



# Aid Effectiveness in the Democratic Republic of Congo: A Case Study Investigating the Factors Influencing Ineffective Aid

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**ABSTRACT.** This article examines aid effectiveness in the Democratic Republic of Congo (DRC). It first discusses how to best measure aid effectiveness. Then, it investigates several contributing factors to the DRC's current developmental predicaments. To accomplish these, the concepts of Paul Collier's traps, Erik Reinert's development theory, and the indicators of the Paris Declaration on Aid Effectiveness are utilised as explanatory tools. These variables are combined to seek a holistic approach in investigating the reasons behind the lack of aid effectiveness. A history of conflict is explored and constructs a setting for the DRC's precarious reality and it is argued that the DRC's sustained, long-term conflict is one of the main reasons for aid ineffectiveness. Furthermore, the state of industry and the idea of welfare colonialism as detrimental to aid effectiveness in the context of the DRC are explored. Additionally, an investigation of the implementation of the Paris Declaration on Aid Effectiveness and the actions of donor countries is provided. This leads to a critique of the practical implementation of aid in the DRC. The conclusion argues for an overall lack of aid effectiveness which has been aggravated by long-term conflict, poor governance, lack of industry, and a dysfunctional Paris Declaration.

## Introduction

Foreign aid, the way it is distributed and its impact on development is a highly disputed matter today. The fundamental dispute is whether foreign aid as an instrument to increase development and reduce poverty is effective (Shleifer 2009). Simultaneously, there has been discussion on how to best measure the impact and effectiveness of aid in the developing world.

The Democratic Republic of Congo (DRC), despite receiving quite a substantial amount of aid and possessing enormous reserves of natural resources, remains one of the poorest countries in the world in terms of per capita income. Moreover, the DRC continues to plummet toward the bottom of the Failed State Index (FSI). From 2010 to 2011, the DRC dropped from 5<sup>th</sup> to 4<sup>th</sup> place on the FSI. By 2012, the DRC is sitting in 2<sup>nd</sup> place, surpassed only by Somalia (Sheldon 2012; World Bank 2011a). Therefore, the topic of aid effectiveness against the backdrop of the DRC makes for an interesting case study.

Traditionally, aid effectiveness has been measured by economic output indicators, such as GDP and GNP. However, from the 1970s there has been an increasing critique of using only economic growth indicators as criteria for successful development (Thomas 2008). This criticism led to new development indicators being created, such as the Human Development Index (HDI). The HDI measures development on the basis of life expectancy, adult literacy and average local purchase power (Thomas 2008).

In 2001, per capita GDP of the DRC was less than 100 USD, which was far below the African average per capita GDP at that time (African Development Bank and the OECD 2008). The figures for the period 2000-2009 show that the annual average growth of DRC's real GDP was 5.2% (World Bank 2011a). Although this is remarkable progress and sign of recovery of the Congolese economy, the DRC still lags far behind an average African economy. In 2007, African GDP per capita was slightly above 800 USD in 2007 and the Central Africa GDP per capita was above 300 USD in 2007. The figures for DRC for the same year show just around 100 USD (African Development Bank and the OECD 2008).

An overall increase in the amount of aid given to the DRC is evident. The level of aid was relatively stable from 1960 until the beginning of the 1990s when it fell from 1.4 billion USD in 1990 to 0.4 billion USD in 1992. One of the reasons for the fall in the level of aid in the beginning of the 1990s was most likely because of the end of the Cold War. In the period from 1992 to 2002, the amount of aid was stable around 0.2-0.4 billion USD, after which the number increases to just over 7 billion USD in 2003. The heavy increase in aid in 2002-2003 was due to the agreement between the World Bank, the IMF and President Joseph Kabila to withdraw foreign military and to make economic improvements via reforms (Reliefweb 2002). In 2004, it decreases to 2.4 billion USD and is relatively stable until 2009 except for a decrease in 2007 to 1.4 billion USD.

During the period from 1980, the GDP per capita, PPP, has fallen from 779 to 298 USD. In the years from 1980 and during the years of the cold war the GDP per capita were relatively high. The largest decrease took place in the years after the cold war ended in 1989-2000 with a decrease from 700 to 260 USD. The reason for this heavy decrease was due to Mobutu's efforts to finance Zaire after having spent all of the aid that was available. This made him turn into printing more money, which led to a heavy increase in inflation that made the local currency lose its value. This caused a fall in GDP of more than 50% in the four-year period 1991-1995 (Wedeman 1997).

