Public financial management reforms in fragile states: the case of Democratic Republic of the Congo

Geraldine Baudienville

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Please note that this report covers events only until the summer of 2010. Responsibility for the opinions expressed and any errors of fact or judgement remains with the author.

Overseas Development Institute
203 Blackfriars Road, London, SE1 8NJ

Tel: +44 (0)20 7922 0300
Fax: +44 (0)20 7922 0399
www.odi.org.uk

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Abbreviations

ADF	African Development Fund
AfDB	African Development Bank
AMP	Alliance pour la Majorité Présidentielle (Presidential Majority Alliance)
BCC	Banque Centrale du Congo (Central Bank of Congo)
CAF	Common Assistance Framework
CII	Cellule Informatique Inter-ministérielle (Inter-ministerial Unit)
CISPI	Commission Inter-ministérielle Chargée du Suivi des Programmes Conclus avec les Institutions Financières Internationales (Inter-ministerial Commission Tasked with Monitoring Programmes Implemented in Agreement with the IFIs)
COFOG	Classification of the Functions of Government
COREF	Comité d'Orientation de la Réforme des Finances Publiques (Steering Committee for Public Finance Reforms)
COREMAP	Commission de Réforme des Marchés Publics (Public Procurement Reform Commission)
CSO	Civil Society Organisation
CTR	Comité Technique de Suivi des Réformes (Technical Committee for Reform Monitoring)
DAC	Development Assistance Committee
DCB	Direction du Contrôle Budgétaire (Budget Control Department)
DCCT	Direction de la Centralisation de la Comptabilité Comptabilité du Trésor (Central Accounting Operations Department)
DCP	Direction de la Comptabilité Publique (Public Accounting Department)
DFID	UK Department for International Development
DPSB	Direction de la Préparation et du Suivi du Budget (Budget Preparation and Monitoring Department)
DRC	Democratic Republic of Congo
DRGC	Direction de la Reddition Générale des Comptes (General Accounts Revision Department)
DTO	Direction du Trésor et de l'Ordonnancement (Treasury and Payment Authorisation Department)
EAD	Entité Administrative Décentralisée (Decentralised Administrative Unit)
EC	European Commission
EcoFin	Economic and Finance Commission
EERP	Emergency Early Recovery Project
EITI	Extractive Industries Transparency Initiative
ERC	Economic Recovery Credit
ESB	Etat de Suivi Budgétaire (Budget Execution Report)
FCAS	Fragile and Conflict-affected States
GDP	Gross Domestic Product
GFS	Government Finance Statistics
GNI	Gross National Income
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries
HIPC-AAP	HIPC Assessment and Action Plan
IBP	International Budget Partnership
ICG	International Crisis Group
IDA	International Development Association
IFES	International Foundation for Electoral System
IFI	International Financial Institution
IGF	Inspection Générale des Finances (General Finance Inspectorate)
IMF	International Monetary Fund
I-PRSP	Interim PRSP
GDP	Gross Domestic Product
MAD	Mise à Disposition de Fonds (cash advance)

MDG	Millennium Development Goal
MEPSP	Ministère de l'Education Primaire, Secondaire et Professionnelle (Ministry of Primary, Secondary and Vocational Education)
MITPR	Ministère des Infrastructures, Travaux Publics et Reconstruction (Ministry of Infrastructure, Public Works and Reconstruction)
MLC	Mouvement de Libération du Congo (Movement for the Liberation of the Congo)
MoF	Ministère des Finances (Ministry of Finance)
MONUC	UN Mission in Democratic Republic of Congo
MTEF	Medium-term Expenditure Framework
NGO	Non-governmental Organisation
OBI	Open Budget Initiative
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PALU	Parti Lumumbiste Unifié (Unified Lumumbist Party)
PEG	Programme Economique du Gouvernement (Government Economic Programme)
PEFA	Public Expenditure and Financial Accountability
PER	Public Expenditure Review
PFM	Public Finance Management
PIU	Programme Implementation Unit
PPRD	Parti du Peuple pour la Reconstruction et la Démocratie (People's Party for Reconstruction and Democracy)
PRGF	Poverty Reduction and Growth Facility
PRGS	Poverty Reduction and Growth Strategy
PRSP	Poverty Reduction Strategy Paper
PTS	Procédure Transitoire Simplifiée (Simplified Transitional Procedure)
REGED	Réseau Gouvernance Economique et Démocratie (Economic Governance and Democracy Network)
SECOPE	Service de Contrôle et de Paie des Enseignants (Wages of Primary and Secondary School Teachers)
SMP	Staff Monitored Programme
SOE	State-owned Enterprise
SP	Services Provinciaux (Provincial Office)
Sida	Swedish International Development Cooperation Agency
TA	Technical Assistance
TOFE	Tableau des Opérations Financières et Economiques (Table of Financial and Economic Operations)
UK	United Kingdom
UN	United Nations
UNCTAD	UN Conference on Trade and Development
UNDP	UN Development Programme
US	United States
USAID	US Agency for International Development

Summary of conclusions and lessons

Reform context and political economy

After independence from Belgium in 1960, Colonel Joseph Mobutu seized power, declared himself President in a November 1965 coup and retained his position for 32 years. In 1996, a rebel movement supported by Rwanda and Uganda began an offensive that led to the 1997 overthrow of President Mobutu and the instalment of Laurent Kabila as head of state. This was soon followed by a resurgence of civil war in 1998, which ended with a ceasefire (the Lusaka Peace Agreement) signed on 10 July 1999. Yet sporadic fighting continued and, after the assassination of Laurent Kabila in January 2001, his son, Joseph Kabila, succeeded to the presidency.

Early impetus for reform between 2001 and 2003 came from the alliance of the new president and his finance minister, seconded from the International Monetary Fund (IMF), who showed strong political will to re-establish links with the international financial institutions (IFIs) after years of suspension of structural aid. The existence of one strong 'mega' ministry in charge of economy, finance and budget also facilitated the reform process, as did the hiring of two resident experts from the IMF and the World Bank to support the minister.

Despite this promising start, subsequent developments indicate that the overall political environment was not conducive to reform. Both the Transitional Government (2003-5) and the succeeding coalition government (elected in 2006) were marked by political tensions among different interest groups, and a lack of progress in key areas of reform. In addition, fragmented institutions at central level and political considerations have complicated policy management, in particular the bifurcation of the ministries in charge of finance and budget in 2003, which has impeded the efficiency and coordination of fiscal policy.

Nevertheless, some useful changes in public financial management (PFM) occurred between 2003 and 2010, spurred by triggers under the Heavily Indebted Poor Countries (HIPC) debt relief process, conditions attached to donor aid programmes and donor-financed technical assistance (TA). Donor support is still crucially needed to maintain the momentum of the PFM reform process, compensating for weak internal accountability mechanisms and a political debate that is focused largely on the decentralisation agenda.

Design and implementation of PFM reforms

Years of conflict, lack of transparency and problems of governance led to the collapse of the expenditure control system and of fiscal revenue. Still, the legal and institutional framework, based on a French PFM system legacy, was used as a basis for reform, even if it had been virtually non-operational for years.

Initial measures aimed at restoring macroeconomic stability and breaking hyperinflation by first installing a strictly enforced system of cash management. Subsequent reforms focused on developing basic procedures and mechanisms of expenditure execution and oversight, followed by the establishment of a simplified double-entry accounting system, together with reforms that were of particular concern to donors (debt management, procurement and the civil service payroll). These measures were concentrated at the central government level, and especially on the Ministry of Finance (MoF), the Ministry of Budget and the Banque Centrale du Congo (BCC, Central Bank of Congo). Measures to reform the legal framework were postponed until after a new Constitution was adopted and further delayed by the debate around the decentralisation process, which touches on wider reform of the public service, and notably PFM.

The legal and institutional framework also needs to be modernised, to take into account the major changes introduced in the 2006 Constitution regarding the government structure at the sub-national level, the transfer of revenues and resulting new responsibilities to be handled at the provincial level. The adoption of the new Organic Finance Law in July 2011 after a lengthy approval process is a major first step in this modernisation process.

Given weak capacities, provision of TA has been a major tool for reform implementation even if most of it has been provided through short-term posting of international consultants to address specific issues, with lack of coordination among donors.

