the citizenship of Rwandophone minorities continues to be questioned by ethnic majority groups.

Rwandophone people, even if they have lived in the country for generations, are often considered foreigners in possession of too much power. In fact, the current regime is usually referred to as controlled by Rwandophones or as strongly collaborating with Rwandophones.

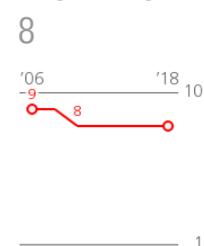
The DRC is a secular state. Religious dogmas have only a very limited degree of direct influence on politics. However, the country's religious bodies, especially the Christian churches, are extremely influential in society. Around half of the Congolese TV stations belong to Pentecostal churches. Therefore, politicians try to co-opt churches and preachers for their political agenda. Rumors suggest that representatives of Pentecostal and protestant churches exert a big influence on President Kabila.

The Catholic church, running many hospitals and schools in rural Congo, traditionally plays a balancing role in Congolese politics. Currently, the church is offering its offices to bring together the current regime and opposition members to

State identity



No interference of religious dogmas



provide space to facilitate a peaceful transition of power (general elections, and ultimately constitutional change of regime no later than December 2017, as agreed upon in December 2016).

Most state institutions also have a quota requiring the inclusion of religious representatives as part of the Congolese civil society political component. The director of the Independent Electoral Commission is for example appointed after being proposed by the country's religious groups.

Beside the Christian churches, the visibility of Muslims has increased substantially in recent years in the eastern part of the Congo, triggered mostly by important financial inflows from Arabic countries and their proximity to countries with a growing number of Muslims. Their limited prominence does not allow them to play similar public roles to that of the Christian religious leaders.

In general, religious leaders, besides their social engagements, refrain from using their positions to visibly influence the day-to-day politics in the Congo.

The state infrastructure is fragile in most major cities and almost nonexistent in remote areas. The administration is corrupt, underfunded and lacks professional personnel and resources. Service delivery is thus extremely deficient.

In August 2015, provinces were newly designed, increasing from 11 to 26. This measure was part of the 2006 constitution and was advocated for by the majority of international experts since it would in theory enhance the capacity of local administration to react to local issues adequately. However, this decentralization came without any funding for the new provinces and was not prepared for by any other means. It seemed to be a political maneuver to strengthen control of the central government by weakening provincial administration. To date, most of the new provinces do not even use buildings for their ministries and parliaments, not to speak of basic social infrastructure for its population.

The development of local infrastructure is never an important aspect of these officials' agenda and remains in a deplorable condition.

The judiciary is corrupt, partial, inefficient and largely restricted to a few major cities. As a consequence, populist and mob justice is rampant.

According to the World Bank, 29% of Congolese have access to sanitation facilities and 52% to water sources (2015). A slight increase of the still very low proportion of Congolese with access to sanitation is due to international donor projects, and not a result of government spending. Schooling in rural areas is either extremely deficient or lacking altogether. If there are health facilities, most are not provided by the government but by private and/or humanitarian organizations. Fire brigades or government-run ambulances are virtually nonexistent. Major reconstruction

Basic
administration

2

'06 _____ '18 10



programs, including Kabila's promised "cinq chantiers," have produced very limited results – mainly overpriced government buildings in Kinshasa.

Transport infrastructure is limited to a few urban areas and these are not connected among each other. Energy is only distributed to some major cities. Even a town like Kikwit with nearly half a million inhabitants is not connected to any electricity grid.

2 | Political Participation

Since the country's independence, the DRC has thus far seen only two semi-democratic elections, in 2006 and 2011. As with most African countries with a long history of colonial rule, dictatorship and civil war, the DRC has a fragile democratic culture and a non-functioning support infrastructure. At the same time, elections are the only means for the ruling elite to gain international legitimacy. Therefore, elections in DRC are moments of extreme fragility, massive fraud and violence.

The 2006 elections were generally deemed acceptable despite irregularities and violence on all sides. In contrast to 2006, the 2011 elections were decried as poorly organized and fraudulent. A constitutional change in 2011 eliminated the second round of voting and replaced the necessary majority for presidential elections with a relative majority.

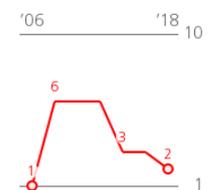
Throughout the pre-election period, electoral violations were reported, including severe intimidation and targeted violence against civil society activists. CENI, the electoral commission, was late in being established and soon lost credibility by poorly updating the voter register. Infrastructure problems were immense.

The final presidential election results attributed 49% to President Kabila and 32% to opposition leader Etienne Tshisekedi. The election results were contested by both international and national election observers as well as the political opposition. The main points of critique were an unrealistic voter turnout of 100% in Kabila strongholds, result manipulation in various counting centers, intimidation of polling staff and chaotic result collection, leading inter alia to the loss of around 20% of the election results in Kinshasa.

These were the last elections to take place in the country. Neither the planned direct elections for provincial assemblies, whose members would vote for the 108 senators of the upper house, governors and vice governors, took place, nor did local and communal elections. Elections for provincial assemblies only took place directly after the new constitution came into force in 2006. The then-elected members of these assemblies are still in power despite decentralization that split most old provinces into three or four new provinces.

Free and fair elections

2



Local and communal assemblies, as foreseen in the constitution of 2006 have never been elected. Respective elections were announced many times but local mandates are still occupied by officials appointed by the central government.

National elections were to be organized before the end of 2016 since the second mandate (last according to the constitution) of president Kabila ends on December 19. Already in 2015 it became clear that the president had no intention of leaving power. Declaring the need for a law on the organization of a population census before holding elections (which would take years to complete in DRC) led to violent protests in January 2015. The census law was not followed up on, but there were no signs of election preparations from the administration either. In particular, the question of voter registry was ignored, which is always a crucial issue before elections in DRC since no permanent public registry exists in DRC. In August 2015, seven parties under the name of G7 withdrew from government in protest against the government's procrastination in organizing the general elections.

As part of its strategy to delay the organization of the election at the date required by the constitution, the members of the president's political group opted to reorganize the CENI, arguing that the departure of G7 broke the political coalition and required CENI's officials belonging to G7 step down and be replaced by loyalists. CENI was already going through internal organizational trouble following the resignation of its president Malu-Malu, who passed away in 2016. The crisis within the CENI together with the one inflicted by the split of G7 from the president's camp, in addition to the government's refusal to fulfill its obligations, seriously affected its work and almost made it impossible for CENI to meet its expectations in due time.

To date, CENI continue to struggle with voter registration. Even though all national and international stakeholders openly agree that an adequate voter registration process would take at least 10 months, preparations only started in May 2016 when a law on the acquisition of voter-identification equipment was enacted. The first equipment arrived end of July, registration itself only started timidly in August 2016.

Only after violent clashes left dozens dead in September and December 2016, opposition and majority parties agreed, under the mediation of the African Union peace facilitator, to form a government of national cohesion tasked with preparing and holding elections by April 2018 (past the required constitutional deadline).

This agreement did not really hold and was criticized as not fully inclusive of all political and social forces. On December 31, 2016, another more inclusive agreement was reached under the facilitation of the Congolese Catholic Bishop Conference (CENCO), and is set to pave the way for another government tasked with organizing elections no later than December 2017.

There are no guarantees against further obstructions before December 2017, thus no one can be sure that general elections will really take place as agreed by these parties.

At the time of writing this report, implementation of this new agreement (CENCO) has not begun. Local elections are realistically not to be expected any time soon.

The Congolese government is not really democratically elected. Constitutionally, the government should have organized free and fair elections in September 2016 and allowed for the peaceful transition of power on December 19, 2016. To date, the Congo is marred by a political crisis, with the current regime and influential opposition members involved in various negotiations aiming at avoiding violence due to the government's failure to (1) organize the elections as prescribed by the constitution, (2) organize elections before the agreed deadline of December 2017 (the CENCO agreement), (3) and provide for a peaceful transfer of power from the current regime to the elected one.

The regime has strong control of the state's financial and military apparatuses (the crucial units), raising concerns that the opposition, despite its presence in the transitional government, might not be able to hold firm for a strict respect of the agreement to eventually organize the elections. Civilian's protests over the delayed elections have been controlled so far by use of deadly force.

Due to his discreet and withdrawn style of management, many suggest that Kabila does not really make all decisions coming from president's office. The president operates mostly through different unofficial channels filled with trusted, discreet influential people (mostly family members). These channels sometimes overshadow the country's government. These channels allow him to have direct control over almost every single private economic investment (mining, infrastructural development, transport, etc.) in the country or to be at the heart of the country's financial operations (i.e., as a supplier).

National, regional and international economic players, most importantly those involved in the mining sector, are all connected to government in a certain way, and while difficult to assess, have an undeniable influence on politics. Private enterprises of a fair size more or less do not exist in the country and thus do not play a crucial role.

In the light of recent events, it is clear that international actors did not really apply their influence to back the unshakable respect of the constitution given their financial support to the country's various projects.

The regime has developed quite a successful strategy to label every international statement on the Congo unfavorable to the regime as an act of interference.