After 2000, there is a smaller increase in GDP per capita to a level around 300 USD. It is important to emphasise that GDP, and therefore also GDP per capita, is influenced by the commodity prices that are often very volatile. This is especially important in a country such as the DRC, which has a large degree of commodity production, since changes in commodity prices can have a substantial impact on GDP.

The other relevant variable to compare with the level of aid is HDI. The HDI for the DRC falls well below the average for the World, low human development and Sub-Saharan Africa. For the period 1980-1990 there was a minor increase in HDI from 0.282 to 0.289. After the end of the cold war HDI decreases to its lowest level of 0.224 by the year 2000. HDI increased to 0.277 in 2009 (UNDP 2011).

### **The DRC – A Synonym for Conflict**

The current situation in the DRC, and the apparent lack of any significant development, can be analysed and sought to be understood by a wide variety of different approaches. However, one analytical approach that seems to have a particularly high degree of explanatory force in a situational analysis of the DRC is Paul Collier's (2008) theoretical concept of states that fall behind developmentally due to being caught in a number of different traps. One of these traps is conflict.

The history of the area that constitutes the DRC is almost synonymous with conflict and brutality. From the colonisation by the Belgian court in the late 19<sup>th</sup> century over the post-independence violence, to the wars that followed the Cold War and the Rwandan genocide, there is a continuous line of the utilisation of violence as a legitimate tool to gain economic and political power in the country (Dunn 2003). Precisely the low-intensity and lengthy nature of the on-going conflict in the DRC is key to understanding the detrimental effect it has had on the development of the country. The German scholar Herfried Münkler (2007) has argued that conflicts like that of the Congolese represents a “new” form of war, or at least a different one than the typical western perception of the “old” classical, interstate war. In this new form of war, the belligerent parties do not seek to gain a decisive victory, either because they are unable to, or have an economic interest in keeping the conflict going (Münkler 2007). This is particularly relevant in the DRC, as the conflicts that have plagued the DRC during the last 15 years have been primarily that of a relatively low degree of intensity.

When viewing the current nature of conflicts in the DRC, the current situations in the eastern DRC have a direct linkage to the second Congolese war which, despite the 2002 peace agreement, to some extent is still on-going. The first and second Congolese wars were triggered primarily by events that occurred some 15-30 years back in history, events that did not take place in the DRC or Zaire. These events being:

- Uganda's problems with rebel groups dating back to the mid-1980s, particularly the LRA (Atkinson 2009);
- the Rwandan Genocide in 1994, where a large number of the Hutu perpetrators fled to the DRC (International Crisis Group 2010); and
- the Angolan civil war, in which Mobutu provided supplies for the UNITA rebel militia, and later Angolan security concerns due to UNITA aiding the anti-Kabila forces (Dunn 2003).

However, these events would probably not have had such severe consequences had the different regimes in Kinshasa been able to control their borders and, in the cases of the UNITA and the Hutu militias, not providing supplies and encouragement for them (Dunn 2003). Personal ambitions of certain non-Congolese African leaders, particularly Museveni in Uganda, Kagame in Rwanda and Dos Santos in Angola, are also relevant to understand the context of the events. Particularly, Museveni and Kagame are interesting, as the developed countries – i.e., the donors of foreign aid – often saw them as a new breed of African leaders, partly because of their adherence to the economic reform policy formulated in the late 1980s. This meant that, despite the direct interventions into the internal affairs of a sovereign state and the plunder of the natural resources in the eastern DRC, Museveni and Kagame were still perceived in the West as being shining examples of a new African leadership (International Crisis Group 2000).

The DRC is caught in the conflict trap. After almost 15 years of continuous conflict in large parts of the country, the DRC has now moved into what Münkler defines as the long state-internal war. These types of conflicts usually occur in areas that find themselves on the peripheral spheres of the global economy and where the state bureaucracy is weak and fragmented (Münkler 2007). This description is very fitting of the current situation, especially in the two eastern Kivu provinces, where only the United Nations Organisation Stabilisation Mission represent some form of well-functioning official body. The Congolese army still is highly undisciplined and occasionally turns to terrorizing the very people they are supposed to protect (United Nations 2011).