Reform outcomes and sustainability

Despite efforts made to reform PFM, systems still suffer from severe shortcomings, which were highlighted in the 2008 Public Expenditure and Financial Accountability (PEFA) assessment and Pubic Expenditure Review (PER). While technical improvements have been made in budget classification, cash management, budget execution and computerisation, strong political interference has undermined these achievements. Improvements in public service delivery and poverty reduction goals have not been achieved, as budgets are traditionally under-executed.

In addition, the frequent use of exceptional procedures weakens the credibility of budget authorisations and commitment plans, and makes it very difficult to control and monitor public spending by category of expenditure. Duplication of responsibility for controls on spending that are executed both by the MoF and the Ministry of Budget both slow down the expenditure cycle and prompt line ministries to resort to informal procedures to maintain spending on vital services.

The main challenges regarding PFM are now to identify and leverage new internal and external incentives to implement reforms. Decentralisation is central to the state building process as a means to maintain the country’s unity and should receive increased attention as presidential elections are looming. This goal could constitute the main entry point and domestic driver for future PFM reforms. Additionally, donors could further push for reforms by establishing more clearly the linkages between PFM reforms and increased budget support. Sector-level reforms aiming at improving service delivery could be used as an entry point to sector budget support.

1 Introduction

1.1 Purpose and objectives of the study

This paper is part of a study analysing public financial management (PFM) reform initiatives in fragile and conflict-affected states (FCAS). The objective of the study is to undertake a comprehensive stock-taking, review and synthesis of lessons learnt about designing, implementing and assessing PFM reform initiatives in FCAS.

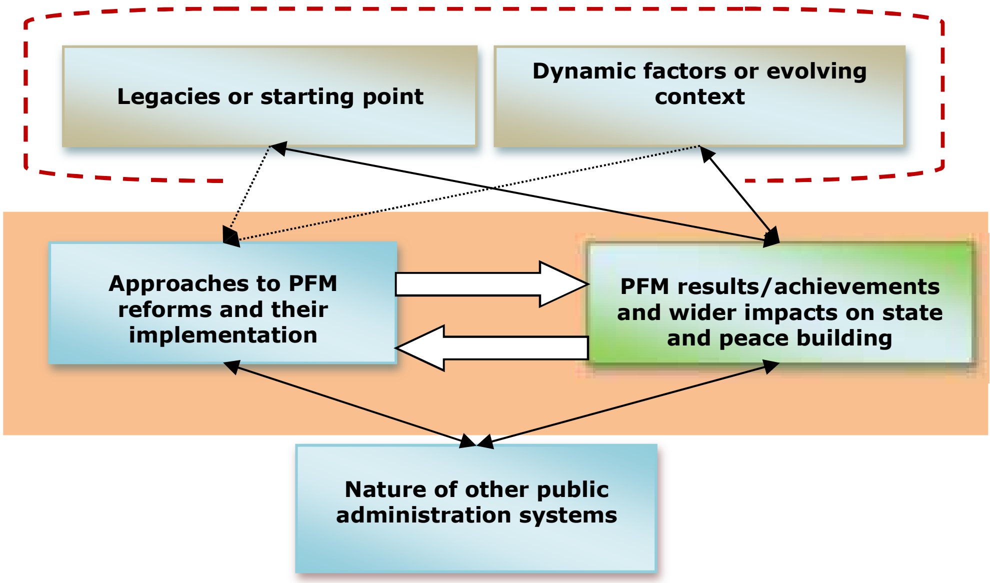
The study builds on analysis carried out in an earlier phase of the project, which allowed an opportunity to summarise the literature currently available on PFM reform initiatives in FCAS and to extrapolate key issues and themes from three desk-based case studies (Afghanistan, Cambodia and Sierra Leone). The current study (the second phase of the project) builds on those outputs, but in doing so extends the breadth and depth of the analysis as well as its reach, by carrying out multiple country case studies and exploring synergies across them.

This case study of Democratic Republic of Congo (DRC) is one of eight in-depth country case studies that will form the basis of a synthesis paper and a World Bank Guidance Note to provide practitioners with accessible, evidence-based knowledge about PFM reform approaches in FCAS.

1.2 Study questions, framework and methodology

The overall study attempts to answer two overarching questions. First, how have PFM operations been affected by the challenges associated with state fragility? Second, have the design and implementation of PFM operations contributed to sustainable progress in the development of PFM systems, as well as to wider state- and peace-building objectives?

Figure 1: Summary of contextual factors and reform interactions



The study focuses on issues and processes related to the expenditure side of PFM. For the purpose of this analysis public expenditure management is divided into the following stages of the budget cycle: legal and institutional framework; budget formulation; budget execution; and audit, evaluation and accountability. The study does not examine revenue generation and management or the agencies responsible for the collection of revenues (i.e. customs and the tax administration). It examines developments over time; across budget cycle functions;

across concentrated and de-concentrated agencies (finance ministries; line ministries, sub-national entities etc.); and across actors and stakeholders.

The case studies analyse the relationships between the dimensions (i.e. the arrows) in Figure 1 in order to understand better the PFM reform trajectory in each country. By accounting for the nature of the country context, they examine reform efforts from a political-economy perspective.

2 Reform environment

2.1 Country context and indicators of fragility

The history of DRC has been one of civil war and poor governance. After independence from Belgium in 1960, Colonel Joseph Mobutu seized power and declared himself President in a November 1965 coup. He retained his position for 32 years through several sham elections, as well as through brutal force. In 1996, a rebel movement supported by Rwanda and Uganda began an offensive that led to President Mobutu's overthrow in 1997 and the instalment of Laurent Kabila as head of state. A resurgence of civil war in 1998, again backed by Rwanda and Uganda, led to hundreds of thousands of civilian deaths and the continued decimation of the country. The war had an economic as well as a political side, and was widely fuelled by ethnic tensions and by strategies implemented by President Mobutu to tackle them, which oscillated between slightly less central control and re-centralisation, with both roots in and implications for the ethnic issue handling. Fighting was further enhanced by the country's vast mineral wealth – mainly cobalt, copper, petroleum, diamonds, gold, silver, and uranium – with all sides taking advantage of the anarchy to plunder its natural resources. A ceasefire (the Lusaka Peace Agreement) was signed on 10 July 1999 by the government, armed rebel groups and neighbouring countries (Angola, Namibia, Rwanda, Uganda and Zimbabwe), but sporadic fighting continued.

After Laurent Kabila's assassination in January 2001, his son, Joseph Kabila, succeeded to the presidency. President Joseph Kabila was able to reach an agreement with all warring parties to end the fighting, which led to the establishment for 24 months of a Transitional Government of National Unity in June 2003, which represented the former government, former rebel groups, the political opposition and civil society. The Transitional Government drafted a new Constitution, which was adopted by Parliament in May 2005 and overwhelmingly approved by popular referendum in December 2005. The first general elections since independence from Belgium in 1960 were held in July 2006, with run-off elections in November. The elections, which were considered to be fair, saw Joseph Kabila take the presidency.

Despite coup attempts and sporadic violence, a fragile peace has held since the formal end of the war. While the 2006 elections indicate progress in the establishment of peace, the government has no control over large parts of the country. In particular, the security situation in the eastern provinces remains fragile as, despite recent peacekeeping efforts, attacks by armed militants continue to destabilise the area. In 2008 and early 2009, this resulted in urgent spending requests outside the expenditure chain that placed pressure on scarce budgetary resources. In March 2009, the government and key rebel groups signed an agreement to integrate combatants into the national army. Disarmament and reintegration remain a key challenge, with important budgetary implications.

The economy of DRC, endowed with vast potential wealth, is slowly recovering from two decades of decline. The conflict that began in May 1997 dramatically reduced national output and government revenue, increased external debt and resulted in the deaths of more than 3 million people from violence, famine and disease. Foreign businesses curtailed operations as a result of uncertainty about the outcome of the conflict, lack of infrastructure and the difficult operating environment.