MONUSCO is still a critical veto-power in the definition of security-related policies in the east but also came under pressure, for example by a bomb blast in November 2016. The future of MONUSCO is not clear in the long term.

Effective power to govern

2

'06 '18 10



On the other hand, external powers like China play an important role in the development of infrastructure and thus gained increasing influence since Congo is hugely indebted to China.

Regional powers like Angola and Rwanda are reported to have a considerable influence over the Congolese President's decisions, especially for issues with direct impact on their countries. This is due to their military relations with the country, mostly arranged exclusively by the president himself. Angolan forces are usually credited for training and putting together the republican (residential) guards.

In general, the Congolese decision-makers at provincial and national levels are no longer within the electoral mandate since December 2016. Transitional options are being put in place as a result of political negotiations. The presidency has always been very powerful in the Congo, and uses its control of the country's financial and military apparatuses to exercise influence wherever suitable to its agenda, especially in major urban areas.

The constitution guarantees freedom of association and assembly and, in principle, opposition parties and civil society organizations are free to operate. However, in recent years, opposition parties, especially those positioned against the ruling coalition, as well as civil society activists were repeatedly harassed or constrained in their activities.

Rallies against a third term for Kabila were increasingly restrained and oppositionists arrested. In September and December 2016, many dozens of those protesting against Kabila's election delay and his holding onto the presidency were killed in Kinshasa by the police and units of the presidential guards.

Before and after these demonstrations it became increasingly difficult to get permission from municipal and urban authorities for demonstrations by opposition parties. In most major cities, like Kinshasa and Lubumbashi, authorities have suspended the granting of permits to peacefully demonstrate.

Usually, demonstrators are infiltrated by the regime's disruptive elements set to create chaos in order to trigger violent reactions from security forces. In most cases as in September and December 2016, many peaceful demonstrators were killed, with the ultimate objective to instill fear in the population.

The right to form associations also came under pressure. Members of social movements like Filimbi or LUCHA often were arrested simply because they belong to these associations. Party meetings were dissolved or banned for vague reasons.

Still, opposition parties do exist and they can, to a low extent, organize public activities.

Association /
assembly rights

3

'06 '18 10



Constitutionally, the right to freedom of expression is guaranteed, but in practice it is limited. There are opposition newspapers that can openly criticize government, but newspaper circulation is mainly limited to Kinshasa and a few big cities. Radio and television, on the contrary, are omnipresent in large urban areas. There are uncountable TV stations; however, most of them are completely apolitical and mainly show series or music videos, or are in the hands of Pentecostal churches broadcasting sermons. During elections, the latter are often used to spout political propaganda for various candidates. However, some media outlets continue to challenge the state in order to provide room for lively political and societal debates as a contribution to the democratic opinion-forming process. The only nationwide media outlets that offer objective information of good quality are Radio France International (RFI) and Radio Okapi, the U.N.-sponsored media outlet. Even Radio Okapi sometimes shies away from certain issues of greater national relevance in order to avoid rebuke from the Congolese Ministry of Media and Information, famous for brutally policing the media in favor of the government's perspectives. RFI, on the other side, does not have that problem since it operates from outside the country but its frequencies are blocked regularly if sensitive issues are developing.

Access to the internet is not restricted and the government has only recently started to monitor its content. The share of Congolese with access to internet varies heavily with different surveys.

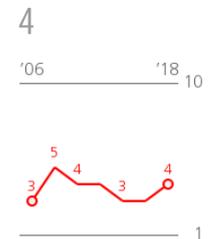
As a result of mobile internet, a majority of Congolese have at least basic access to internet and this number is rising in rural areas due to improving network coverage for mobile phones. Media platforms, such as 7sur7.cd, and platforms of the national newspapers are becoming increasingly important. This also includes social media like Facebook or Twitter. Government is increasingly aware of this development and puts pressure on organizations educating civil society and political parties on the use of social media. Another reaction was the sharp increase of taxes on mobile-phone providers in June 2016, leading some providers to double prices for mobile internet and, therefore, to a drop in the number of internet users.

Regulations and laws related to the media generally serve as a way for government to censor information, to consolidate President Kabila's power and to suppress criticism. Under these laws, the government has brought criminal charges against political opponents and shut down broadcast operations. Media freedom is currently being undermined severely by political tensions concerning the elections of 2016. Threats and censorship are on the rise.

Harassment and intimidation of journalists and civil society activists who speak up against the government are common. The latest example is the killing of RTNC journalist Marcel Lubala by a uniformed man in Mbuji-Mayi in November 2016.

Severe interference with freedom of expression is reflected in international assessments. For many years, the global surveys by the Freedom House have kept the

Freedom of
expression



DRC in the “Not Free” category in terms of general freedom and freedom of the press. “Journalists en danger” reports 87 attacks on press freedom in 2016.

3 | Rule of Law

The constitution provides for horizontal separation of powers between the executive, the legislature, and the judiciary and a vertical separation of powers between the national state, provinces and communal administrations. In practice, however, the system of checks and balances is severely limited. The parliament often simply “rubber-stamps” what the presidency dictates. The parliament, and in particular the opposition – where parties often have only one or two seats – is as a whole fragmented.

Opportunism and quickly changing alliances among members of parliament are common. Therefore, the centralization of power in the presidency is a result of a mix of intimidation and co-option, and often includes the channeling of state funds into the complex system of neo-patrimonial networks.

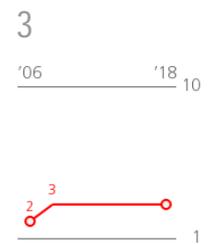
State power is rarely subjected to independent decisions of the judiciary which is highly politicized, submissive to the president and his inner circle’s desires and susceptible to corruption.

Regarding the vertical separation of powers, Congo witnessed a sharp drop with “decentralization,” the division of provinces bringing their total number from 11 to 26 in August 2015. As stated above, this was not matched by transfer of funds or other preparations. As a result, commissioners, named by the central government were installed at the place of to-be elected governors. In mid-2016, governors of the new provinces were finally elected by the provincial assemblies (elected last in 2006) accompanied with major pressure by the central government. Government candidates (in most cases former commissioners) won all but three provinces, replacing strong opposition governors at least in some cases.

As a result, virtually all provinces are now governed by officials that owe loyalty to the presidential camp. Since communal administrations were never elected and are also run by officials named by the central government, vertical separation of powers is extremely weak and biased in favor of the presidential camp’s interests in DRC.

With the reinstatement of the constitutional court in 2015, only a formal improvement of the judiciary was achieved. In general, the Congolese judiciary is heavily corrupt, overburdened, under-financed and lacking the most basic infrastructure. It operates within the framework of one of the most ramshackle legal systems in the world. The judiciary is highly dependent on politicians and military authorities. The president appoints, suspends and dismisses judges and public prosecutors upon proposal by the High Council of the Judiciary.

Separation of powers



Independent judiciary

2

Office abuse is very rarely subject to juridical prosecution. At the same time, jurisdiction is often used as a means for powerful elites to silence dissidents. Many political opponents face legal prosecution and ensuing imprisonment on trumped-up criminal charges. At the same time, courts are used to generate income from international companies which are often sued on a nonexistent legal basis knowing that these companies will settle and pay fines before going to trial before risking to be forced to pay a fantasy sum after trial.

The judiciary thus serves multiple topics but is by no means independent. Not surprisingly, people tend to refer to traditional conflict solution mechanisms to an increasing degree, not only in rural areas.

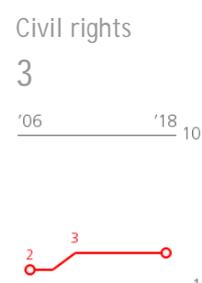
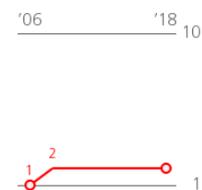
Despite the existence of anti-corruption laws, absolute impunity for public officeholders prevails. There is an almost total lack of transparency in governmental decisions and accountability. Petty corruption is rampant – and in many cases the only means to survive for employees of the public administration – and largely considered normal by the population, despite a high level of frustration and a growing awareness for the problem.

If office abuse is indeed prosecuted, it is usually a means of getting rid of potential political competitors rather than promoting the rule of law. Cases of apparent high-level corruption and dubious deals were reported by the United Nations or civil society groups, but have had no visible consequences for the persons implicated. In most cases, the suspect was quickly withdrawn from the political or military scene and reinstated in low-profile positions for a certain time before reappearing in high-level positions. In general, the FARDC are characterized by a very high rate of office abuses and general impunity. In 2013, it originally seemed that Kabila was willing to change this situation by dismissing many notoriously corrupt individuals reportedly implicated in arms deals and gross human rights violations from their positions, but the army reshuffling in 2014 brought most of them back.

Civil rights are guaranteed by the Congolese constitution, but frequently violated by the state. In addition, no accountable juridical components exist, that could prosecute civil rights violations. These remain thus largely unprosecuted. Arbitrary arrest, intimidation and harassment of political opposition and civil society activists are common. The most recent large-scale case of severe infringement of civil rights was the treatment of youth movements Filimbi and LUCHA whose activists were harassed and put into jail on several occasions across the country.