The opportunity of the DRC to escape the conflict trap is, in Collier's opinion, not something that surfaces every other day, as he states that:

A country such as the Democratic Republic of Congo will need around half a century of peace at its present rate of growth simply to get back to the income level in 1960. Its chances of getting fifty years of continuous years of peace with its low income, slow growth, dependence upon primary commodities, and history of conflict are, unfortunately, not high. This country is likely to be stuck in a conflict trap no matter how many times it rebrands itself unless we do something about it. (Collier 2008: 34)

While the developed countries during the last 20 years have deployed thousands upon thousands of soldiers to places such as Haiti, Bosnia, Kosovo, and East Timor with clear mandates to create peace, the DRC has been largely ignored by the West (United Nations 2011; NATO 2011a, 2011b). Only once has a coherent Western force been deployed to the DRC, in 2003, when a small French-led EU force with a limited mandate stopped tribal violence in and around Bunia, the capital of the eastern Ituri province. However, Operation Artemis, as it was called, proved to be a one-off, as the majority of the military components in the two UN missions (MONUC and MONUSCO) so far have been from developing nations (MONUC 2010).

Though the international community has acted, it is minimal compared to other international interventions during the last 20 years. The UN missions in the DRC are comparatively small interventions compared to, for instance, Kosovo. The number of peacekeepers in the DRC has never surpassed 25,000 (United Nations 2011), while KFOR initial strength was 50,000, despite covering an area and population only a fraction of that of the DRC (Britannica Online 2011). This double standard in the willingness to enforce peace and deploy peacekeeping missions was something the belligerents in the Congolese wars were all too aware of (International Crisis Group 2000).

One must also look at the other traps to understand why the conflict trap has been able to retain its grasp on the country. The natural resource trap, as originally understood by Collier, is not that relevant when understanding the current situation in the DRC. The reason for this is because the government, through the last many years, has not been in control of large parts of the country, and therefore has not had the opportunity to contract “Dutch disease” or spend erratically. However, the natural resources of the DRC have been the key factor in financing the on-going conflict, where it is evident that all of the warring countries and groups had large economic interests in the country (International Crisis Group 2000). Along with financing the war, the natural resources also became, to a large degree, the cause of conflict. The financing of the conflict in the DRC was, and is probably still, to a large extent, being carried out with what Münkler (2007) defines as an open war economy. This means that the financing of military operations is no longer being coordinated through a formal bureaucratic structure, but by the operational, on location, military leader. As a consequence, the political control over warfare is lost, as the armed groups and units, which constitute a military, become a profit seeking organisation rather than a politically controlled organisation.

### **Welfare Colonialism in the Context of the DRC**

Erik Reinert’s (2006) theory of development, particularly his critique on the current approach to foreign aid and fighting poverty in developing countries, is useful in analysing the historically impoverished economic situation in the DRC. A key argument of Reinert is that an industrialisation process is needed in order for the country to progress in development. The DRC is stuck in a vicious cycle of economic underdevelopment, which applies to countries that rely on raw material production that is in itself a particular economic activity with diminishing returns effect to the economy and the larger social progress. This production system, whose comparative advantage is based on labour-intensive activities, is defined by low wages, low demand and low investment. It is a self-reinforcing, as well as self-defeating, mode of production in which the comparative advantage of specialising in economic activities subjected to diminishing returns results in wage decline, even while productivity increases and prices decrease (Reinert 2006). As such, the DRC’s current production mode of primarily raw materials makes it specialise in being poor and makes it difficult for aid to work effectively because the DRC is trapped in this vicious cycle of poverty and underdevelopment.

In order to develop economically, the DRC is in need of a change in the mode of production from mainly producing and exporting raw materials into producing and exporting manufactured goods characterised by increasing returns. If the DRC could manage to make this change it would mean that it could produce products with higher value added and through that reach the so-called *virtuous* circle of economic development. This system of a highly diversified economy is defined by higher wages, higher demand, higher investment and ultimately a high capital-labour ratio (Reinert 2006).

If aid is spent in order to help the DRC establish industries it could escape the vicious cycle and instead enter the virtuous circle, which will lead to positive effects in its economy and overall development. The only exception is if the export prices are lowered at the same rate as productivity increases and this results in no real increase in wages, leading the country back into underdevelopment and back to the vicious

cycle of poverty. Therefore, it is important to use aid not only in order to establish an industry in the DRC, but to also institutionally provide for price stability in the domestic economy as well as of export goods for the international market.

Exports in the DRC consist predominantly of diamonds, gold, copper, cobalt, wood products, crude oil and coffee; while typical imports are mainly foodstuffs, mining and other machinery, transport equipment and fuels (Central Intelligence Agency 2011). When looking at the DRC's GDP by sector, the manufacturing sector is marginal, creating respectively 1.7% of GDP in 2008 and 1.5% in 2009 (World Bank 2010a). With these figures, it can be seen that the DRC hardly exports any industrial products (Central Intelligence Agency 2011).