Conditions began to improve in late 2002, and the pace of progress accelerated after June 2003 and the establishment of the Transitional Government (and Parliament), which reopened relations with the international financial institutions (IFIs) and international donors. President Kabila began implementing a programme of macroeconomic and structural reforms, with the support of the International Monetary Fund (IMF) and the World Bank, to stabilise the economy and revive productive activities. These efforts resulted in compounded economic growth[1] of 30% between 2002 and 2006, reversing more than a decade of decline until 2001. Hyperinflation was broken and fiscal and monetary policies have largely been prudent.

However, macroeconomic balances deteriorated beginning in late 2005, as the country entered the pre-electoral period, with inflation creeping back up to 18% towards the end of 2005. The cause of this reversal was the weakening of fiscal discipline, as tensions rose during this period. The government was unable to manage the temporary expenditure spike, resulting from, for example, unplanned security spending and bonuses to civil servants in response to social pressures. In addition, foreign investments and disbursements of official aid slowed down during this period.

The new government, which was elected in November 2006 and took office in February 2007, confirmed its commitment to poverty-reducing strategies[2] and rapidly strengthened fiscal discipline aimed at restoring macroeconomic stability. From 2006 to 2008, renewed activity in the mining sector, the source of most export income, boosted Kinshasa's fiscal position and gross domestic product (GDP) growth. However, a sharp decline in world commodity prices in late 2008 slowed economic activity in 2009, while the escalation of conflict in the eastern provinces led to higher security spending, increased government borrowing from the central bank and an upsurge in inflation and depreciation of the exchange rate during the first quarter of 2009. Donor assistance and lower government borrowing from the central bank and tight monetary policy during the first half of 2009 helped reduce inflation and stabilise the exchange rate.

DRC’s revenues have been growing steadily both in absolute terms and as a share of GDP, from 5% of GDP in 2000 up to an estimated 18.5% in 2008[3] (IMF, 2010). As a sign of an underdeveloped tax regime, customs and excise revenues are the largest contributor, constituting around a third of revenues excluding grants, although their share has been declining. Direct and indirect taxes are dominated by a few large corporate taxpayers. However, fiscal revenues from the mining sector are low, given their potential:[4] the hostile environment and mismanagement have led to a collapse of the mining sector in general, and of the large state-owned mining companies such as Gécamines (copper and cobalt) and MIBA (diamonds) in particular. The abundance of natural resources has yet to be converted to improved living standards for the population.

Indeed, while political progress, economic reforms and the return of growth have led to some visible results, the social situation remains appalling. Although detailed statistical information is lacking, available indicators suggest that the conflict has caused ‘development in reverse’ in the social sectors. DRC is likely to miss most of the Millennium Development Goals (MDGs) by 2015. In 2008, life expectancy stood at 48 years and under-five mortality rate at 20%. DRC’s Human Development Index (HDI) has declined by more than 10 percentage points over the past decade, and the country now ranks 176 out of 182 rated countries (UNDP, 2009). With an annual population growth rate of around 3% per year, GDP per capita remains very low: from $103 in 2002, it reached $182 in 2008. In 2006, 71% of the population lived below the national poverty line, including 75% in rural areas. There are major differences between geographic areas in terms of poverty intensity: Kinshasa and Bas-Congo are generally better-off than the rest of country; similarly, rural areas of the Kivus seem to be better-off than at least some other rural areas.

[1] Mining, construction and public works and telecommunications led the recovery.

[2] The Transitional Government had completed its first full poverty reduction strategy paper (PRSP), the Poverty Reduction and Growth Strategy (PRGS), in July 2006, initially covering the period until 2008. This was later extended by 24 months to 2010.

[3] This performance has been helped in recent years by high petroleum prices: revenues from the petroleum sectors (royalties and taxes) constituted roughly a quarter of non-grant revenues in 2006.

[4] The country has Africa’s largest deposits of copper, cobalt and coltan and significant reserves of diamonds and oil, many of which still remain untapped. Conflicts have incurred a sharp decline in production, further constrained by a weak legal and regulatory framework, transportation problems and a chronic lack of investment.

2.2 Political governance and leadership

Over the period of this study, from 2001 to 2010, three main phases of political governance and leadership can be distinguished: 1) the immediate post-conflict period from 2001 to 2003, which saw the arrival of Joseph Kabila as head of state; 2) the Transitional Government phase from 2003 to 2006 following the Sun City Peace Agreement, which ended with the electoral period in 2006; and 3) the current phase, which started in 2007 with the establishment of the first democratically elected government since DRC's independence.

In 2001, the newly appointed government was extremely keen to rebuild the relationship with the Bretton Woods institutions as the country needed both technical and financial support to conduct major reforms to stabilise the country's macro-economy. President Kabila went to Washington, DC, to meet with the IMF and the World Bank president and to request support from these institutions. Mbuyamu Matungulu,[5] a Congolese economist working at the time for the IMF, was seconded to become in April 2001 the Minister of Economy, Finance and Budget. His strong involvement played a crucial role in the implementation of structural reforms and in the macroeconomic recovery of DRC. Vigorous measures were taken to stabilise the macro-economy (break hyperinflation, stabilise the exchange rate), restart revenue collection and launch key structural reforms. The existence of one strong 'mega' ministry in charge of the economy, finance and the budget also facilitated the reform process, providing the minister with a strong influence and facilitating the coherence and management of reforms. The close relationship with the IMF and the technical support received from the IMF and the World Bank through the appointment of two resident experts to support the minister also contributed to the effective and rapid implementation of major structural reforms and the initiation of PFM reforms.

The institutional set-up described in the Sun City Agreement of 2002 established a Transitional Government with a presidency and four vice-presidencies (known as the 1+4 Government), each representing a different party, faction or region. One vice-president was responsible for economic and public financial management: Jean-Pierre Bemba, from the Mouvement de Libération du Congo (MLC, Movement for the Liberation of the Congo), a former rebel group turned political party and one of President Kabila's major opponents, was appointed at the head of the Economic and Financial Commission (EcoFin). It was also agreed that the new government would comprise at least 35 cabinet ministers from all parties involved in the Inter-Congolese National Dialogue. To include all groups, most ministries were divided into several components: the Ministry of Economy, Finance and Budget was split up into three different ministries. Despite the predominance of political networks in the Transitional Government and highly politicised administrations marked by complex decision-making arrangements, the Transitional Government's efforts contributed to further stabilising the macroeconomic situation and a gradual increase in fiscal revenues.

Parallel efforts were made on the structural side, with significant achievements in a broad range of areas, including the strengthening of the chain of expenditure, the adoption of new investment, mining and forestry codes and the completion of public enterprise audits. Progress towards peace and the creation of the Transitional Government created momentum to commit major political leaders to a common reform plan, aiming primarily at restoring the country's economic stability. Elections also created an incentive for key leaders to achieve tangible results. However, during the pre-election period, in 2006, performance deteriorated and reform implementation slowed. Indeed, while there is no reason to question the overall commitment of the Transitional Government, its attention to carrying out reforms waned as

[5] Mbayamu Matungulu joined the staff of the IMF in 1992 as an economist, later becoming Senior Economist and Deputy Division Chief. As the IMF's Resident Representative in Cameroon, he supervised the successful implementation of the country's ambitious economic reform programme initiated in 1996, allowing Cameroon to reach the Decision Point under the Heavily Indebted Poor Countries (HIPC) Initiative. He resigned his position as Minister of Finance of DRC in February 2003, after having refused to approve extra-budgetary military expenses that would have jeopardised, in his view, the economic programme DRC was benefiting from at the time. More generally, the fiscal orthodoxy he implemented was seen to go against certain interests within the government. He was replaced by Léonard Luongwe, close to President Kabila.

the elections neared. In particular, the government was not able to muster enough focus and will to overcome vested interests during the electoral period. Progress was made in areas that were more of a technical nature but less progress occurred in areas where political will was necessary (civil servant census, the Extractive Industries Transparency Initiative (EITI), exercise of fiscal discipline).