The national army and other armed groups, especially in the east, are known for many cases of gross human rights violations and only very few cases have been prosecuted. Sexualized violence against women and girls remains a tremendous problem.

International attention on rape as a weapon of war – often committed by the national army – is extremely high. As a result, Congolese NGOs in the troubled east of the



country have focused heavily on the topic and the DRC has since become a country with a remarkable record of court cases dealing with rape. However, results are often discouraging for rape victims and impunity remains the norm. Still, other forms of gender-based violence, such as unequal access to resources, a misogynist statutory and customary legal framework, and outright discrimination of women in many areas of everyday life are largely ignored.

4 | Stability of Democratic Institutions

With the reconstitution of the constitutional court in 2015 and implementation of territorial decentralization, it can formally be argued that the required conventional democratic institutions exist. However, the regime is actually authoritarian in nature and these institutions remain weak and ineffective.

State institutions, and especially the parliament and the judiciary, which should provide checks and balances, suffer from corruption, lack of professionalism, poor performance and dependence on the political patronage of the president. Parliament is characterized by a plethora of small parties and independent candidates who switch alliances almost any time suitable to their personal interests. Nonetheless, parliament carries out its legislative function and real debates – within which opposition can speak openly – take place and are covered by the media.

The public administration is fragile and largely confined to major cities. A lack of funding and material makes corruption the only available means to survive for many employees of the administration. Service delivery is thus extremely deficient. Given the long history of colonialism, dictatorship and civil wars, Congolese – the general populace as well as state agents – are inclined to rely on self-help (as expressed in Mobutu’s famous imaginary expression “*débrouillez-vous*”, or “muddle through”) and have no trust in state institutions.

Democratic institutions on the local and communal level do not function according to the constitution since local elections never took place. All officials at this level are appointed by central government.

Decentralization led to quasi-non-existent provincial administrations in most new provinces, since these were not provided funding and could not even put in place basic administrative and governmental structures.

Since the peace agreement of 2003, political leaders have used a discourse of western style democracy and democratic institutions, in order to advance their own interests rather than from an honest and professional commitment to democracy. In fact, key institutions of democracy and the rule of law, such as the constitution or elections, are often used to foster the ruling elites grip on power. The last elections, held in 2011, were exceedingly fraudulent, but nevertheless serve as the basis of the ruling

Performance of democratic institutions

2

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Commitment to democratic institutions

2

elites legitimization. The establishment of a government of national cohesion is less aimed at democratic dialogue than as a means to legitimize Kabila's retention of power.

Kabila has used any formal means to prolong his rule in the last years, and it is still possible that a referendum to alter the constitution could take place. The creative use of institutions paired with a discursive commitment to democracy is often sufficient to achieve specific aims. If not, extra-legal means, such as harassment, intimidation and the outright use of force by security agents are always available. The Economist Intelligence Unit's democracy index ranks the Congo 159 out of 167 countries worldwide, classifying the regime as "authoritarian."

Congo is characterized by a deeply embedded culture of clientelism; political mobilization often revolves more around "big men" than ideological issues. Many institutions – including entities such as political parties, associations, interest groups and civil society groups – lack internal democracy and are characterized by the personal rule of individuals. The national army comprises parallel hierarchies and loyalties to individuals rather than democratic principles. The presidential guard takes orders directly from the president and is not subject to any democratic oversight.

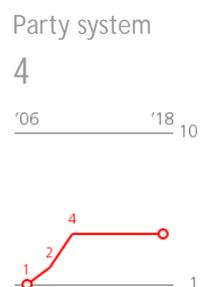
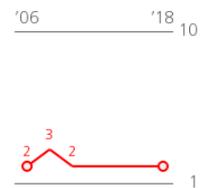
5 | Political and Social Integration

The Congolese party system is heterogeneous, with more than 500 registered parties, few of which are socially rooted and organizationally institutionalized; even fewer are able to mobilize on a national basis. Most parties are mainly built around individuals who use their party as a vehicle to launch a political career, often in the hopes of being co-opted by the ruling elite, and are strongly identifiable along ethnic, regional and community lines. The origins of the leaders of a party largely define their constituency.

The politically most important parties are Kabila's People's Party for Reconstruction and Democracy (PPRD), Tshisekedi's Union for Democracy and Social Progress (UDPS), Vital Kamerhe's Union for the Congolese Nation (UNC) and Jean-Pierre Bemba's Movement for the Liberation of the Congo (MLC). Polarization tends to be high during election time, however, when it comes to distributing government positions, most politicians easily change sides.

It is not clear at present if the implementation of a unity government will follow these rules or if it will really work on preparation for free and fair elections.

Voter volatility is high, as seen in the varying election results from 2006 and 2011. If possible, however, voters tend to choose a candidate of their own region or ethnic group. In 2011, the PPRD lost nearly half of its votes and now occupies only 62 seats. The UDPS boycotted the 2006 elections and entered parliament only in 2011 as the



second political force in the country, with 41 seats, as did the newly founded UNC with 17 seats. The MLC lost two thirds of its votes compared to 2006 and entered parliament with 22 seats. After party leader Bemba was sentenced at the International Criminal Court (ICC), it is unclear whether MLC has any future.

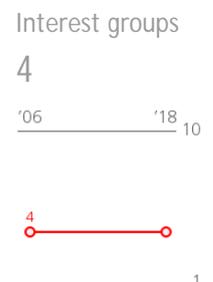
Yet, individual political parties do not play a major role in national politics. Since most parties are quite small, it is common that they form platforms. Especially on the opposition side, these platforms transform themselves quite quickly. In August 2015, seven parties split off from Kabila's majority coalition. These formed the so-called G7 and joined opposition. They found the "dynamique de l'opposition," comprising most opposition parties like MLC, UNC etc. UDPS stayed independent until late 2016 when most opposition parties that did not take part in the national dialogue formed the "rassemblement." Since it is advantageous in the political game of DRC to be president of a small party than second in command of an important one, these platforms do not merge into a big new party. Thus, member parties can easily split off due to particular interest of individual members.

Many opposition parties also split within the last year into government, and an opposition faction. That was largely due to systematic government intrusion during which individual party members were offered government positions which was not welcomed by their parties. Thus, a faction joined government, claiming that they speak for their party. Since inter-party disputes that cannot be solved internally are solved by the ministry of interior, in nearly all cases, the government faction was confirmed as the formal party leaving the opposition faction in a legally precarious situation. This approach – which was already used by Mobutu – has significantly destabilized the party system.

All parties lack sustainable funding. No formal party-funding scheme exists, thus virtually all parties rely on funding by their presidents and are thus even more dependent on him (very rarely her). Since public funds can easily be transferred into a party, majority parties dispose of more funds than opposition parties.

Interest groups are present only in isolated social segments and cooperate little among themselves. They tend to be fragmented, poorly organized, locally based, politicized, with narrow focus and little impact. The Federation of Enterprises in the Congo (FEC) and some trade unions, in particular teachers, doctors and state officials, are the most influential interest groups. However, their demands are rarely taken into account.

The Catholic Church, the only credible institution capable of channeling some segments of social demands, has lately been targeted and monitored and many of its initiatives have come under pressure. Nonetheless, it was able to facilitate the decisive talks between government and opposition in December 2016, and continues to play this facilitation role for further talks aimed at organizing elections and allowing for the peaceful transfer of power between this current regime and the next.



Given the absence of representative empirical evidence, the citizenry's consent to democracy cannot be adequately evaluated. It appears that the commitment of the citizenry to democracy is fairly strong. The only indicator available so far is the impressive level of participation in the elections of 2006 and 2011 and various initiatives of the population to demand a thorough review of the largely contested elections' final results. The protests against President Kabila remaining in power after he completed his constitutional mandate in December 2016 also suggest an approval of democracy. However, this kind of civic expression is limited to large cities and is often organized around opposition parties that are mostly concerned with their own share of the spoils rather than idea of democracy itself. Furthermore, citizens' current and strong interest in political alternation is often perceived as a reaction to the social and economic misery they face rather than their consent to democratic norms.

Approval of democracy

n/a

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n/a 1

Given the virtual absence of basic service delivery over recent decades, social self-organization and social capital have been steadily built up by default. The country has a lively associational life. Today, there are more than 5,000 registered NGOs. However, like the political parties, many of these groups are often linked to narrow local and ethnicity-based constituencies while leaders often exploit the provided forum for their own political ascendancy. Many NGOs simply seize the issues of the moment in order to acquire funds. This is particularly true in the eastern regions of the country, where trust among the various social groups has severely eroded and international attention largely defines where donor funding goes.

Social capital

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Poverty and the low level of economic and social development have negatively affected the ability of the Congolese to organize in an effective and beneficial way to their society. Village communities, extended families, and local women's groups provide the major frameworks of solidarity and self-organization, within which interpersonal trust appears to be high.