A recent report from the World Bank (World Databank n.d.) shows that the value that has been added to the industry during the whole period from 1969 to 2009 has been very volatile, ranging from -30% to 32% in annual growth. This in itself is a problem since it leaves a large extent of instability in the industrial sector. The average growth in the industrial sector during the period is only 0.48%.

Meanwhile, there has been a noticeable rise in mining exports from 28% in 2000 to 78% of the total value of exports in 2008, being the largest export good in the DRC (WHO 2011). The developed countries have implemented structural adjustment programmes to the underdeveloped countries which, according to Reinert, have resulted in a deindustrialisation and falling wages within the underdeveloped countries. According to Reinert's theory, this means that aid will not be effective in the DRC since it has not escaped the vicious cycle.

This leads up to Reinert's (2006) critique of the Millennium Development Goals (MDGs) and palliative economics: that aid is being advanced and distributed the wrong way. Reinert argues that the MDGs are important developmental goals but the strategies to realise these goals essentially contribute to the ineffectiveness of aid because they only target the symptoms, rather than the causes, of poverty.

Nearly 40% of aid in 2009 goes to food, nearly 20% to water and sanitation, nearly 8% to coordination and support services, about 4% to health, about 3% to respectively protection/human rights/rule of law and agriculture while about 25% was used in other sectors. This shows that none of the aid is directly aimed at building an industrial manufacturing base for the socio-economy. This also supports Reinert's argument that aid is often being used for symptom relief, rather than the donors dealing with causes and investing the money from aid in industries that can make the economy sustainable (Reinert 2006).

As another form of palliative foreign aid, Reinert (2006) mentions debt cancellation, which again addresses the symptoms. Recently, Norway and the World Bank cancelled the DRC's debt (Ministry of Foreign Affairs of Norway 2011). The total foreign debt of DRC is over 12 billion USD, many of the loans were taken during the Mobutu's presidency in 1970s and 1980s (Jubilee Debt Campaign 2010).

Nonetheless, the director of the Jubilee Debt Campaign, Nick Dearden, seems to be rather pessimistic about the whole concept of DRC's debt cancellation, as he argued in a Campaign press release during 2010:

The experience of DRC also goes to show that debt relief schemes are still operating in the interests of the 'creditors'. DRC has spent years shelling out tens of millions of dollars in debt 'repayments' while also implementing economic conditions, which make its economy more attractive and 'safe' for foreign investors. This is not most people's idea of 'debt cancellation'. (Jubilee Debt Campaign 2010)

When Reinert talks about welfare colonialism he means the practice of the developed countries when providing palliative aid in order to maintain the recipient's

dependence on the donor country. This panders to the donor's own political and economic interests. It is remarkable that Belgium was the biggest export partner of the DRC in 2006 (where almost 30% of export of the DRC was dispatched to Belgium) and the second largest import partner. In 2008, Belgium was the third largest humanitarian aid donor just after the United States and the United Kingdom (The Global Village Encyclopedia 2011; Global Humanitarian Assistance 2011). As noted in the 2009 United Nations' report on conflict minerals in DRC, there are 23 companies coming from Belgium out of a total number 85 companies. No other state has as many companies as Belgium involved in conflict minerals in the DRC. Besides Belgium, the Republic of South Africa has the second largest number of companies involved in conflict minerals. Of the 12 companies, eleven are from the United Kingdom and nine are from the United States (Conflict Minerals 2009). Therefore, it might not surprise that the UK, the US, and Belgium are among the top aid donors. This manifests that Reinert's point on welfare colonialism has merits.

### **Measuring Aid Effectiveness in the DRC**

The Paris Declaration on Aid Effectiveness (OECD 2005) can be used to measure the effectiveness of aid in a particular receiving country. It was drafted by the OECD in 2005 as a means of better analysing and monitoring aid effectiveness. It was also created in an effort to foster more aid effectiveness in hopes of increasing development growth. It contains 12 Indicators of effectiveness which represent commitments by both donor countries and recipient countries. It also establishes target goals for the year 2010 in respect to each individual Indicator. These 12 Indicators fall within five different main categories: Ownership, Alignment, Harmonization, Managing for Results, and Mutual Accountability. The Paris Declaration is suitable for use in this analysis because it is the main measure of aid effectiveness in the field; 137 countries committed to its guidelines and goals, including the DRC. It provides target numbers to measure whether aid is effective. It is also monitored on a regular basis, which provides the opportunity to analyse aid effectiveness over time. As of 2008, there was no major leading international actor amongst an array of 40 different participating development partners in the DRC (OMP/IDL 2008). The results in Figure 1 are a representation of the appraisal completed by the OECD in 2010 on the results seen in the DRC (OECD 2010b). They serve as an effective tool for evaluating the DRC in terms of aid effectiveness. The letter grades are to be interpreted with A being the highest and D being the lowest score.