Through his presidential election victory on 29 October 2006, Joseph Kabila secured a democratic legitimacy that no one had obtained at any point during the preceding 40 years in DRC. However, it is important to note that he emerged from the general elections at the head of the Alliance pour la Majorité Présidentielle (Presidential Majority Alliance, AMP), a disparate coalition of 30 political parties formed to win the elections. The president and the prime minister have emphasised improved governance, which has led to the preparation of a Governance Contract between the authorities and the people of DRC outlining much-needed reforms in a broad range of areas including PFM. However, the reform agenda envisaged under the 2006 Constitution and the Governance Contract has not been implemented. In the area of PFM, the leaders of the new government are not opposing the reforms, but neither are they taking initiatives in improving PFM, as the politics of a fragile coalition government consume their energy and time (World Bank et al., 2008). While the creation of a coalition government has facilitated consensus around key decisions, it has also translated into delays and second-best compromises. Another reason for this slow reform implementation process is that many of the Congolese politicians of the new post-transition era who have found themselves tasked with passing reform laws were in fact members of the government under President Mobutu or leaders of armed groups, and belong to different groups of interest than Kabila.

2.3 Public sector management

Improved governance is a central piece of the state-rebuilding process in DRC, as mismanagement, lack of transparency and corruption are seen as having been major factors keeping DRC for many years in a cycle of poverty and conflict. Beyond efforts conducted in the area of public finance, which started at a very early stage (2001-2), wider public sector reforms were initiated by the Transitional Government, with the support of the Bretton Woods institutions. These reforms covered several areas, including improved transparency and the fight against corruption,[6] public service reform and, more recently, decentralisation. Under the new Governance Compact, the government promises to work on a broad front, including security sector reform, transparency, PFM and corruption,[7] natural resource management, public administration reform, local government and the investment climate and public enterprise reform. Reforms conducted in civil service and more recently in decentralisation are those that have shown the strongest links with those related to PFM.

2.3.1 Public service reform

Both because the wage bill is one of the largest expenditure items in the national budget (representing 50% of total expenditure in 2008) and because management of civil service resources is crucial to change, measures taken to reform the public service are a major element of the PFM reform environment. Initially integrated, based on a single legal framework, the public service has, following years of conflict, become fragmented, with a multitude of special groups and cadres without a coherent management structure or salary system. During the conflict, public agents fled to more secure areas; rebel groups created new units, with sympathisers at key posts. As a result, at the end of the conflict, the government was left with a public administration that had functioned (poorly) and recruited autonomously at the local level without any sort of control from the centre. One of the immediate priorities, identified in the strategic plan for public administration developed with support from the UN Development Programme (UNDP), was to determine accurately the number of personnel on the payroll, before considering comprehensive civil service reforms based on a decision on

[6] New investment, mining and forestry codes were adopted to make these traditionally opaque sectors more transparent and able to attract reputable foreign investors. Also, in May 2005, DRC joined the EITI as a further effort to increase transparency in the mining sector

[7] In 2009, Transparency International ranked DRC at 162 out of 180 countries.

what type of public service the country wanted to provide and could afford. A census of civil servants started in 2005: this has yet to be completed, even though provisional data are already being used for the payroll. A biometric database covering around a third of all civil servants is used to pay base salaries through the new Procédure Transitoire Simplifiée (PTS, Simplified Transitional Procedure). The PTS should soon be extended to all payments made to all civil servants, which will mean the use of several databases can be avoided and will enable automated payment procedures.

The renewal of civil service capacities, through implementation of a retirement scheme for 10,000 agents[8] and recruitment of new personnel based on clearly identified needs, still needs to happen. It is crucial to develop the capacities of the administration: beyond the lack of training staff receive, the general education level within the administration remains very low, particularly in the provinces, with a high illiteracy rate, resulting from the conflict period. The organisational structure of the public administration needs to be reshuffled in line with the needs created by the reforms conducted, and rationalised to eliminate inefficiencies created by the multiplication of ministries, sub-departments and groups. The wage system also needs to be revised as the method used to manage social pressure (through increasing allowances and bonuses rather than base salaries) has led to an effective collapse of the system.

2.3.2 Decentralisation

After years of conflict during which DRC was divided along battle lines, the reunification of all provinces under a common and inclusive authority is a *sine qua non* condition for peace to hold, both within the country and within the sub-region, but also for economic growth and poverty reduction. However, beyond reunification, and given the history and size of the country, a challenge also lies in the establishment of a proper balance between different levels of government (central, provincial and local). The 2006 Constitution states very clearly the need for decentralisation in the exercise of political power and public affairs, in total contrast with the dictatorial and centralised structure of Mobutu-era Congo.[9] It specifically sets out the administrative powers and financial resources that should be transferred to the provinces so they can assume responsibility for the 54 areas for which they will either be solely responsible or share responsibility with the central government.[10] The Constitution also calls for a reorganisation of the current 11-province structure of the state into 26 provinces: the political feasibility of this measure is widely questioned, but it also raises even bigger issues of the financial viability of the smaller entities to be created and of the minimal level of capacity for service delivery and financial management.

Currently, the central government serves the population living in the provinces through two types of administrative structures: the de-concentrated *services provinciaux* (SPs, provincial offices) representing the central ministries in the provinces, and the *entités administratives décentralisées* (EADs, decentralised administrative units), which constitute the local governments.[11] The SPs are funded by the state budget, and the EADs through transfers (*retrocessions*) from the central government, as well as local taxes that the local governments levy. In the past, transfers were stipulated at 20% of the revenues collected by the tax agencies in the provinces. However, the central government did not transfer the stipulated

[8] In 2006, the World Bank provided funding to retire 10,000 public agents but this has not been extended owing to major concerns about control over the use made of funds disbursed.

[9] Yet, since independence in 1960, the structure of the Congolese state has been subject to intense political debate. At that time, the 'federalists' led by Moïse Tshombe, the leader of the Katanga secessionist movement, were violently opposed to the 'unitarists', whose figurehead was Patrice Lumumba, Prime Minister at the time. When Mobutu became the country's leader a few years later, he deliberately ended the political and administrative autonomy of the provinces. But confrontation between federalists and unitarists re-emerged during the sovereign National Conference, which lasted from 1990 to 1992, and again during the 2003-6 political transition. Both occasions saw the emergence of a political consensus on the need for decentralisation, in order to improve governance in Congo (ICG, 2010).

[10] The 2006 Constitution states that 40% of government revenue collected in a province is to be retained at the province and an additional 10% is to be transferred to finance an equalisation fund for investment purposes.

[11] Main sub-national entities in DRC include provinces, cities and their communes in urban areas and districts and their territories in rural areas. DRC's government structure is presented in more detail in Annex 8 of this report.

amounts to the regional administrations and the lack of funding induced regional offices to impose levies and informal taxes without legal justification, opening the door to corruption.

The 2006 Constitution calls for more fiscal decentralisation and stipulates that sub-national expenditure assignments include most of the elements of preschool, primary and secondary education, the regional public service and key aspects of the management of delivery of health services, as well as a number of other functions. However, in many areas, the base law is careful not to provide specific conditions for applying the principles it enshrines or the directions it provides. There is still a need to create a consensus on the implementation of decentralisation through a process that is financially both sustainable and feasible. The government is also determined to ensure that decentralisation is implemented coherently across provinces, ensuring convergence, and that social and economic operators throughout the country are exposed to the same rules and procedures and facilitate the centralisation and aggregation of economic and financial information that is crucial to the development of national policies and strategies, including preparing, executing and controlling the national budget. The aim, though, is eventually to decentralise public management and organisation. However, financial constraints (at both the central and the provincial level) and the inadequate capacities of most of the provincial agencies mean that a genuine transfer of jurisdiction is taking place much more slowly than originally anticipated. Indeed, DRC's provinces are still largely dysfunctional and lack the human and financial resources needed to carry out their duties, notably because of a lack of funding from the central government and the resulting extremely low level and still irregular payment of salaries of staff. The real and effective implementation of decentralisation is dependent on pertinent resource management through central and provincial budgets. The share of national revenues is a delicate issue, as it will fundamentally alter DRC's existing financial governance and the balance of power by establishing a system that is almost federal in nature.

The decentralisation process now underpins ongoing public sector reforms and notably those related to PFM. However, it adds another layer of complexity, as systems, which are largely dysfunctional at the central level, now need to be rolled out at the provincial level in a context of extremely weak capacities.

2.4 Public expectations and public accountability

Perceptions and anecdotal evidence that the wealth in DRC is not shared equitably among the population were among the leading causes of the recent war on the DRC territory. A lack of action by the government to demonstrate its commitment to move in the right direction could translate into a renewed armed conflict. Furthermore, without such a demonstration of commitment, international development partners are wary of granting aid to the country.