II. Economic Transformation

6 | Level of Socioeconomic Development

Even though DRC won 10 places and increased its score significantly, only eleven countries perform worse than the DRC in the latest Human Development Index (176 out of 188 countries). Poverty is relatively evenly distributed across ethnic groups and disproportionately affects women. Latest available data (from 2012) shows, that 90.7% (!) of Congolese citizens live below the poverty line of an income of \$3.10 per day. Resources are unevenly distributed, which is reflected in a GINI-Coefficient of 42.1, which is not extremely high but still well below the global average of 40.

Question
ScoreSocioeconomic
barriers

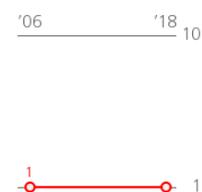
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The gross school enrollment ratio for primary education is 111.9% (due to older children now going to school) but drops to 43% for secondary education and only 8% for tertiary education. The female-to-male ration for school enrollment is 87.6% for primary education (see also 10.2), but only 59% for secondary education and 55% for tertiary education. In the Gender Inequality Index (GII) of 2014, which measures discrimination in health, education and the labor market, the DRC received an extremely poor score, placing the country sixth-to-last in the ranking.

According to the HDI, the female-to-male ratio of labor force participation is 49.7 (2012), but only 12.8% of women over 25 have at least some secondary education, compared to 32.4% of men. Women have become the main providers for their families in many parts of the country, and usually work in low-paid or unpaid, physically demanding jobs (such as agriculture) in addition to working in the household.

Although no recent and reliable data is available, the formal economy only forms a small proportion of the whole economy. In essence, subsistence economy is a substantial cause of exclusion in the DRC, especially in rural areas.

Economic indicators		2013	2014	2015	2016
GDP	\$ M	30014.8	34028.1	36188.5	34998.6
GDP growth	%	8.5	9.5	6.9	2.2
Inflation (CPI)	%	1.6	-	-	-
Unemployment	%	3.7	3.7	3.7	3.6
Foreign direct investment	% of GDP	7.0	5.4	4.6	3.4
Export growth	%	17.5	14.2	4.1	-8.4
Import growth	%	15.4	7.6	-4.0	-20.7
Current account balance	\$ M	-3108.8	-1722.6	-1545.6	-
Public debt	% of GDP	20.0	17.5	16.1	16.8
External debt	\$ M	6177.1	5522.9	5388.2	5076.9
Total debt service	\$ M	401.0	408.1	389.0	435.1



Economic indicators		2013	2014	2015	2016
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	14.2	13.2	12.8	11.9
Public education spending	% of GDP	2.2	-	-	-
Public health spending	% of GDP	1.3	1.6	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.2	1.0	1.4	1.3

Sources (as of October 2017): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

In the World Bank's 2016 Doing Business Report, DRC is ranked 184 out of 189 countries, the same as in 2015. In the preceding years, the country was praised for its policy aiming to transform DRC from a state-run economy to a market-oriented economy by privatizing various state companies and passing laws to reform the economic system. During 2016, there was not much left of this dynamic. Thus, progress remained very slow and severely obstructed, mostly by high levels of economic opportunism that includes corruption on all levels of the administration and direct intervention in the economic sphere by the ruling elite, with the aim of influencing economic activities in accordance with political and personal opportunities. Market-based competition is confined to only a few segments of the economy.

Considering that local production is really minimal, entry (and exit) barriers for goods remain very high, resulting in absurdly high prices for imported goods. This makes investments extremely costly in addition to the risk for any foreign investor to be pushed out of competition by actors close to the government that can more easily use corrupt practices.

The Congolese franc is mostly used locally, in competition with the more preferred currency, US dollars, through which most major transactions are executed.

The large informal sector is not so much a result of an extensively regulated market but rather a dysfunctional, unfair and opaque institutional framework of economic policy, a high level of corruption and clientelism, as well as a general lack of infrastructure.

Market-based competition

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Historically, the Congolese economy was based on a number of large, monopolistic, parastatal structures. There has been a considerable amount of private investments in the mining sector since 2007, but the state continues to hold the monopoly in many other sectors, such as energy or water supply. Given that effective state structures do not exist and law enforcement is the exception rather than the rule, there are no safeguards against monopolies and cartels. These are typically associated with powerful individuals or groups with direct links to the president and his inner circle. Furthermore, access to investment and credit is highly politicized.

Exceptions are the telecommunications and banking sector, with a range of international companies operating nationwide and air-transportation with private companies in concurrence with the state-owned Congo Airways.

Officially, the DRC is committed to the liberalization of its economy. It is a member of the WTO, the Central African Economic Community (CEEAC), the Great Lakes Economic Community, the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC). However, due to its dependency on tariff revenue, it has not yet joined the SADC or the COMESA Free Trade Agreement. State agencies have been set up to promote foreign trade, and required laws have been passed. The government's implementation of the existing legislation, however, has remained deficient and inconsistent. According to the Heritage Foundation's 2016 Index of Economic Freedom, the Congo's average tariff rate is 12% and importing goods can take many weeks. Still, the sub-indicator of trade freedom lists DR Congo among the moderately free countries with a score of 61% that decreased slightly during the last years and is still below the average for Sub-Saharan Africa.

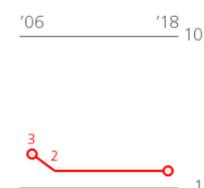
Complicated legal and regulatory systems, limited access to credit, poor financial services, a generally low level of private sector development, poor infrastructure and systematic corruption pose difficulties for foreign investors and international trade.

The penetration of financial institutions in the DRC has been improving for the period under review, but remains extremely low, while a considerable amount of commercial transactions continue to go through informal channels. The existing banks are largely confined to major cities. Owing to immense infrastructural problems, this situation is not expected to rapidly change in the near future. Alternative banking instruments, such as direct money transfers by mobile phones, increasingly close this gap.

Individual bank accounts have been increasing, but the population with access to primary banking services (such as an account) remains comparatively small. Only about 2% of the local private sector – those with close links to military and political elites – benefit from credits. In 2011 and in 2013, the central bank cut its benchmark lending rate respectively from 20% and 2% in order to spur lending. The rate

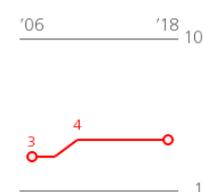
Anti-monopoly policy

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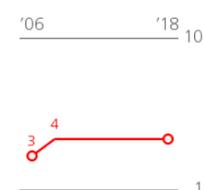
Liberalization of foreign trade

4



Banking system

4



remained there until October 2016 when it was raised to 7% mainly because of the rapidly depreciating Congolese franc.

In addition, banking regulation and supervision are inadequate, and there is no sustainable and functioning capital market. A microfinance sector, which aims to support small-scale projects, is ineffective, inaccessible and largely nonexistent in many parts of the country, especially in rural areas.

DRC's then fourth largest bank "Banque internationale pour l'Afrique au Congo" (BIAC), failed in 2016 causing minor panic in the financial market and customers queued in front of BIAC's branches in order to get their money. Even though the remains of BIAC finally were taken over by other local banks, the whole system seems to be largely under-financed and struggles because lots of credits were given out to government-structures that struggle financially themselves.

8 | Currency and Price Stability

The central bank has been governed by technocrats for years. Its president, Mwana Nyembo has been in office since 2013. The bank is formally independent (the presidency exerts discreet influence and withdraws cash for patronage when needed) and focuses on maintaining low inflation and stabilizing the local currency for which it was quite successful until prices of raw materials fell heavily, resulting in fewer government income and erratic attempts in stabilizing the economic and fiscal system.

After remaining relatively steady for years, the Congolese franc fell considerably (by 20%) against the U.S. dollar from June 2016 to December 2016. The central bank tried to stabilize the exchange rate for some month, resulting in a huge disparity between the official and black market rate. In December 2016 one US dollar is exchanged against 1070 franc, black market rates are at least 10% lower.

The sharp decline in the value of the franc also resulted in a rise of inflation since a major part of consumed goods and food in DRC are imported. There are no reliable inflation rates beyond 2015, but prices for basic foods that are regularly published in local newspapers indicate a rise in prices for basic goods and energy of more than 10% for many items.

Even though, the government's ability to meddle in the bank's operations is limited due to its dependence on international financial institutions, the central bank lost quite a bit of independence in the recent political crisis when it was not able to counter attempts in using the bank politically.

Anti-inflation /
forex policy

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In general, due to the limited importance of financial institutions, a dominant informal sector and a general dollarization of the economy, the monetary policy of the central bank has only limited influence on overall economic developments.

Until 2015 the government's heavy reliance on the inflow of aid resources has forced it to at least rhetorically follow the conditions set by external donor institutions, as reflected in the PRSP Document I (2007-2011 and II (2011-2015). While PRSP I paved the way for the cancellation of a big part of external debt (2009), PRSP II was executed only half-heartedly and in a weakly coordinated way. The third generation of poverty reduction papers (Plan National et Strategie de Réduction de la Pauvreté, PNSR) is better understood as a political program than a development plan. It was not coordinated with external partners and documents DR Congo's break with macroeconomic reforms in line with its external financial partners. Consequently, key macroeconomic indicators turned within 2016, while the growth rate fell, and inflation raised.