Ownership is defined as a partner country's effective utilization of leadership and authority in communicating, establishing and managing policies, strategies and methods concerning development. It refers to Indicator 1: partners have operational development strategies (OECD 2007). The DRC has failed in adhering to its pledge of improved Ownership and having operational development strategies. While the goal was to achieve a grade of A or B, the DRC has maintained its grade of D since 2005. Ownership involves responsible government, which makes development goals a priority. According to the Accra Agenda for Action, Ownership should include all levels of government, including opposing parties, military and local police figures. Ownership should also be cultivated in civil society, and should include the media and social actors (OECD 2011). In the DRC, the lack of Ownership has an implicit relationship with poor governance. The actions of development partners also have an

extraordinary effect on the ability of the DRC to display Ownership and bring the very concept into question.

**Figure 1**  
*Aid Effectiveness Indicators in the DRC: References, Results and Goals*

Indicators	2005	2007	2010 Result	2010 Goal
1. Partners have operational development strategies	D	D	D	B or A
2a. Public financial management systems are reliable	2.5	2.5	2.5	3
2b. Public procurement systems are reliable	no data	no data	no data	no goal
3. Aid is aligned with national priorities	81%	58%	53%	90%
4. Building national capacity by coordination	11%	38%	34%	50%
5a. Utilization of national public financial management systems	13%	0%	13%	no goal
5b. Utilization of national procurement systems	31%	1%	9%	no goal
6. Avoid parallel implementation structures	34	146	78	11
7. Aid is predictable	83%	20%	59%	91%
8. Aid is untied	92%	90%	93%	over 92%
9. Use of common procedures or arrangements	54%	21%	37%	66%
10a. Joint field missions	38%	21%	22%	40%
10b. Joint analyses	35%	23%	36%	66%
11. Results-oriented frameworks	D	D	C	B or A
12. Mutual Accountability	No	No	No	Yes

Kabila's 'Cinq Chantiers de la République' outlines the five main objectives of reform that the Congolese government has expressed commitment to: infrastructure, housing, job creation, water and electricity, and health and education (Kindornay et al. 2009). While this is a start at displaying Ownership, there is little data to be found in terms of implementation, short-term goals, long-term goals and results. In 2006, the DRC released a Poverty Reduction and Growth Strategy Paper (PRGSP) with extensive input from the international community. It outlined policies to stimulate growth and poverty reduction as well as financial support details. However, though goals were laid out, the DRC itself was critical towards its own ability to achieve them. In the first review of the PRGSP in 2010, the DRC describes its situation as "extremely challenging" and that even reaching the Millennium Development Goals by 2015 will be "extraordinarily difficult, if not to say impossible" (IMF 2007, 2010). The Ownership reflected in the production of this strategy paper is questionable. As mentioned, the international community had a high degree of involvement in the synthesis of the PRGSP and the DRC government's contribution to the policy is not known. Low capacities were further stretched by the November 2011 election, and therefore government involvement in the PRGSP is estimated to be minimal. NGOs carried out most of the work for the paper (OMP/IDL 2008). There are similar problems of Ownership in other official development papers. The OECD drafted the Country Assistance Framework (CAF) to discover countrywide goals and establish a framework for achieving them. As part of the process, 35,000 Congolese citizens were interviewed. These people ranged from civilians to public workers (OECD n.d.). This was meant to enhance Ownership at civil, public and private levels. However, the national authorities were not consulted in relation to the CAF and therefore have had little to say in the recommendations and procedures of the report (OMP/IDL 2008). The Governance Contract of the DRC outlines key reforms that need to take place on all levels of government. It includes issues such as decentralization and transparency and important economic sectors, including the mining sector (World Bank 2011b). However, the DRC neither drafted nor reviewed this document. All the preparatory, drafting and review work were completed by external agents, donors and



development partners. This document was then presented to the candidates of the concurrent election for information (OMP/IDL 2008).