The development of the national PRGS for the 2006-11 period, building on the Interim PRSP (I-PRSP) 2002-5, contributed through a participatory process to increasing ownership of the reform agenda. In addition, with the assistance of external partners supporting PRGS development, the government has created a mechanism to facilitate continuous dialogue with international and local stakeholders, such as civil society organisations (CSOs) and the private sector, which could inform strategy refinements. Other institutions involved in PRGS preparation and implementation and established by the government in 2003 include the Comité de Suivi des Dépenses de Lutte contre la Pauvreté (Poverty Reduction Monitoring Committee) tasked with monitoring the execution and evaluating the impact of pro-poor spending, and thematic and sectoral groups, where the private sector, CSOs, and universities are represented.

The external control of public sector management, including public finance, is the responsibility of the Audit Office (judicial control) and the Parliament (political control):

- The Audit Office's role is to perform a comprehensive and permanent judicial control of public finance operations, to ensure transparent use of public funds and to provide the Parliament, the government and citizens with adequate information on public sector management.

- The role of the Parliament is to use the Budget Approval and Budget Review Law to control the financial management performance of the government. EcoFin reviews draft public finance laws and questions the performance of government officials and administrative units. Since 2005, efforts have been made to invite EcoFin to participate in budget conferences and to involve it in the discussion of the overall budget and its main components. Budget execution and public accounts are controlled *ex-post* by the Parliament, through the EcoFins of the two chambers and with the help of the Audit Office.

However, these institutions still do not play their role fully, as they are limited by capacity constraints, lack of financial autonomy and insufficient independence from the political sphere (see Section 3.5). UNDP, the European Commission (EC) and the UK Department for International Development (DFID) provide both technical and financial support to these institutions to strengthen their technical, material and human capacities. Training is needed to modernise working methods: the Cour des Comptes, for example, has evolved over the past decade in total autarky and needs to be introduced to new auditing methods. The Parliament's EcoFins still need to become fully familiar with financial reforms started in 2002.

Donors' engagement with the civil society is more recent and has been more limited, with UNDP providing most of the support to help structuring of the civil society movement. Historically, public finance was considered the prerogative of the government, and citizens have had no involvement in the budgetary process. Attempts were hindered anyway by limited access to budgetary information. The launch of a budget transparency review by the International Budget Partnership (IBP) in 2007 contributed to strengthening the involvement and influence of local CSOs[12] in the budget process. Civil society[13] is now represented in the thematic group on economic governance, which has worked notably on the preparation of the strategic plan for public finance reform. Their objective is to increase budget transparency through improved access to budgetary information, involvement of citizens in the budget process and establishment of citizens' control. However, efforts to improve transparency are still very much pushed by only a few key individuals, mostly within civil society, but also in the administration (such as in the Comité d'Orientation de la Réforme des Finances Publiques (COREF, Steering Committee for Public Finance Reforms Ministry of Budget), in the Ministry of Finance, MoF). Changes still need to be institutionalised, through permanent reforms that anchor the principle of transparency in PFM systems and processes. Stronger and wider political willingness is also crucially needed to further expand measures initiated during the 2006 democratic election process to improve transparency and fight corruption.

2.5 International engagement and modalities of support

Two periods can be distinguished in the recent evolution of aid to the DRC: during the 1990s, structural aid was suspended and only humanitarian assistance remained; after 2002, structural and development aid resumed even if humanitarian programmes remained, although to a lower extent, mainly in conflict-affected parts of the country.

It is important to note that, for decades, there was very little aid and as a result extremely limited aid dialogue between the government and external partners. Consequently, the government and the administration have had, over a long period, reduced exposure to aid effectiveness concepts and even less to practices and instruments. Even if some younger senior staff and a few ministers, such as Minister of Planning Olivier Kamitatu Etsu, have been able to catch quickly up on the latest aid management principles, major efforts are still needed

[12] Partner CSOs have been identified with the help of the International Foundation for Electoral Systems (IFES), which was involved in a civic education programme, funded by the US Agency for International Development (USAID), which started in 2005 in preparation for the 2006 elections.

[13] The network of IFES partner CSOs is organised in different groups: the Réseau Gouvernance Economique et Démocratie (REGED, Economic Governance and Democracy Network) is involved more in budget transparency issues. National coordination of REGED is conducted by Bishop Abraham Djamba Samba wa Shako.

to strengthen the government and the administration's capacity to manage external assistance.

Today, there are a relatively large number of donors compared with the comparatively limited total amount of assistance delivered to DRC, which stood at $28 per capita in 2008.[14] Overall, the three major external partners are the World Bank, the US and Belgium, which accounted for around 50% of gross disbursements over the period 2002-8. EU institutions, France and the UK are also key partners. Altogether, these major partners accounted for three-quarters of total official development assistance (ODA) disbursements in 2002-8. ODA accounted for around 30% of annual gross national income (GNI) in 2002-8 and reached as much as 98% in 2003 following simultaneous increases in Belgium, France, Italy and Sweden's ODA disbursements. In 2008, ODA disbursements stood at $1.8 billion (17% of GNI). This is only a share of international assistance to DRC, which also includes the financing of a sizeable peacekeeping force,[15] support to the political process (elections) and humanitarian assistance.

External assistance has been concentrated only in a few sectors, namely emergency (non-humanitarian) aid (25%); health and other social services (14%); budget support (12%); community development (11%); demobilisation and reintegration (9%); democracy (8%); and capacity building (7%) (World Bank, 2007a). DRC has also received financial support in the form of debt relief and rescheduling, notably under the HIPC framework initiative and agreement with the Paris Club. DRC reached the HIPC decision point in July 2003 to a total cost of $6.3 billion. The process was supported notably by the IMF, which then discontinued interim assistance in June 2006 when the Poverty Reduction Growth Facility (PRGF) programme went off track. The International Development Association (IDA) then provided interim HIPC assistance, which expired in October 2009, to be followed by the African Development Fund (ADF)'s interim assistance in 2010 (along with renewed support from the IMF at the end of 2009) until the country reached the completion point in July 2010.

The scale of DRC's needs and the challenges in fulfilling those needs have necessitated an increased level of coordination in funding and programming to ensure the best use of available resources. During the immediate post-conflict period, the International Committee in Support of Transition established by the Sun City Agreement acted as a means of political harmonisation. Despite the organisation since 2002 of Consultative Group meetings to help mobilise funds, coordination among donors has been rather weak and influenced by the World Bank. Coordination efforts have been further enhanced through the preparation of the joint Common Assistance Framework (CAF), which involves 17 of the major development partners,[16] co-chaired by the World Bank and the EC. This was designed to harmonise donor support to DRC's recovery effort and the government's PRSP and articulates donors' common strategic approach in the post-election period 2007-10. Priority action plans developed through the CAF and the PRGS present a mutually accountable framework between national and international partners. The creation of thematic working groups, such as that on economic governance, which has worked on developing the public finance reform strategic plan, allows space to work out specific targets, costing and divisions of labour and gives development partners an opportunity to align more closely with the objectives of the government.

Development partners are also making efforts to reduce the number of parallel project implementation structures and to improve alignment with country systems. However, the state's capacity to manage funds remains weak and development partners are reluctant to engage in direct budget support.[17] Weak PFM systems induce high fiduciary risks for donors,

[14] The population was 64 million in 2008 (World Development Indicators 2010). Over the period 2002-8, aid disbursed represented $37 per capita on average and a cumulative total of $1.5 billion.

[15] Data do not include the costs of the UN Mission in the Democratic Republic of Congo (MONUC), which represent around $1.2 billion per year.

[16] The 17 CAF donors are the World Bank Group, the EC, the IMF, the African Development Bank (AfDB), the UN system and key bilateral donors: Belgium, Canada, France, Germany, Japan, China, the Netherlands, Italy, Spain, Sweden, the UK and the US.

[17] The World Bank has provided some direct budget support but inability to track how funding is used has limited the use of this funding modality. Emergency budget support has recently been provided by the EC and the AfDB to limit

which widely deliver aid outside government systems through projects and programmes implemented by bilateral donors, UN agencies and international and local non-governmental organisations (NGOs).