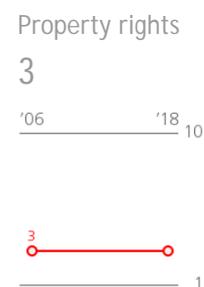
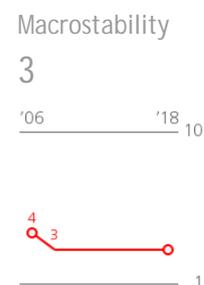
In the recent political crisis, not much was left of the ambitious attempts to streamline duties and taxes, expand the tax base, modernize the customs and tax revenue administrations and increase tax contributions from the mining sector. Fiscal discipline and debt reduction remained thus a low priority if at all for the government.

The country remains highly vulnerable to volatile commodity prices due to its reliance on the mining sector. Due to serious problems with illegal mineral exportation and falling commodity prices, the negative current account balance has steadily increased in the last years. The international reserves in foreign currency remained low. The fiscal deficit is expected to further widen in the coming years due to inefficient spending controls and insignificant revenue increases.

9 | Private Property

Property rights, even though stipulated in a very complex manner, are explicitly recognized in the Congolese constitution. However, due to sustained corruption and a dysfunctional public administration and judicial system, these rights are often ignored and inconsistently enforced. According to the 2014 Index of Economic Freedom, property rights have improved slightly over the last years but still remain largely inferior to the Sub-Saharan average and are classified as “repressed.”

According to World Bank, registering property requires only 44 days and seven procedures – which is worse than two years ago but still below the world average. Still the indicator assumes “no title disputes.” However, disputes are the norm rather than the exception. The state remains a major owner of both valuable real estate and rural lands. Expropriations of private property are frequent, especially by people with direct links to the president. In many parts of the country, the competition between statutory and customary law creates a situation of great uncertainty concerning land



ownership; already acquired land titles are often revised by a competing authority. In rural areas, women are often informally discriminated against concerning property rights, most significantly in areas that honor traditional customs.

The Congolese government has been making major reforms – as in 2013/2014 – to improve its business environment and to enable the free flow of private investments and the effective operation of private enterprises.

The country's regulations explicitly allow for the promotion of foreign and domestic private investments, especially in the form of private ownership. The state does not formally limit domestic or foreign private investments. In principle, existing private companies can operate freely, yet many constraints remain: difficult access to financing; a lack of basic infrastructure, such as energy, communication and transport; and considerable bureaucratic and occasionally direct political interference.

According to the 2016 Doing Business Index, starting a business requires 12.5 days and 6.5 procedures – all figures are lower than the Sub-Saharan average. DRC's position improved compared to the previous year. In 2016, one-stop windows for opening a business were introduced in Kinshasa and worked surprisingly well. However, many entrepreneurs prefer to remain in the informal sector to avoid large sums of money officials charge in the form of dubious or nonexistent taxes, fees, etc.

Privatization processes including international and private investors were virtually no longer carried out in 2016. "Privatization" in the recent Congolese context means acquisition of (para)statal companies by persons close to the ruling elites.

10 | Welfare Regime

The DRC has no functioning state-sponsored safety nets. Although firms must register with the National Institute for Social Security (INSS), the agency is largely dysfunctional. In many cases, the state even fails to pay its own employees. Likewise, the majority of retired employees rarely see their pension payments. Moreover, full access to the poor services offered by the state health care system, which the government has failed to fix, remains a luxury reserved for a handful of Congolese citizens. According to official numbers, the DRC government spends 1.6% of its extremely low budget for health. Not surprisingly, life expectancy remains low, even though rising steadily during the last years, at an average of 58 years.

Service delivery by the state is very limited in major cities and largely nonexistent in most rural parts of the country. For many Congolese, survival is only ensured by subsistence farming.

Churches, social groups, small self-help organizations, family members and, in some parts of the country, external humanitarian aid provide the only safety nets. However

Private enterprise
4

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Social safety nets

1

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admirable they may be, these organizations lack the capacity to cope with the continuing humanitarian crisis in the DRC. Furthermore, decades of war have destroyed larger traditional social structures in many areas of the country. The majority of the Congolese people rely for support on their families and on narrow community structures. The biggest problems by far are faced by the many internally displaced people (nearly three million in 2016) and refugees who are fully dependent on international humanitarian aid for their own survival.

Equal opportunity is enshrined in the Congolese Constitution, but in the Congolese social reality, the practice is almost nonexistent. Opportunities for social success are determined by personal relations and patronage networks. A merit-based system does not exist. There are no institutions to compensate for gross social inequalities or mechanisms to facilitate social integration of disabled people or ethnic groups. The education system is very selective. Even though statistically every child attends primary school in recent years, only 43% reach secondary level and only 6% tertiary level.

Even though it is illegal, women and girls are discriminated against on all levels. In the Gender Inequality Index (GII) of 2013, which measures discrimination in health, education and the labor market, the DRC score of 0.673 is abysmally low (a rank of 149 out of 154 countries). The female-to-male ratio of school enrollment is 90% for primary education, but only 60% for secondary education and 50% for tertiary education. Women and girls are disproportionately affected by poverty and regularly face sexual violence. Furthermore, the DRC is characterized by a deeply embedded patriarchal culture that includes laws and traditional customs that discriminate against women.

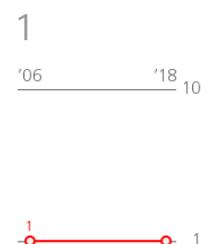
11 | Economic Performance

Over recent years, consumer price inflation was falling from over 50% in 2009 to 1.6% in 2014. There are no more recent official numbers, but along with the rapidly devaluing Congolese franc, an increase in consumer prices has been felt in Congo within the last month.

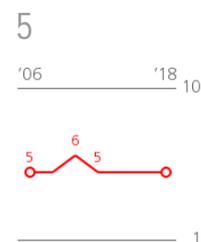
Latest numbers for GDP growth rate were still high with 6.9% for 2015 but lower than in preceding years (9.0 and 8.5 for 2013 and 2014), mainly due to mining activity, construction in major towns and some investments in infrastructure reconstruction. Basically, due to rapidly falling commodity prices from the end of 2015, the Congolese economy virtually fell apart in 2016.

Even though the Congolese economy was growing steadily throughout the last decade, the GDP remains low. With about \$35 Billion (2015) on a per capita base, the Congo occupies third to last place in the world ranking with only \$783 per capita.

Equal opportunity



Output strength



The negative current account balance steadily increased during the last years, arriving at -\$1.5 billion in 2015. This was despite a flourishing mining sector, the current numbers for 2016 are much worse.

DRC's tax base is very weak since there are only few registered companies and the big ones mostly belong to influential individuals who know how to avoid taxation. This leads to a situation in which the vast majority of economic output escapes through informal channels. This accounts for all sectors of the economy but is most important for the mining sector. A U.N. Group of Experts report in January 2014 estimated for example that 98% of gold produced in the DRC, with a value of between \$383 and \$409 million, was smuggled out of the country. It is thus very difficult to objectively measure the size of Congo's economy. Still, it is easily visible that there is not much of an economy besides mining. The service sector is under-resourced and has not yet produced more skilled labor for other areas of the economy such as agriculture and tourism. The country remains heavily dependent on food imports to meet the needs of the population.

In general, as shown by the latest commodity-price shock, the country's economic stability remains highly vulnerable to external factors.

12 | Sustainability

Ever since colonization, the country's precious ecosystem has been ruthlessly exploited by government and private companies. The DRC never established a functional institutional framework or suitable policies for protecting its natural resources. The few regulatory measures that exist are inappropriate and have never been enforced to protect the country's ecosystem.

Many mining companies have been destroying the country's ecosystem in order to operate, especially in the province of Katanga and most of the eastern region. Wood is harvested on a commercial scale every day. Rural residents systematically clear parts of the forest for their subsistence farming activities. The widespread violent conflicts have also seriously devastated forests and resulted in the expansion of bush meat and informal wood trade. A major threat for the forests is charcoal production. In many parts of Congo, this has become a lucrative economic activity, taking into account that most households cook with charcoal, even in Kinshasa, since electric power or gas are not available on a predictable basis. Its informal – and by no means regulated – production is obviously tolerated (possibly against bribes) by local politicians and security forces. The country's deforestation rate – for decade one of the world's fastest – has thus accelerated.

The Virunga National Park, a UNESCO World Heritage Site in the eastern DRC – home to the endangered mountain gorillas – is particularly at risk as it is assumed to hold large oil reserves. The U.K.-based oil company Soco International, which holds

Environmental
policy

2

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rights to a considerable area within the park, announced that it would not drill for oil in Virunga for the time being, but remained ambiguous about future endeavors. In the 2016 Environmental Performance Index, Congo ranked 171 out of 180 countries.

The Congo has one of the world's most outdated infrastructures in terms of education, training, research and development. Officially, education is a national priority for the government, placing it at the heart of its strategy for economic and social development and its fight against poverty. In practice, however, education remains largely neglected.