The DRC cannot display Ownership of its developmental policies and goals when its officials are not a part of creating them in the first place. True Ownership cannot exist on the part of the DRC until it creates its own goals. It is to be expected that the DRC cannot display Ownership if it is the OECD that has created them in the first place.

Alignment is defined in terms of how the actions of donor countries must reinforce, utilize and enhance the developmental infrastructure of the recipient country (OECD 2007). It refers to Indicators 4 through 8. Only one goal was reached in terms of Alignment: that is, Indicator 8 (untying aid) where 93% of aid that the DRC received in 2010 was untied. The goal was to exceed the 2005 figure of 92%. Nevertheless, it is worth noting that in 2007 the amount of untied aid dropped to 90%, indicating that untied aid statistics fluctuate. There was no improvement in the ratings of public financial management systems. There was no available data on the status of national procurement systems. This reflects on the low capacity of the government to systematically collect and record data. When data is not available, this creates a critical problem in terms of creating and evaluating development goals.

With regard to Indicator 3 (aligning aid with national priorities), performance is declining significantly over time. In 2005, which was the same year the Paris Declaration was drafted, 81% of aid was aligned with national priorities. By 2007, that percentage had decreased to 58%. At the time of evaluation in 2010, there was a further decrease to 53%. The target was to align 90% of aid with national priorities. This failure can be explained by the actions of the development partners. When development goals and strategies are created, the DRC authorities have not been sufficiently included in the process. The Governance Contract can again be used to illustrate this. When the document was presented to the DRC, it was in the midst of an election. There was political instability and fluidity, enhanced by the fact that it was the first ever election in the DRC. This means that the chance for government involvement in the drafting of the Contract was minimal (OMP/IDL 2008). However, major players on the international field refer to the Governance Contract as the DRC's own, implying that the goals were conceived by the DRC itself (The World Bank 2011; The EEAS 2011). Similarly, when the CAF was created, the officials of the DRC were not engaged due to perceived conflict of interests created by the election at the time (OMP/IDL 2008). The consequence of this lack of communication and consultation is that when development partners in the DRC try to align themselves with national priorities they will undoubtedly fail. The mainstream documents which outline the DRC's development goals (the PRSP, CAF and Governance Contract) are in fact not the development goals of the DRC itself, but goals which have been created by other external partners. Therefore, as long as development goals are controlled solely by donors, aid will never be sufficiently aligned with national priorities.

Indicator 4 (building national capacities through coordination) has also declined since 2007. While there was a substantial increase from 11% in 2005 to 38% in 2007, the final figure was 34% in 2010. This is still a significant distance from the target of 50%. While donor countries have committed to building capacities in the DRC, there are examples of interactions with the DRC, which directly conflict with this. In 2008, China signed on to provide 9 billion USD of aid to the DRC. This was to go towards new roads, railways, health centres and universities. However, all the preparation and work was carried out by companies based in China (Whewell 2008). This outsourcing of infrastructure development means that the DRC will not develop any capacity from

this operation nor will they have the ability to maintain or expand the results. While China is a part of the Paris Declaration, its development projects in the DRC do not foster capacity.

There was no goal for Indicator 5, utilizing national financial and procurement systems. The lack of any target makes Indicator 5 difficult to assess in terms of effectiveness. However, the measures of 2010 have either remained the same or decreased since 2005. It can then be asserted that there has been no progress on this front. Development partners are hesitant to offer direct support through the national budget due to its weaknesses (OMP/IDL 2008). It can be argued that this creates a circular problem in that the financial management systems are weak because they are not utilized but they are not utilized because they are weak. To achieve positive results on Indicator 5 this cycle must be broken.

There are more than double the amounts of parallel structures in place since 2005. At the detriment of the DRC, donor countries have actively abstained from utilizing national systems and have implemented parallel structures. This stems from lack of confidence in the DRC systems and concerns of corruption within it (OECD 2010b). The result is multiple dual processes, which in turn further erode the capacity of the DRC. Once again, a circular problem arises.

Aid predictability is also unstable according to 2010 results. In 2005, aid predictability was measured at 83%. This fell to just 20% in 2007 but rose sharply again in 2010 to 59%. This still misses the 2010 target of 91%. Donor countries are quick to use low aid effectiveness and recipient country situations as an excuse for low predictability. However, a significant portion of unpredictable aid is due to other reasons which have not been sufficiently researched (Celasun and Walliser 2007). When aid is not predictable it directly impacts the ability of the DRC to create a proper and dependable budget. As a consequence of this, all areas of development suffer and citizens lose faith in the government.