2.6 Conclusion

- Despite political progress, economic reforms and the return of growth, DRC's political, social and economic situation remains precarious.
- There are still important security issues, especially in the eastern provinces, which put major pressure on scarce budgetary resources and PFM more generally.
- Extremely limited progress has been made in terms of the social situation of the population, as reforms have failed to improve basic service delivery.
- Reforms have largely been supported by external partners, in particular the IMF and the World Bank. The perspective of major debt relief, notably in the framework of the HIPC initiative, has been the main incentive for PFM reform implementation.
- Strong political will from the president to re-establish links with the Bretton Woods institutions in 2001 after years of suspension of structural aid, along with momentum created by the peace agreement, have been a major push for PFM reforms starting in 2001.
- Yet both the Transitional Government and the actual coalition government have remained marked by political tensions between different groups of interest resulting in a great deal of time and energy being spent on managing the politics of fragile transitional/coalition governments and less progress in areas where political will is necessary, such as establishment of a new legal framework for PFM.
- The challenge facing PFM reform is further enhanced by weak capacities and the absence of a coherent public service management structure and pay system. It is further exacerbated by the major institutional change brought about by the principle of decentralisation established in the new 2006 Constitution, which aims to implement, from a centralised system, one that is almost federal in nature.

the impact of the global financial crisis on public finance, based on reimbursement of specific expenses (e.g. teachers' salaries).

3 Design and implementation of PFM reform

3.1 Baseline of PFM and reform starting point

DRC's PFM system, including its institutional and regulatory framework, is based on a French system legacy. It is characterised by a high degree of centralisation around the Ministry of Economy, Finance and Budget and the Banque Central du Congo (BCC, Central Bank of Congo). The main legal instruments are the 1983/1987 Public Finance Framework Law and the 1952 General Public Accounting Regulations.

The institutional framework as defined in the Framework Law describes the respective roles of the government, the Parliament and the Audit Office. The government prepares the budget and executes the Budget Law following its approval by the Parliament. Budget execution is controlled *ex-post* by the Audit Office. The government relies on a number of departments and institutions to perform its budget functions. Since 2003, two ministries – the Ministry of Budget and the MoF – have been the main institutions responsible for PFM: the former Ministry of Economy, Finance and Budget, which overlooked three different administrations, was split into three different ministries on the establishment of the Transitional Government. The main rationale for this decision was the political need to share key functions of the former mega ministry among different parties participating in the Transitional Government. Traditionally, since 2003, the finance portfolio has been given to political leaders close to President Kabila and members of his party, the Parti du Peuple pour la Reconstruction et la Démocratie (PPRD, People's Party for Reconstruction and Democracy), whereas the budget portfolio goes to members of other major political groups: since 2006, budget ministers have been members of the Parti Lumumbiste Unifié (PALU, Unified Lumumbist Party). The main impact of this organisational structure is an overlap of responsibilities between the two ministries, resulting in repetitions and bottlenecks in the expenditure chain, which can delay the approval process.

The Ministry of Budget is responsible for commitments and verifications:

- The Direction de la Préparation et du Suivi du Budget (DPSB, Budget Preparation and Monitoring Department) is responsible for preparing budgets and reports on the execution of public expenditure.
- The Direction Contrôle Budgétaire (DCB, Budget Control Department) reviews commitment requests and handles the commitment accounting process and the validation phase of public spending.
- The Payroll Department is responsible for the validation of personnel expenditures (salaries of civil servants and other government employees).

The MoF is tasked with authorisation and payment.

- The Direction du Trésor et de l'Ordonnancement (DTO, Treasury and Payment Authorisation Department) authorises payments.
- The Direction de la Comptabilité Publique (DCP, Public Accounting Department) is responsible for keeping government accounts and supervising public accountants.

The Ministry of Planning coordinates the selection of domestically financed projects on the basis of budget allocations determined by the Ministry of Budget. Externally financed projects are managed by specialised units (implementing agencies), which act as *ordonnateurs délégués* handling payment authorisations and actual payments for projects funded by cash advances from development partners. The Ministry of Planning receives data on externally financed expenditures from development partners and submits them to the DPSB. The Ministry of Planning does not monitor execution of investment spending; line ministries are in charge. However, the DCB (Ministry of Budget) and the DTO (MoF) keep the Ministry of Planning informed of actual disbursements.

Line ministries are responsible for executing public expenditure programmes in their sectors. They help prepare the government budget in cooperation with the budget and finance ministries. The officers responsible for budget management in their ministries handle commitments and validation of expenditures under the supervision of the ministry's secretary-general. Along with sub-managers, the Ministry of Budget has posted budget controllers in line ministries.

The BCC is the government cashier and executes payments. The Current Account Department manages government accounts.

Box 1: Government expenditure cycle in 2001

The government expenditure cycle was based in principle on an expenditure preparation, commitment, and validation phase and a payment authorisation and payment execution phase. The first phase was carried out by various appropriations managers (ministers) and was supervised by the Minister of Economy, Finance and the Budget through the DCB. The second phase was carried out by the treasurer/payment authorisation officer, with payment handled primarily by the BCC acting as government cashier. The expenditure chain was essentially manual, although each of the major central departments (budget, treasury and BCC) had its own computer applications that were partial at best. The DCP and the tax-collecting agencies had largely been deprived of their recording and monitoring roles in the expenditure and tax collection management process. In 1997, in an effort to reduce corruption, the functions of public accountants and tax officers had been taken over by the BCC, commercial banks and other financial institutions to handle the bulk of financial flows both for payment and for tax collection. If the execution process phases mentioned above had been adhered to, budget execution data should in principle be provided by the DTO. However, the use of parallel expenditure channels and fast-track procedures shifted the focus onto the BCC as, *de facto*, the only source of data (exclusively on a cash basis and still partial). These data were then reprocessed by the DTO to come up with some budget execution figure along a simplified classification (IMF, 2001).

Years of conflict, lack of transparency and problems of governance had led to the collapse of the expenditure control system and of fiscal revenue, which were already extremely weak under Mobutu.[18] The regulatory framework had become heavy, lacked transparency and had been applied in an arbitrary fashion. In addition, a variety of diagnostic studies showed that the legal and institutional framework was no longer adequate to support a modern PFM system. The provisions of the 1983/87 Public Finance Law did not meet the criteria of a transparent, fluid and efficient budget management system ensuring the traceability of public expenditures. The provisions of the 1952 General Public Accounting Regulations were considered obsolete and inapplicable. Basic budget procedures were not in place. Moreover, agencies involved in the budgetary process (for both revenues and expenditure) were unequipped and suffered more generally from extremely weak capacities. Budget monitoring and even cash monitoring were performed on an *ad hoc* basis and little control over expenditure was achieved. This resulted in the monetisation of the budget deficit, which fuelled the vicious circle of hyperinflation and currency depreciation. External and domestic arrears accumulated, and wages for civil servants who were in the territories outside the government's control had ceased to be paid in 1998. In addition, with hyperinflation, nominal salaries were extremely low. As a result, following the conflict period in 2001, PFM was in total disarray, with non-operational systems and administration that had been superseded by informal practices, not subject to any control.

Discussions on an economic programme started in 2000 as the international community was making renewed efforts to resolve the conflict in DRC and the related humanitarian and political crises. It was hoped that overcoming hyperinflation, returning to normal budgets and resuming growth would help strengthen the political consensus to work towards peace and reunification and address economic governance issues. At the time, President Kabila stressed the willingness of the authorities to normalise DRC's relations with the IMF and to reach understandings on an interim programme that could be monitored by staff. The IMF mission

[18] According to some interviewees, it seems there is no clear evidence that there has ever been a PFM system in place and functioning since independence.

also noted a marked turnaround in the attitude of the authorities, as evidenced by their strong commitment to liberalise and open up the economy and break hyperinflation (IMF, 2001).

The IMF and DRC ended many years of non-cooperation by agreeing on a nine-month staff-monitored programme (SMP), between June 2001 and March 2002. The SMP goals were to quickly break hyperinflation, stabilise the economy and lay the foundations for reconstruction. Critical analysis and reform of PFM in general and public expenditure management in particular were identified as priorities.