Very little reliable data on government spending is available, but it is fair to say that government expenditure on education is extremely low. Furthermore, the problem with education in the DRC is not only the lack of schools, but a lack of material, trained personnel and regular salaries. Even though public universities, schools and research centers exist (mainly in major cities), most of them are old and lack basic resources such as libraries, laboratories for research and trained teachers. R&D standards are extremely low; modern R&D activities are nearly nonexistent.

Teachers' salaries have not been regularly paid for years; strikes are common, owing to rather strong teachers unions in most parts of the country. Furthermore, the government neglect of the sector fosters petty corruption, making it the only means of survival for many employees in the education sector. Students (or their families) must pay for almost anything, starting from primary school grade promotion to university degrees. The majority of better-equipped schools and universities are run by churches and private companies and are not always affordable for all Congolese families.

The gross school enrollment ratio for primary education is 107% (due to older children now going to school) but drops to 43% for secondary education and only 6.6% for tertiary education. The female-to-male ratio of school enrollment is 90% for primary education, but only 60% for secondary education and 50% for tertiary education. The literacy rate increased so quickly in the last two years (from 61.2% to 77.2%) that there should be serious doubts on reliability of that numbers. Independent data is unavailable.

Education policy /
R&D

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Governance

I. Level of Difficulty

The structural constraints on governance in the Congo are massive, and they are unlikely to be overcome in the foreseeable future. Structural constraints include a very low absolute level of socioeconomic development, severe poverty, a difficult political geography entailing a huge territory with a thinly spread out population, the near total lack of infrastructure (e.g., roads, railways, safe maritime passage), a poorly educated workforce, a deeply embedded culture of clientelism, various burdensome legacies of decades of violent conflicts, the normalization of everyday violence in the conflict-ridden parts of the country and the total absence of popular trust in institutions and state agents. The country is heavily affected by malaria and regularly hit by pandemics of yellow fever and, in isolated regions, by Ebola.

There is a lively civil society tradition in the Congo, which has its origins in anti-Mobutu activism in the 1990s. During the National Conference in the early 1990s, civil society groups (e.g., women's and students' associations, human rights groups, professionals) and church leaders actively shaped the negotiations and made a spirited attempt to force Mobutu out of office. Ever since, civil society has been much better organized than in other countries in the region. Despite a deteriorating political and social climate, hundreds of NGOs exist and many of them are very active.

However, decades of war, the militarization of social life and the state-sponsored repression of dissident voices have left their mark on civil society. Many organizations dating back to anti-Mobutu activism have become increasingly politicized, targeted and reflect larger structural dynamics such as ethnic divisions, exclusionary strategies, organizational and management weaknesses, and reliance on the regime's patronage as well as international funds. In certain regions and at times of high international attention, NGOs tend to mushroom in order to acquire funds and address those issues which are considered relevant by the international media. Thus, international donor programs do not always have a positive influence on the otherwise rather autonomous civil society tradition in the DRC. Nonetheless, courageous civil society groups are currently engaged in a wide range of activities on a grass-roots level, even in the most conflict-ridden and dangerous regions.

Structural
constraints

10



1

Civil society
traditions

6



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In recent years, social media-enhanced groups of young people have organized (the most popular among them are Filimbi and LUCHA) and spearheaded the protests against Kabila's regime. Their style and approach to social issues replace the old and byzantine NGOs, and as a result revives the tradition of political active civil society in the Congo.

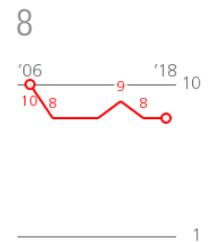
Important parts of eastern-Congo are riddled by ethnic and regional conflicts, where since the early 1990s armed conflict has almost become a normality. Various armed groups – Congolese, foreign-backed or entirely foreign forces – form a constant threat for populations in large parts of North and South Kivu and Ituri. In 2016, the territory of Beni in North Kivu was the scene of regular deadly attacks on civilians by armed groups crossing the border from neighboring Uganda. Furthermore, the national army can in many cases better be considered a conflict party among other rebel groups than a tool for fostering peace. Alliances among rebel groups and between rebels and the FARDC shift frequently.

The United Nation's MONUSCO mission is mandated to protect the civilian population, but has thus far had a mixed record and repeatedly comes under criticism for inefficiency. Since 2013, a special U.N. Intervention Brigade is tasked to actively neutralize armed groups. This led to major successes, such as the dismantling of the M23 in late 2013 – the first ever victory of the FARDC together with the United Nations over a Rwandan-backed rebel movement – and conflict intensity in the region decreased but still remains fairly high. Parts of Katanga and Equateur have also been affected by longstanding divisions and violent conflict. Still, armed conflicts are limited to the regions mentioned above and do not span the country.

Societal fault lines correspond to ethnic and regional affiliation, while conflict issues include access to resources, land and citizenship; however, economic motives are becoming more and more dominant. Armed conflict in the DRC has historically been greatly influenced by developments in neighboring countries and the international economy, yet is increasingly exacerbated by the availability of natural resources and the porosity of borders in the east.

The years of conflict have left deep marks and collective trauma among the general population, resulting in a normalization of violence and a militarization of society across the country. Even though large parts of the population do not engage in political or social conflicts at all but are rather apathetic, persons engaging often use force. Demonstrations on any issue often result in violence, which is not always triggered by security forces but also regularly by angry young men, leading to casualties and important material damage in one of the major towns nearly every month.

Conflict intensity



II. Governance Performance

14 | Steering Capability

At present, the country's leadership lacks capacity and suitable personnel. Neither economic, social nor security politics have thus far been characterized by strategic long-term planning. Rather, immediate concerns of both electoral competition and acute security crises dominate politics.

Furthermore, their expressed intentions to promote the collective well-being of the Congolese people have proven to be mere lip service. In principle, there is very limited evidence at best that the government aims at striving for liberal democracy and a market economy.

The two technocrat governments under Matata Ponyo, prime minister from 2012, did not fulfill expectations that long-term development would become a government priority. Despite some improvements during Matata's mandate, the overall sense of optimism was curtailed by the realization that an ambitious prime minister cannot alone change overall policies against the will of a generally kleptocratic elite. With the installation of the "consensus" government at the end of 2016 under Samy Badibanga (already surpassed by a second consensus government as described above), long-term planning also rhetorically vanished behind the sole ambition that government manage the transition until the next elections.

The latest poverty-reduction-strategy paper PRSD II (2011-2016) only showed rhetorical commitment to sustainable development and a market-oriented economy. A translation into concrete programs did not take place at all. Activist rhetoric gave birth to new development programs on a regular basis, including the Five Chantiers de la République, Zero Tolerance against Corruption, and Mining Sector Free of Corruption. These plans are mainly forged with the aim of securing further external funding rather than as an appropriate plan of action to kick-start the country's development.

The new development plan PNSD does not propose much beyond the ambition of DR Congo to become a middle-income country by 2030. The first chapter, which ought to deal with concrete steps toward this goal, was not yet formulated by the time of writing of this report.

Question
Score

Prioritization

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Given that the government's intention to promote sustainable development is little more than lip service, the will to implement respective policies is limited.

Reform-oriented individuals in the government, administration and security apparatus face many difficulties implementing official strategic priorities. Prime Minister Matata Ponyo, a technocrat who was considered interested in pushing development-oriented programs did not achieve much and was removed from office by the subsequent government of national cohesion. Implementation in the latest years was restrained to some (themselves rather tiny) prestige-projects like the new "Hotel du gouvernement," a modern administrative building in Kinshasa. Other reforms pushed, like a promising reform of the pension scheme failed with the withdrawal of the reform-oriented minister for public service in August 2015.

Given a budget of less than \$10 billion (including salaries of state officials) of which most years not more than 50% is actually spent and huge amounts vanish in dubious channels, there is objectively no money available for any concrete project.

Apart from a lack of political will by the most powerful elites, structural constraints such as the unsuitability of skilled personnel in certain strategic positions and inappropriate budgets are hampering the implementation of even the most basic measures, making it dependent to a large extent on donor support.

In general, there has been scant policy learning concerning either socioeconomic issues or the security sector. Since colonial times, the governing style has been characterized by the implementation of short-term priorities and the personal enrichment of political and military elites who address policy failures only under pressure from international partners. Conclusions of investigations of such policy failures have not been heeded with any thoroughness, but rather followed just enough to appease the international critics; as a result, the solutions are short-lived.

For example, no evaluation has been carried out by government at the end of the recent poverty reduction strategy (PRSP II), thus it formulated its new generation (PNSD) out of the blue.

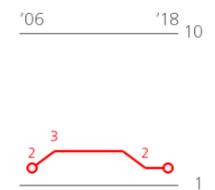
Long awaited decentralization was implemented in August 2015 without any visible preparations despite the existence of a multitude of studies and initial work carried out mostly by international partners during the last decade around this issue.

Furthermore, the government has not learned to utilize its human resources, including the vast number of unemployed youth who often make a living in the informal sector or, in the conflict-ridden areas of the country, by joining armed groups.

