

Mokoro



A Mokoro Assignment: Identifying and assessing PFM needs in the education and health sectors in DRC

By Mark Minford



Map of Africa, showing DRC bordering 9 countries.

Sitting in the diplomatic enclave in the capital, Kinshasa, it is very hard to visualise the vastness of the Democratic Republic of Congo ('DRC') – stretching as it does from the South Atlantic across jungles and savannah to Lake Tanganyika – and bordering nine countries¹. With the majestic Congo River draped around its shoulders, the land is extraordinarily rich in timber, minerals and precious stones and its abundant forests could fairly be described as the 'lungs' of central Africa. However, as many commentators have noted, these natural riches have been a curse, drawing parasitic interlopers who have ravaged and impoverished Congo under various names: the Congo Free State, Belgian Congo, Zaire, and now the DRC. By contrast, Congolese culture and humour are little known.

Between July and late September 2013, Mokoro was asked to assist the UK's Department for International Development (DFID) to bolster the governance of DFID's proposed education and existing health sector programmes in DRC. Any assignment in DRC is likely to be pretty challenging: DRC is a fragile state, with the government machinery being slowly reconstructed and decentralised, after a period under President Mobuto's totalitarian regime (largely supported by the West as a 'bulwark against communism!') between the early 1970s and late 1990s when government effectively collapsed; and there has been ongoing active conflict on its eastern borders with Uganda and Rwanda since 1998,

resulting in over 5 million deaths, mostly from avoidable diseases, and overt sexual violence. Because it is francophone, it is also not always easy for English-speaking aid agencies and workers to operate in the country.

The main task Mokoro was given, on the back of existing input to strengthen decentralisation, was to assist DFID to be 'joined up' in improving public financial management (PFM) in DRC in two key sectors – education and health. The DRC has embarked on an ambitious reform programme covering many aspects of PFM, based on the 2010 Strategic Plan for Public Finance Reform² and supported by a new Public Finance Law passed in mid-2011. Planned over a seven-year period, the reforms are still at an early stage.

The task we faced was to investigate and analyse PFM needs in the two key sectors, and dovetail suggestions for improving financial management with both broader public finance and decentralisation reforms, and a new programmes that are being developed in the PFM area. 'Easier said than done' fairly sums up the task! Coming up with useful and implementable suggestions meant understanding three large and complex areas of DFID work in DRC, examining and placing in context the substantial other donor activities in governance, health and education and drawing up workable, practical and prioritised solutions for DFID to implement in the area of financial management.



Typical roadside scene taken during provincial visit to the capital of Bas Congo. Photo by Mark Minford

As is fairly standard for this type of development design work, it was undertaken in three distinct phases: the first phase involved an extensive documentation review, covering reading on DRC's recent political economy and 'drivers of change' analysis, as well as trying to understand PFM, health and education sector activities in DRC, with main findings summarised in an inception report; Phase 2 revolved around a first trip to the country, mainly in the capital – Kinshasa – but also including a provincial visit to the capital of Bas Congo, 4-5 hours away from the capital near the country's small coastline (see photo for typical roadside scene), with the product being a draft report and presentation to DFID; the third, final, phase involved a second visit to the DRC to test, with key government agencies and donors, the emerging recommendations for strengthening system-level accountability and the readiness of the key government agencies (education, finance and health) to engage with central level reforms and the country's nascent decentralisation process.

Challenges of working in the Democratic Republic of the Congo

The DRC is known in the West as the setting for Joseph Conrad's 'Heart of Darkness' and, to say the least, the country has had a chequered recent history. A review in the Guardian recently described the DRC as "eviscerated by two decades of conflict and chaos"³. Arguably since the days of the Congo Free State in the late 19th century, the DRC has exhibited many of the features of a failed state including: a highly despotic government, centralised in the capital; unreliable law and order, arbitrary justice and lack of human rights; rampant corruption and crony capitalism; and an absence of basic social services and amenities for the vast majority of the population. From a development perspective, the Guardian review notes that "Europe and the US bear partial responsibility for Congo's plight, a legacy of enslavement, looting and meddling dating back centuries". The review concludes depressingly that "for kleptocrats and meddlers, the Congo, remains open for business".