Dialogue around policy implementation was engaged at a high level with Minister of Economy, Finance and the Budget, Mbuyamu Matungulu, (seconded from the IMF following a direct request from President Kabila) and Governor of the BCC, Jean-Claude Masangu. Reforms focused on the central level, on the Ministry of Economy, Finance and Budget, with the IMF and World Bank working in close partnership with Minister Matungulu and his team of advisors. Technical assistance was provided by the World Bank and the IMF, including through two resident experts over two years (2002 and 2003) in the area of public expenditure management. Sector ministries and decentralised authorities such as provinces were not covered by initial reforms, which concentrated primarily on the establishment of basic procedures for public expenditure management within the Ministry of Economy, Finance and Budget.

3.2 Progress of PFM reform over time

Structural and development cooperation with DRC, which resumed in 2001, has significantly influenced the planning of reforms, setting notably early priorities. However, the pace of implementation of these reforms has been determined largely by the commitment and willingness of the government and the political space available to conduct reforms. Three main phases can be distinguished in the implementation of PFM reforms, which are closely linked to the evolution of the political situation in the country since 2001 (Table 1).

Table 1: Main phases of the PFM reform process (2001-Today)

Phases	Internal context	External factors
2001-3	Immediate post-conflict period: relative stabilisation of the political situation, arrival of Joseph Kabila as head of state.	Re-establishment of relationship with IFIs (IMF and World Bank).
2003-6	Transitional Government phase following the Sun City Agreement, which ended with the electoral period in 2006.	HIPC decision point reached in 2003: main incentive to implement PFM reforms until completion point reached in 2010. Reforms driven by structural aid, which has been fluctuant as programmes went off-track, notably around the election period.
2007-today	Current phase, which started with the establishment of the first democratically elected government since independence; government of coalition.	Reforms continue to be guided by structural programmes through wider donor support, including notably from AfDB, EC etc. HIPC completion point reached in July 2010.

Reforms started immediately following the end of the conflict (2001), before the peace settlement, the Sun City Agreement (2002) and the implementation of the new institutional framework (Transitional Constitution and Constitution) (2005). Economic and financial reforms were implemented to keep momentum after the improvement of the political situation in 2000/01 and to pull the country out of conflict through increased economic stability and growth. President Kabila also put emphasis on the importance of obtaining close support from the Bretton Woods institutions to help his government both design and implement necessary reforms.

In 2001, immediate measures aimed at re-establishing a stable macroeconomic situation and tackling hyperinflation, to create an environment conducive to broader reforms. The government adopted a cash-basis budget, adhering strictly to a monthly cash-flow plan under which expenditure is limited by actual revenue collection.

Expenditure management was further strengthened through the gradual reintroduction of normal budget execution and accounting procedures and the restoration of a recording and monitoring capacity at the DTO. The emphasis of assistance in the area of expenditures was placed most particularly on the implementation of PFM basics at the central level within the budget and finance ministries: 1) modernisation and implementation of an expenditure channel circuit capable of computerised tracking of specific expenditures from commitment through to payment; and 2) and implementation of a new public expenditure nomenclature, including a functional, economic and administrative classification, capable of tracking expenditures in general and those related to poverty reduction in particular.

Other key reforms included the introduction of a simplified double-entry accounting system at the DTO (2005), improvement of budget monitoring tools with the implementation of reconciliation procedures at Ministry of Budget, MoF and BCC levels, and preparation of budget execution reports and strengthening of *ex-post* controls, which started in 2005. Focus has also been given to reforms in areas challenging the country's financial sustainability and of particular concern for donors, namely debt management (implementation of a debt management system, which was initiated in 2006), civil service salary payment (with the introduction of the PTS in 2007) and procurement (creation of the Commission de Réforme des Marchés Publics (COREMAP, Public Procurement Reform Commission) in 2005 to design a reform plan and preparation of new procurement law).

Measures have largely been guided by structural reform programmes supported by the IMF and the World Bank, while the HIPC process and associated debt relief constituted the main incentive for reform implementation. The principal internal incentive, at the early stage, was the need to achieve macroeconomic stability to establish an environment conducive to economic growth, poverty reduction and overall consolidation of peace through increased political and social stability. Yet the pace of reform implementation has been adversely affected by the political and security context in the country, notably during the election period, which incurred some wavering of political attention and willingness to conduct reforms as well as major expenditure needs; degradation of the security situation in some provinces also incurred major increases in security spending. This resulted in poorly executed structural programmes, macroeconomic indicators that went off track and major delays in reform implementation. HIPC completion was initially scheduled for 2006 but completion was actually reached in July 2010.

As a result, the scope of PFM reforms has not been extended much, rather focusing on the effective implementation of basic reforms initiated at earlier stages. Reforms have aimed to reinstate the budget as the central tool for PFM, strengthening budget preparation capacities, including at sector level (education, health, agriculture and rural development), budget execution and accountability. For example, over the past few years, efforts have notably focused on increasing the use of the expenditure chain and on reducing exceptional procedures that harness the limited amount of resources available from the national budget.

The legal and institutional framework has also been modernised, but major reforms are still needed in this area to align with the 2006 Constitution and particularly to address challenges raised by the decentralisation process. The Public Finance Law still needs to be voted by the Parliament and promulgated, as the 1983/87 Public Finance Law is still the one in force.

Despite efforts made to reform PFM, severe shortcomings remain, highlighted in the 2008 Public Expenditure and Financial Accountability (PEFA) and Public Expenditure Review (PER) (see Annex 4): findings confirm that the overall quality of PFM and accountability in DRC is very low, with important leakage of funds at all levels. The new Constitution and the decentralisation process it enshrines command major changes in the currently highly centralised institutional PFM framework. The difficulty faced in implementing PFM reforms is thus further exacerbated by the need to roll out reforms at the provincial level, in a context of extremely weak systems and capacities.

3.3 Design basis for PFM reform and capacity development approaches

3.3.1 Design basis

Analytical work has been a major component of donor-funded governance programmes; in particular of support provided for PFM reform. A series of missions were carried out, starting with that of the IMF in July 2001, which prepared a critical analysis and recommendations for reforming PFM. Reforms focused primarily on public expenditure management with a view to stabilising the country's macroeconomic framework through the re-establishment of 'normal' budgetary procedures, including the centralisation of expenditure (and revenue), and a reduction in the use of extra-budgetary channels.

In July to November 2002, the World Bank conducted a PER that included sector assessments: health, education and transportation. Other major analytical work that has guided PFM reforms include the Country Procurement Assessment Report (2003), the HIPC Assessment and Action Plan (HIPC-AAP) (2004) and the Country Financial Accountability Assessment (2005). More recently, the strategic plan for public finance reform that has been developed by the government is based on the findings of the 2008 PER and the PEFA diagnostic funded by the EC (2008).

Based on this analytical work, reform action plans have been developed and priorities integrated in donors' intervention frameworks, notably through the use of funding conditionalities. The IMF's SMP guided reforms over 2001/02; actions were subsequently planned under the first Programme Economique du Gouvernement (PEG, Government Economic Programme) covering 2002-05/06, supported by an arrangement under the IMF's PRGF as well as the IDA's Economic Recovery Credit (ERC) and the Emergency Multisectoral Rehabilitation and Reconstruction Programme; and PEG 2 following the signature of a new PRGF arrangement with the IMF in December 2009. More recently, the government has taken the lead in the preparation of a strategic plan for public finance reform. This was prepared by COREF, based on the PEFA assessment, which received technical assistance (TA) from the World Bank and the EC.

3.3.2 Capacity development approaches

While reforms have been implemented by institutions that survived the conflict period, notably the Ministry of Economy, Finance and Budget and the BCC, systems had to be rebuilt from scratch as existing ones had not been used for years and could not support the implementation of a basic budgetary process. Reforms have contributed to clarifying and re-establishing the role of key actors in PFM systems such as the DCB and the DTO, which had been deprived of their role during the conflict period owing to the abusive use of parallel expenditure channels, while the focus was *de facto* turned to the BCC.

Weak capacity was clearly identified, early on, as a major constraint to reform design and implementation at different levels of the administration (central, line ministries and sub-national) and within all institutions: the budget and finance ministries, internal and external audit offices, the Parliament.