The vast natural resources of the DRC have thus far very rarely been efficiently used to benefit the long-term development of the country. Rather, the government has struck deals with international firms which immediately benefit the ruling elite to the detriment of the population, the environment and long-term economic prosperity.

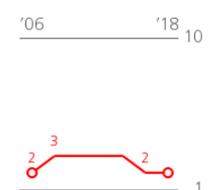
Implementation

2



Policy learning

2



Lately, DRC struck deals with China to exchange minerals against infrastructure development and thus changed its behavior in this sector. Even though this deal also benefits the ruling elites, it resulted in construction of infrastructure such as streets, airports and administrative buildings – which is something new in DRC.

Since the dictatorial regime of Mobutu, rulers have made the same mistakes concerning the security sector, maintaining an oversized, under-equipped, largely unpaid and undisciplined national army that is not able to face organized rebel movements or guarantee the state's monopoly on the use of force. Aware of the inefficiency and uncertain loyalty of the national army, rulers have for decades maintained their own private army (presidential guard units). Nevertheless, there have been various attempts to reform the security sector. These have usually resulted from external impetus, but have thus far produced little results.

Still, it has to be mentioned that all these failures do not necessarily result from a lack of skills by the government but rather from an unwillingness. The aim in policy is not the common good of the population. On the other hand, elites know quite well how to maintain their grip on power and resources, applying remarkable flexibility when needed.

15 | Resource Efficiency

The Congo's political economy is characterized by a strong waste of state resources, including human, financial or organizational.

Fundamental problems include poor revenue collection, corruption by revenue-collection services, tax evasion, politically motivated dismissals or new appointments of public servants, unfair recruiting procedures subject to systematic corruption, political meddling and an oversized security apparatus.

Mechanisms to raise the efficiency of the bureaucratic administration of human and financial resources – including monitoring, evaluation and auditing procedures – are lacking. Graduates have not been given the opportunity to replace individuals in the aging public workforce. Only a minority of these young graduates, often those with personal connections to the country's elites, receive employment opportunities.

Budget planning and implementation are not transparent. Non-discretionary spending is high, raising suspicions that parallel budgets exist to finance the personal goals of the political and military elites.

For any costly political decision or event, such as voter registration, the state relies almost exclusively on foreign aid. Provincial administrations have very little financial autonomy and are in the vast majority not able to effectively spend their few resources, which became even worse with the chaotically implemented territorial decentralization.

Efficient use of assets



The unclear future of the transitional government, the existence of parallel hierarchies in the security forces, and the fact that political posts are nearly exclusively allocated to foster clientelistic networks, appease potential troublemakers and fulfill quotas in the transition process, makes efficient coordination of politics and policies virtually impossible. Politicians in decision-making positions tend to pursue their own priorities without adhering to a coherent and coordinated overall government strategy. Different branches of the government often compete against each other with counterproductive effects. Institutions that were supposed to foster communication between different government bodies – such as the minister responsible for relations with parliament – are mainly used to bring democratic institutions in line with the presidency’s decisions, using carrots and sticks rather than mediation.

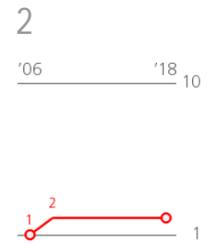
Public officials’ responsibilities often overlap with one another, be it between different levels of the administration (e.g. national vs. provincial office holders) or between the formal governmental and traditional spheres. The results are uncertainty – for example with regard to property or business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

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

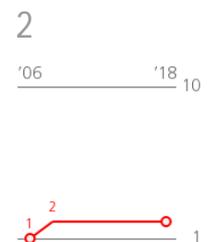
Despite the proclamation of a “zero tolerance” campaign toward corruption as early as in 2009 and the existence of anti-corruption laws, rampant corruption in all political, economic and social sectors remains one of the DRC’s key problems. There is constant political interference in economic and financial matters as well as an almost total lack of transparency in governmental decisions and accountability, including public procurement. Auditing and expenditure tracking is the exception. Cases of apparent high-level corruption and dubious deals were reported by the United Nations and civil society groups, but have had no visible consequences for those implicated. Absolute impunity for public officeholders prevails.

The media and civil society organizations have become increasingly cautious in reporting cases of corruption for fear of repressive backlash. However, it would be mistaken to blame rampant corruption solely on the government. The code of conduct involving the public sector, private sector and civil society is meant to guide formal and informal private companies that conduct business in the DRC and to promote integrity, good governance, respect and transparency. However, the code is mere lip service and not effectively implemented. For many large companies, the high costs of corruption are still lower than the costs of a truly integral and ethical practice of business.

Policy coordination



Anti-corruption policy



Since the main goal in DRC politics is to gain access to resources, politics does not aim at preventing corruption but fosters it. Implementation of anti-corrupt policy cannot be expected in this context.

16 | Consensus-Building

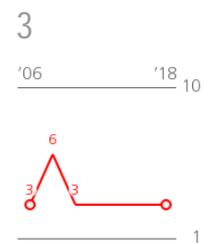
There is no honest consensus on democracy as a strategic long-term goal. Rather, the government, the political opposition and even most rebel groups make use of a discourse of democracy to advance mostly specific, personal, and/or sometimes anti-democratic goals. Nevertheless, democratic institutions continue to be important. Rather, all relevant players are aware of the fact that a democratic regime with regular elections and conventional institutions (a constitution, separation of powers etc.) is the only means to retain at least some internal and external legitimacy, which is necessary given the dependence of the different political actors on international support. However, the tradition of holding national conferences in politically deadlocked situations bypassing elected institutions (usually seen as partisan, fully supporting the presidential camp) contradicts democratic processes and does not stand on constitutional grounds. Since these conferences are merely an instrument of “elite recycling” with no direct popular mandate, it can be said to infringe upon the democratic processes despite its consensus character in reaching decisions.

Mainly as a result of consistent international pressure, the government has shown a tendency toward market-based principles. However, the high level of corruption in the DRC suggests that the political elite is only interested in a liberal market economy as long as it benefits their own interests. Still, there is a broad consensus on obvious goals for a least-developed country. All political actors rhetorically pursue economic development, infrastructure development, education, health, and so on. The government translated this to a multitude of respective programs like the “cinq chantiers du developpement,” the three generations of poverty reduction strategies and many others. These were not implemented since there was only a (rhetorical) consensus on the basic goals, but no clear framework on how to put it into practice.

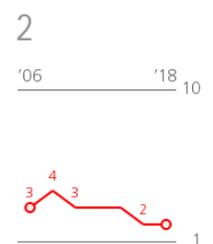
The distinction between democratic reformers and anti-democratic veto actors is blurred. Among all competing groups (government and the opposition, civil society, military etc.), there is evidence of anti-democratic elements. Given the authoritarian, clientelistic approach of the current regime, the government has effectively established itself as the country’s major anti-reform veto actor.

Many superficial reform-oriented actors become co-opted by the ruling elite. Some parts of the country are repeatedly governed by rebel groups and/or the military for a certain period of time, effectively undermining any democratization process. Last but not least, national and foreign economic actors and companies – most importantly those involved in the mining sector – repeatedly undermine democratization

Consensus on goals



Anti-democratic actors



processes, fostering armed conflict and corruption while engaging in – or at least tolerating – human rights abuses for business interests.

No measure has been thoroughly implemented in order to address existing divisions or prevent cleavage-based conflicts from escalating. The main cleavages run along ethnic and regional lines. During the Sun City talks of 2003, major divisions such as the citizenship question of the Rwandophone community in North and South Kivu were addressed while a transitional government and a comprehensive system of power-sharing on the national and provincial levels were established.

After the elections of 2006, almost none of the former provisions to de-escalate conflict have survived. Rather, political elites manipulate – and even exacerbate – existing tensions to shore up their own power. This has been the case with the ongoing violence in the east, where national elites have often been reported to aggravate ethnic tensions in tandem with local allies. At the same time, the president is wary not to disgruntle potential troublemakers by co-opting regional heavyweights into government positions. However, these mechanisms are not institutionally enshrined, while the most important political and military positions are still held by loyalists from Kabila's home base of Katanga.

The inclusive talks in 2016 and the installation of a government of national cohesion – if it happens – proved that political cleavage can at least partially be overcome. However, ad-hoc mechanisms are used for this conflict solution, outside the constitutional framework.

Unfortunately, civil society organizations are subject to the same cleavages as society at large and often pursue personal and divisive aims. Courageous civil society activists – such as local women's groups – that try to depolarize social conflicts expose themselves to harassment and attacks of various forms, especially in those parts of the country affected by violent conflicts between different communities.

In general, the political leadership largely ignores the opinions of civil society in political decision-making. Civil society only becomes involved in political processes in specific institutions at specific points in time when international pressure is high. This was the case in the Sovereign National Conference of the early 1990s, the Sun City Peace Talks of the early 2000s, the National Concertations of 2013 and 2016. It is also regularly consulted during the formulation or evaluation of special governmental programs like the new poverty reduction strategy. In these cases, civil society participation is mostly high in terms of numbers of participants and recommendations. However, the de facto impact remained low in most cases and decisions were still largely made by political elites.