Today, while these factors still exist to some extent – a still

weak and patchy government bureaucracy; a lack of effective access to justice; and corruption and involvement of commercial interests in government, including western interests in securing mining and mineral concessions to name only some of the key governance problems. In addition, the Congolese people and government are keen to decentralise government services to states, although government in some provinces is generally weaker than at central level. It is this effort to modernise and decentralise government and financial management of the country's resources that DFID and other interested donors (Belgium, the US, France, the European Union, the World Bank etc.) are attempting to support – a wholly laudable, but complex, enterprise.

Professional and policy challenges for donors

In many ways, the central challenge facing international donors attempting to improve country and ministry-level financial management is to undertake value-adding activities, despite the pace of reform, complexity and fragility of the country. This complexity and fragility takes many forms:



5,000,000 Zaire banknote, printed in 1992 showing the effects of hyperinflation

• first, **there is a lot of administrative, governance and finance reform activity already going on.** In the face of the population's natural scepticism about the benevolence and efficiency of central government, the government is trying to decentralise functions to provinces. This is not a straightforward process (if it ever is!) in DRC, given the lack of administrative capacity in some non-mining provinces, and the need to ensure the legal, administrative and financial mechanisms for devolution are in place before functions and finance are actually devolved. A whole new mini-ministry under the Finance Ministry (COREF) has been set up to oversee the strategic plan to reform public finances and the transfer of funds to provinces, but its work is going slowly – bogged down in administrative detail and inter-ministry infighting. Managing funding flows at the local level, even with well-trained administrators, is not straightforward – in DRC, where every level of government seeks to extract 'rents', this is a nightmare of complexity. Naturally, there are forces at the central government level that are not keen to see their power devolved to the current 11 provinces – 10 provinces plus the province comprising the capital (Kinshasa). In addition, the latest Constitution, which came into effect in 2006, specifies 25, not 11, provinces, so there is uncertainty as to whether functions will be devolved to 11 or 25 provinces, as well as doubts about the extent and timing of devolution of power. A recipe for confusion!

• second, **inevitably, donors add to the complexity of operating government services in a fragile country.** There are a host of donors and a plethora of donor projects, often working through devolved actors such as NGOs (especially used by the US, Belgium etc.) and parts of UN agencies such as UNICEF. There are over 50 donor projects working in the health sector alone. These activities are usually not designed to dovetail with each other, and indeed many are working in ignorance of other programmes in their sector or area. As a relatively large donor, DFID is to its great credit attempting to play a 'coordinating' role in various areas. DFID is collaborating with the World Bank on a new financial management programme; it has (and will be) leading sector donor coordination groups, and the agency is making real efforts to ensure that donor education activities are joined up.

• third, **the fragility of government itself is a significant constraint.** In a fragile state, political power is limited and frequently challenged. Control over public finances can be and in DRC is actively used to maintain and consolidate existing power structures. These predictions closely fit observations of

PFM in DRC: budget composition and execution is tilted in favour of central state and security spending at the expense of social sectors and infrastructure investment. The fact that PFM priorities are driven primarily by political imperatives means that development objectives – even in priority sectors such as education and health – are likely to be of secondary importance. Such tendencies are observable in all states, but tend to be more extreme in a fragile state context.

• fourth, **as it is the eleventh largest country in the world, simply getting around DRC can be a significant challenge.** DRC is the same size as Spain, France, Germany, Sweden and Norway combined. Given the open conflict on its borders, travel to the eastern part of the country can be difficult. Internal Congolese airline flights are not recommended so personnel flights operated by the UN are often the best option. Donor personnel are sometimes permitted on these flights, but UN operational staff take priority, so timing cannot be guaranteed. We had planned to travel to 1 or 2 central provinces (Kasai-Oriental, Equateur), but the logistics of incorporating an up-country trip into an already tight 15-day mission to the country meant that we had to settle for a weekend 4-5 hour road trip to a nearby province – Bas-Congo – where road access was good.

Implications of challenges for donors and development professionals

Some of the practical development take-outs from working in DRC which those familiar with governance work, and with Mokoro's work in this area, will not find too surprising, are:

• **donor activities should mesh better with what is realistically achievable** within the host country's development agenda (including in this case creating a viable PFM platform for decentralisation and minimally effective budget execution), and not complicate what is already a complex situation;

• **it is vital to put in place the 'basics' of sound PFM**, including sound public accounting practice, better budget execution etc., while building the capability of the administration – at both central and decentralised levels – at the same time;

• **strengthened donor co-ordination is necessary**, supporting and using government PFM systems where possible, in the spirit of the Paris and Accra accords, including ring-fenced sector budget support if a Sector-wide Approach or more general budget support does not look to be an option.