Harmonisation is defined through the actions of donor countries. Transparency, effectivity and in sync coordination should all be important themes of donor countries actions. It refers to Indicators 9 (use of common procedures) and 10 (joint work) (OECD 2007). Performance in Harmonisation has declined significantly over the last five years, with exception to Indicator 10b (joint analyses), which has seen a minimal increase. The use of common procedures and arrangements has declined from 54% in 2005 to 37% in 2010, missing the goal of 66% by close to half. Joint field missions have also declined from 38% in 2005 to 22% in 2010. Joint analyses have risen from 35% in 2005 to 36% in 2005, nevertheless leaving a large gap to the 2010 target of 66%. Due to the fragile nature of the DRC and the risks that are associated with engaging with such nations, a strong divide of opinion on how to best act is present between development partners. This is aggravated by the presence of a great number of different actors (OMP/IDL 2008). The commitment to Harmonisation outlined that donor countries would work together to make sure their projects were supportive of one another and that there was minimal crossover. In reality, donors still persist in implementing their own programs without consulting current programs already in place by others. From the data provided in Figure 1, we can assume that this is occurring on an even larger scale than when the Paris Declaration was put into action. These multiple and fragmented programs put a detrimental weight on the already crippled capacity of the DRC government (OECD 2010b).

During the 2006 election, there were political harmonisation attempts made by external actors that had a negative impact on the DRC's Ownership. They were criticized for overstepping their boundaries by interfering too much in the election

process (OMP/IDL 2008). In addition, the development documents surveyed earlier, which supposedly act as tools through which donors can harmonise themselves, contribute to the lack of Ownership displayed by the DRC. Harmonisation efforts are also hampered by China, as it increasingly becomes a major development partner to the DRC. It has not been included in the discourse about the CAF, which is the foremost strategy for development in the DRC (OMP/IDL 2008). As such, harmonization efforts will only reach as far as those who follow their commitments as outlined in the Paris Declaration.

Managing for Results is defined as targeting crucial aspects of development aims and using results of analytics and diagnostics to foster better strategic planning and implementation and refers to Indicator 11 (OECD 2007). Results-oriented frameworks have improved to a grade of C in 2010 from a grade of D in 2005. However, the target for Indicator 11 was a grade of B-A. On the Managing for Development Results (MfDR) scale, which is produced by the OECD directly for the purpose of monitoring the Paris Declaration, the DRC achieved an average score of 1.5 out of a possible 4. The DRC is categorized as being in an exploratory stage of its management of results. This means that programs and initiatives are being tried out for the first time without much commonality or coherence (Managing for Development Results 2011). DRC possesses only the very basics of a monitoring system (OECD 2006). This has a fundamental impact on the DRC's ability to effectively use aid. If results and data from implemented programs are incomplete, unavailable or incorrect, the chances for aid to become more effective in the DRC are limited. Figure 1 shows the DRC has a rating of 1.7 out of 4 on its statistics. This means that statistical analysis and collection is still in the basic stages of development. Accurate and informative national data is essential if the DRC is to manage for results. Donors are meant to utilize national data analysis systems. However, since the DRC is lacking consistent and orderly data collection, donors must use their own methods for collecting data. This in itself hinders the DRC's ability to develop such methods, as donors do not foster their basic attempts at Managing for Results (OECD 2011). This also has negative consequences for the Mutual Accountability.

Mutual Accountability, which refers to Indicator 12, is defined as the commitment that both donor countries and partner countries have between themselves to be liable and responsible for their development goals (OECD 2007). There was no Mutual Accountability present in 2005. Though the goal for 2010 was to have systems in place for bilateral monitoring processes, none has been created and Mutual Accountability remains non-existent (OECD 2006). The fact that donors and the DRC do not and cannot monitor one another is a reflection of the failure of the previous Indicators. The failure of these Indicators can be argued to obstruct any sort of reciprocal monitoring from taking place. If the DRC has no Ownership of its development goals, whether the DRC can be held accountable for these goals is questionable at best. Whether the DRC should be expected to monitor the donor countries is also arguable. With such fundamentally limited capacities, the DRC cannot afford to oversee the actions of donor countries, which should themselves be adhering to their commitments. In relation to this, the overall failure of Alignment and Harmonisation on the part of donor countries gives a poor outlook on their own accountability.

