

Democratic Republic of Congo

Consultative Group – November 29-30, 2007 Working Session on Governance

Medium Term Priorities for Governance

The Government of the Democratic Republic of Congo has designed a Governance Compact, which serves as a contract between the government and the people of the DRC. The Compact sets out a set of commitments to improve the quality of governance in the DRC. The Compact aims to facilitate the processes of rebuilding the state and of rebuilding trust between government and its citizens. The seven key priorities set out in the Compact include:

1. enhancing transparency;
2. strengthening public financial management;
3. public administration reform and capacity development;
4. decentralization and strengthening local governance.
5. Security sector reform, including judicial reform;
6. strengthening natural resource management;
7. selected public enterprise and investment climate reforms.

We focus in this note on four transversal aspects, i.e. the first four priorities listed above.

In the year following the completion of the electoral process, some important steps have been made towards the implementation of some of the key objectives of the Compact. Notably, in the area of decentralization (see separate note) a consensus on way to apply the principles of intergovernmental relations set out in the new Constitution was reached in the context of the National Decentralization Forum. Whereas significant issues remain to be addressed, this is a large step forward compared to the acrimonious debate on the issue that dominated the first half of 2007.

On public financial management, revenue performance has improved and the government is confident that further progress can be made, thus providing a more solid financial basis for the implementation of the government program. However, less progress has been made on enhancing the effectiveness of expenditure management, which still requires urgent attention.

In relation to public service reform, whereas the Census is still not finalized, important moves have been made to launch the reform of the public sector wage system, as well as to adapt administrative structures to a decentralization mode of service delivery. However, these reforms remain at a very early stage of implementation.

In relation to enhancing transparency, performance has been less impressive, as progress on participation in international initiatives such as EITI and the Kimberley process has been limited. At the same time, the use of National Forums on key policy issues (such as decentralization) and the strong participatory process on the finalization of the PRSP are positive developments.

Considering the experience of the last year and the highly specific development context of the DRC, some key principles should guide governance reforms:

- Setting realistic, well sequenced and measurable targets on each aspect of the reform process;
- Consensus building as an over-arching principle for designing and implementing reforms;
- Avoid off-the-shelf solutions that are unlikely to take root in the complex context of the DRC;

- Enhanced coordination, both internally, nationally, and with development partners
- Invest in communications on each aspect of the Compact.

In line with these principles, the following commitments are set out by the Government and its main development partners.

Government of DRC:

- Offer high level visible, political leadership to the governance reforms to ensure vested interests don't derail the process, including the reforms in the natural resources sectors and extractive industries.
- Full commitment to the implementation of the EITI and Kimberley processes, ensuring enhanced levels of transparency in all aspects of management of natural resources and in the application and accounting of the resources generated by these resources.
- Execute a decentralisation program that is based on the Constitution and that creates sub-national government levels that are capable and adequately resourced to undertake their new responsibilities and functions in delivering services and government programs.
- Undertake reforms and reorganizations in public sector revenue management that will increase the level of revenues generated at central and sub-national level, in line with the potential of the prevalent economic activities.
- Introduce changes in public expenditure management that will augment the capabilities of government at central and at sub-national level to allocate resources in line with the policies as laid out in the DSRP.
- Strengthen the systems and structures to improve oversight and accountability for the use of public resources.
- Lead a process aimed to develop a better managed and more effective civil service that is capable of undertaking the core government functions in public finance and service delivery.
- Introduce reforms in the legal and judiciary sector that will create the basis for the development of an independent and professional judiciary;

International Community:

- Provide tailor made, just in time and high quality professional advice to the design and implementation of governance reform;
- Apply a coordinated and harmonized approach to supporting institution and capacity building efforts at all levels of government, with possibly an eventual common funding mechanism;
- Where necessary, facilitate dialogue on key governance reforms, notably on decentralization;
- Assist government with the development and implementation of viable mechanisms to track progress on governance reforms, including on PFM, personnel and statistical data, but also by applying more innovative tools such as balanced scorecard surveys etc..

Risks

There are a number of risks that could disrupt achievement of DRC's objectives in governance:

- Government policies do not get support from key political partners, from provincial authorities or from key ministries. This can be prevented by involving all key stakeholders in the reform process as partners.
- Delays in delivery of promised support from donors. This can be minimised by all partners, including in headquarters, working together to ensure funding conditions are realistic and donor procedures are streamlined as far as possible.
- Experience with governance reforms in other post conflict countries shows that timing and sequencing are essential for successful implementation of these reforms. Government leadership will be needed to disseminate understanding of the importance of consistent and coordinated support to the reform process. This needs to be backed up by regular monitoring of implementation of the reforms and policy adjustments. Regular joint monitoring of progress with development partners to identify and address key obstacles will be important.
- The Big Bang decentralisation process is a high risk endeavour. It may result in large inequities between provinces; break down of service delivery in provinces, and increased interregional tensions. This can be prevented by strong management at top levels of government and intensive dialogue between the central and provincial levels. The development partners will need to support the decentralisation process by providing high level policy advice and support to the capacity building efforts at sub national government levels.