The new CENI established in 2013 includes three civil society representatives as members of the commission as a third component in addition to representatives of the government (six members) and the opposition parties (four members). In various

Cleavage /
conflict
management



Civil society
participation

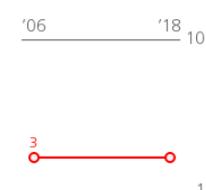


constituencies, relations between parliamentarians and civil society are weak. Civil society figures who have become politicians lose their link to their former organizations fairly quickly. Harassment and intimidation of civil society activists who openly express anti-government views are common, for example in the recent cases of Filimbi or LUCHA.

Reconciliation between perpetrators and victims of past and ongoing injustices, and justice for victims remains very crucial to a sustainable end of violence. However, the country's political leadership and the government have devoted no effective effort in the area. The Truth and Reconciliation Commission set up in 2003 as a result of the 2002 peace agreement never began to operate. Rather than promoting reconciliation and justice, particularly in the ethnically divided eastern parts of the country, politicians often make use of existing tensions for their own purposes. The government has also remained very selective with regards to the call by the International Criminal Court (ICC) to pursue some former warlords, while other criminals are protected and hold high-level positions, for example in the national army.

Reconciliation

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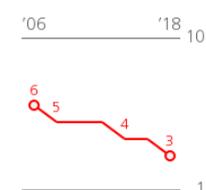


17 | International Cooperation

The government's relations with the international community remain very ambiguous. Even mild criticisms of the government's handling of affairs are denounced as being an infringement on the country's sovereignty. Generally, the government tries to receive as much direct financial assistance as possible. The DRC is dependent on Western aid, and effectively pits growing Chinese influence against Western governments in order to maintain aid flow despite noncompliance with a reformist agenda. Relations with international, especially Western, partners have recently deteriorated. Already in 2012, the IMF suspended their program due to concerns over the lack of transparency in the mining sector. From 2015, the government openly sought conflict with Western donors, harassing U.S. and Belgian officials or freezing accounts of development partners. Remaining in power by any means proved more important to the government than to continue receiving some development assistance.

Effective use of support

3



The small amount being tackled by the government's own development program, "five chantiers," is largely outsourced to Chinese investment through mining-for-infrastructure deals. The hitherto most important deal was signed in 2007, which granted Chinese companies 10 million tons of copper and 600,000 tons of cobalt. In return, \$3 billion were supposed to be invested in infrastructure. Whether these types of deals are effective is difficult to judge due to fluctuating world market prices for mining resources. In any case, the deals are not democratic and remain mainly beneficial to the ruling elite – but at least some infrastructure constructed under these schemes also benefits the normal population.

The government does not even try to present itself as a credible and reliable partner. The majority of international partners, who have provided extensive assistance for the last decade, have become increasingly frustrated with the government's mishandling of the country's finances and affairs, let alone in other areas such as human rights, labor and environmental standards. The channels of governmental decision-making have remained extremely opaque. Due to this lack of credibility, many decision-makers in Europe began to question even providing financial assistance for the (long) expected elections.

Transparency in the mining sector also poses serious challenges. DRC is forced to adhere to various international and regional transparency initiatives in order to uphold its credibility as an international partner, but so far with little impact on decision-making concerning the exploitation of the vast riches in natural resources.

In 2013, the IMF withdrew a three-year loan agreement worth \$532. The suspension of the IMF backing has repelled many creditors and donors. Partly as a result of the Western perception that Congolese officials were corrupt and unreliable leaders, the Congolese government has turned to China.

After two regional wars and decades of ongoing conflict, the government is fully aware of the need for good neighborly relations with the DRC's adjacent countries and other regionally important players.

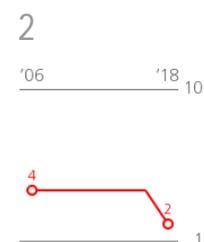
Relations with all neighbors and regional organizations are dominated by security concerns, the issue of foreign rebel groups on Congolese soil, questions of (non-)intervention of neighboring countries as well as the exploitation of the Congo's mineral riches. One new central aspect appeared during the reporting period: the interest of the government to stay in power in defiance of the constitution.

Since the early 2000s, a series of peace agreements have been signed between the DRC and its neighbors, including agreements with Rwanda and Uganda in 2002 and most recently the Peace, Security and Cooperation Framework for the DRC and the region (PSCF), signed in 2013 by 11 countries in the region.

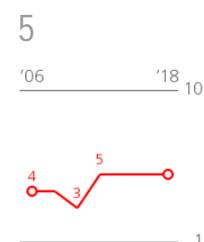
Fairly good relations have been established, above all with South Africa. Pretoria has vested interests in the DRC's mineral wealth and most of all in the Grand Inga Dam project, which it hopes will ease South Africa's electricity supply problems. Relations with Tanzania are cordial as well.

Relations with Rwanda, on the contrary, have historically been tense. Kigali has accused Kinshasa of not doing enough against, and even cooperating with, the Rwandan militia, Democratic Forces for the Liberation of Rwanda (FDLR). Whereas the DRC government blames Rwanda for its repeated support of armed groups in the Kivus. The DRC also has very fragile relations with Uganda based on Ugandan rebels on Congolese territory and Ugandan support for Congolese rebels. Lately, Ugandan

Credibility



Regional cooperation



based AFDC was the most active rebel group, responsible for dozens of deaths in Beni/North Kivu.

Economic issues historically dominate Congo's relation with its biggest neighbor, Angola. The primary issue is a long simmering row over their maritime border and the associated offshore oil reserves. However, priorities for the Congolese government shifted to one focal point: support for maintaining President Kabila's position in power.

Thus, relations with neighboring governments (Angola, Republic of Congo, Burundi, Rwanda) where leaders have also modified or broke their countries' constitutional dispositions to stay in power have relatively improved and revolved around mutual support to maintain the status quo.

The DRC is a member of the South African Development Community (SADC), the International Conference of the Great Lakes Region (ICGLR), the Common Market of Eastern and Southern Africa (COMESA), and the Central African Economic Council (CAEC). The DRC's stance within the first two organizations is dominated by security concerns. Regarding SADC, COMESA and CAEC, the interests of the members of the different organizations are partly in opposition to one another, making the DRC's role a very precarious one and not allowing the country to adhere to one of the free trade agreements foreseen by all three organizations.

Strategic Outlook

At the time of writing (January 2017), the political crisis in the DRC seems to be moderated by the agreement for a transitional government. It is nonetheless highly likely that the situation will become further aggravated in the coming months for various reasons.

First of all, the agreement did not enter into force yet and was neither signed by Kabila nor by opposition leader Tshisekedi. Clashes on the allocation of key positions in government and especially on the question of the exact date of the elections will be inevitable in that situation.

Second, it does not seem very likely that Kabila's camp, that blocked the preparations of the elections with various, often quite sophisticated, maneuvers over the last year, would not continue doing so in the future in order to maintain Kabila in a longer transitional period, and even after even though he indirectly agreed to go. Everything is possible, even a breakdown of the agreement, or a simultaneous push for a forced constitutional reform to pave the way for Kabila's third presidential mandate.

Third, rebel groups are still active in the eastern part of DRC, even though their activities and influence diminished over the last years, thanks to continued mixed military operations of FARDC, and the Force Intervention Brigade (FIB) of the United Nations (with notable success against the M23 and other groups).

Nonetheless, the FARDC remain inconsistent and usually ineffective allowing for example rebels of AFDC, coming in from Uganda, to kill scores of people around Beni/North Kivu. Cooperation with the U.N. is highly politicized in DRC. U.N. troops are often used as a scape-goat, especially in election campaigns. The future of the U.N. brigades in the east, still the only factor guaranteeing at least precarious peace and security, is uncertain.

A lot remains to be done concerning the transformation of the economy toward at least some social sustainability and equality. Corruption and clientelism are on the rise; the days of rather stable economic growth and low inflation seem to be over due to external and internal reasons. The country's diminishing resources and revenues still only benefit a very small fraction of the elite.

The current situation in the DRC is closely linked to developments in neighboring countries, such as Rwanda, Burundi and the Republic of the Congo – all these countries' leaders were constitutionally meant to step down during reporting period. None of them did; all remained in power using various unconstitutional measures. Therefore, international partners' strategy in the DRC will also have bearing on the political developments in the sub-region more generally. If DRC also becomes an authoritarian state for good, processes of democratization, economic and social transformation in Central Africa might be over for a long time.

Nonetheless, the government is highly aware of the fact that bilateral cooperation is not only beneficial for the receiving side, but that donor countries are keen on continuing their programs as

well. Kabila successfully played that card last year, putting western “partners” under increased pressure without having to suffer from adequate responses from most donors. DRC still receives billions of bi- and multilateral aid, keeping state services alive for which the government is obviously not interested. Merely countering the rising influence of China cannot be a reason to maintain these programs.

If Western countries continue to support the regime (at least indirectly) with a multitude of programs in technical, financial and even military assistance without repercussions for the openly anti-democratic behavior of the government and most elites, there will not be any incentive for any actor in the future – may he belong to opposition or majority now - to respect constitutional and legal rules.