Development partners in the DRC are often reluctant to set up scientific analysis methods, coherent assessment frameworks and supervision frameworks to ensure the applicability of the analytical tools of conflict consistent with the distinctive circumstances in terms of politics, economy, and health, among others, in the DRC

(Patrick and Brown 2007). Consequently, the inaccurate or incomprehensive analytical findings will mislead the subsequent aid policy-making processes and the objectives of the aid projects launched and implemented in the DRC. Furthermore, a certain number of primary issues in the DRC most needing external assistance will be neglected or even aggravated, resulting in the escalating tension and turmoil in the DRC (OMP/IDL 2008).

In addition to the unconscious negative effect imposed on the DRC by development partners, what is worse is that some detriments have been pressed on the country for their respective self-interested purposes. The illegal extraction of natural resource by many foreign enterprises based in the DRC is an appropriate example. In the mining sector, for example, many international stakeholders have violated the global conduct codes to different extent because developed countries, along with some local stakeholders, are eager to share a portion of the natural resources in the country, thus leading to a vicious rivalry on the global scale over those mineral resources. Such an international contention has inevitably led to the escalating instability in the already conflict-affected country and impacts on the results of development partners' efforts (Shah 2010).

## **Conclusion**

To be able to assess the effectiveness of aid in the DRC, it is important to take the political and historical context into account. In the case of the DRC, this is particularly essential because it is in a rather dismal condition due to almost two decades of continued internal conflict. This has trapped the DRC in continued violence and conflict. The DRC possesses neighbours that have not only been unproductive in terms of economic development but have also created internal instability. There have been almost five decades of endemic corruption, which has resulted in the collapse of the formal economy, as well as reduced the state bodies to an evil in the eyes of many Congolese citizens. Finally, but not the least, the DRC has abundances of natural resources that did not manage to develop the Congolese economy. Instead, these resources came to serve first Mobutu's kleptomaniac regime, then as a way of financing the continued warfare for the external and internal players of the Congolese Wars, indeed making the DRC a victim of its own resources. The DRC today stands in a very fragile situation, as there are still major security concerns in the eastern provinces. The DRC still suffers from all-encompassing corruption, while the natural riches of the DRC have, to a large extent, been used to fund the violence.

The overall conclusion is that the aid being distributed to the DRC is predominantly ineffective. This is in part due to the fact that it often leads to welfare colonialism and thereby makes the DRC dependent of aid instead of being able to establish a sustainable economic system. For instance, the main part of the aid that has been distributed to the DRC within recent years has been used to buy food supplies instead of investing in establishing an industry to change the mode of production to achieve increasing, instead of diminishing, returns. Therefore, aid programmes like the MDGs are a part of the explanation for the ineffectiveness since it is aimed at addressing the symptoms of the problem rather than the causes.

Moreover, another contributing factor to the ineffectiveness is that none of the Paris Declaration's indicator goals (except for one) have been reached in 2010. Several indicators have declined since 2005, when the Paris Declaration was created. Thus,

the ineffectiveness has increased within the last six years. Perhaps the most fundamental problem is the base assumption of the Paris Declaration itself. The Paris Declaration assumes a certain level of capacity and legitimacy to the DRC that, in reality, does not exist. The pillars of the Paris Declaration are constructed upon the primary and most important cornerstone of Ownership. Since the DRC has shown no Ownership and is, under the present circumstances, unable to do so, the practical application of the remaining pillars is warped. Because of this, the relevance of utilizing the Paris Declaration in the DRC is questionable at best.

The donor countries that signed on to the Paris Declaration do not live up to their commitments and continually refuse to do so. There is a fundamental issue with the fact that the countries, which have prepared the Paris Declaration do not abide by their own rules. The OECD must also display Ownership with its own strategies. The analysis of Alignment and Harmonisation demonstrate that they do not. This causes aid to benefit ineffective endeavours and therefore harms the DRC by fuelling corruption and criminal extraction of mineral resources. This happens due to the fact that the donor countries fail to consider the needs and context of the DRC.

It has been shown that aid effectiveness in the DRC is a multifaceted and complex issue. While there is no one explanation for the failure of aid, the above issues intertwine to create an overall ineffectiveness. The persistent corruption and conflict begs the question of whether the modern conceptualization of aid can ever be expected to pull the DRC out of poverty. Even if it could, the current utilization methods in practice today leave much to be desired. Through analysing the situational, institutional, economic and political aspects of aid effectiveness, a more thorough and complete picture has been provided and can be utilized in further investigations of aid effectiveness in the DRC.

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