Strengthening of capacities has focused mainly at the highest levels of the government with the appointment of Congolese experts, some of whom had worked in the top positions in the IFIs, including the IMF, the World Bank and the AfDB. They represent no more than 10 people but have occupied or are still occupying key positions: ministers, directors of Cabinet in the President's Office or within ministries, economic advisors to the president, etc. TA has also been provided by donors through the posting of resident experts within key institutions: the Ministry of Budget and the MoF. The IMF and the World Bank funded two resident experts in 2002 and 2003 within the MoF to advise the minister and help design and implement early reforms. TA components are integrated into major governance programmes and particularly for PFM: in addition to World Bank support, the EC, UNDP and bilateral donors such as Belgium, France, Canada and Germany have provided TA on specific issues. TA is being located both physically and politically within ministries and government systems, but aims to provide support to staff in place rather than to substitute for them by occupying line positions.

Development partners have also begun to return financial management systems to ministerial departments, although they are still separately staffed by TA. The relocation of these has allowed for increased capacity spill-over opportunities.

However, capacity development efforts remain widely piecemeal, with each donor providing support on specific areas of their concern through technical experts coming on short-term missions. This approach has resulted in poor sustainability of the benefits of TA and a lack of coherence of the support provided. The country lacks a global strategy for capacity development that would address more systematically the different needs and enable broader support to all levels of the administration.

Capacity development is also impeded by the lack of a coherent management structure and salary system. Efforts to reform the public service have yet to produce significant results. Initial steps to reform the wage system have been taken but have mostly benefited the education sector. In addition, donor programme implementation units (PIUs) have attracted the most talented staff, offering better salary packages, thus further weakening the capacities of the administration. Even if PIUs are located within the public administration, there is little evidence of spill-over effects on its capacity. The creation of *ad hoc* committees, such as the Comité Technique de Suivi des Réformes (CTR, Technical Committee for Reform Monitoring) and more recently COREF, to manage the reform process, at the request of donors, also presents the risk of taking away the highest-capacity civil servants from the administration: an improved working environment and salary packages on th,e one hand and absence of a strategy to incentivise their eventual return to the public administration on the other risk further weakening the capacities of the administration.

3.4 Donor support and implementation modalities for PFM reforms

Beyond support to reform design, donors have also played a major role in the implementation of PFM reforms: they played an operational role through the provision of financial support and TA, including the two resident experts over 2002 and 2003, and have also created incentives for reform implementation through performance monitoring and the use of conditionalities in their funding arrangements with the government. As a result, donors have guided reform implementation programme after programme, making their future funding conditional on the achievement of specific reforms and performance indicators.

Donor support to PFM reforms has mostly taken place within the framework of structural reforms led by the World Bank and the IMF. Efforts have been supported by the international community, which has stressed the importance of improving PFM and in particular building the capacity to track poverty-reducing expenditure in order for the HIPC initiative to succeed, which was a major driver for reform implementation, notably on PFM, over the 2003-10 period.

Satisfactory performance under the IMF SMP paved the way for a PRGF arrangement, via PEG 2, covering 2002–05/06. The PRGF supported a comprehensive programme that allowed DRC to reach the decision point for the HIPC initiative through design and implementation of financial policies anchored in continued improvements in public expenditure management, sustained determination to mobilise revenue, and a shift in the composition of expenditure towards the social sectors. PFM reform implementation has largely been incentivised by this initiative as the debt burden was identified as a major macroeconomic issue: the stock of external debt at end-2000 amounted to about $13 billion (280% of GDP). The decision point for DRC was reached in July 2003 for $6.3 billion-worth of debt relief.

There has also been renewed IDA lending: implementation of the Emergency Early Recovery Project (EERP) marked the end of a long period of absence of the World Bank in DRC. The EERP provided the backbone of the assistance needed in the first phase of the TSS 2001, notably by funding TA to assist the IMF SMP. The EERP provided key inputs (studies and engineering work) for the development of the three main projects identified in the 2001 TSS and approved between 2002 and 2003, including the ERC ($450 million) approved in 2002. Various studies and audits on state-owned enterprises (SOEs), debt, revenue-generating capacity, the financial sector and the mining sector were funded.

The ERC, followed by the Post-reunification Economic Recovery Credit approved in 2004 ($200 million) and the Transitional Support for Economic Recovery Operation approved in 2005, supported public sector reforms through projects, TA and policy dialogue, including on public expenditure management governance, financial sector reforms, public enterprise reform and private sector development.

While the credibility of reform planning has been improved by the fact that these reforms were part of the IMF's structural reforms, they also resulted in a lack of ownership of the reform plan by the government. At the request of the IMF and the World Bank, the Commission Inter-ministérielle Chargée du Suivi des Programmes Conclus avec les Institutions Financières Internationales (CISPI, Inter-ministerial Commission Tasked with Monitoring Programmes Implemented in Agreement with the IFIs) was created in April 2002 to monitor progress made on structural reforms under the Bretton Woods institutions' programmes. Headed by the minister of finance, this is in charge of ensuring the monitoring and performance assessment of structural reforms and poverty reduction at the political level. It is assisted by a technical committee, the CTR. The CISPI and the CTR were established to provide the IMF and the World Bank with a single interlocutor, gathering all ministries involved in the structural reforms, to monitor progress made. Evaluations were conducted notably by the IMF through planned PRGF reviews.

Early interventions from the IMF and the World Bank galvanised support from other development partners for much-needed technical and financial assistance. Interim assistance was provided by the World Bank and the AfDB following the suspension of the IMF's PRGF arrangement. Reforms have been largely led by the IMF and the World Bank with major support brought by the EC. The establishment of the donor CAF, which covers the period 2007-10, offers space for wider dialogue and increased coordination among donors;[19] DFID is funding a coordinator for donor interventions in the field of PFM, who is based in the World Bank office in Kinshasa. However, progress still needs to be made on harmonising interventions: programmes are still widely funded and implemented by individual donors, with the exception of small trust funds managed by the World Bank for a limited number of donors (including DFID, the Netherlands and Norway) and there is no clear division of labour yet.

Table 2: Structural reforms and burden sharing

	Agencies
Fiscal structural reforms	
Tax and customs administration	IMF, World Bank
PFM	IMF, World Bank
Decentralisation	IMF, World Bank
Debt management	IMF, World Bank, UN Conference on Trade and Development (UNCTAD)
Monetary and financial sector reforms	
BCC reforms	IMF
Monetary operations	IMF, Belgium
Foreign exchange market reforms	IMF
Payment system	World Bank, USAID
Banking supervision	IMF
Restructuring of financial institutions	World Bank
Microfinance	World Bank
Other reforms	
Civil service	World Bank
Public enterprises	World Bank
Regulatory environment for business	World Bank
Judicial	World Bank, EC
Extractive industries	World Bank
Governance	IMF, World Bank, EC
Trade	IMF, World Bank

Source: IMF (2010).

[19] See Section 3.5 for more details on the CAF.

The preparation by the government of the PFM reform strategic plan in 2009-10 should provide a useful tool for increased donor coordination. Perhaps more importantly, this effort shows improved government ownership of the reforms through the adoption of the first overarching PFM reform plan, prepared by the government. The development of this strategic plan for PFM reform is motivated by two key objectives: it aims to present the government's strategy to address the weaknesses of the PFM system as highlighted in recent assessments such as the PEFA; in addition, it seeks to provide a framework for national stakeholders' as well as international partners' interventions, to ensure the coherence and efficiency of actions taken. The COREF,[20] under the authority of the MoF, has been specially created to lead this work and animate different working groups gathering government institutions, donors and CSO representatives around specific reform issues.

3.5 Coverage of PFM reform and results achieved

Since 2001, public finance reforms have focused largely on budget execution and control over expenditures. Efforts have widely been concentrated at the central level on the Ministry of Economy, Finance and Budget and after 2003, when this was split up into three different ministries, on the Ministry of Budget and the MoF. With a highly centralised PFM system, line ministries and sub-national entities have so far played a very limited role in PFM reforms, even if efforts are now being made to de-concentrate and decentralise PFM, providing more responsibilities to line ministries, notably for the introduction of sector medium-term expenditure frameworks (MTEFs) and autonomy for sub-national entities (in line with the decentralisation policy).

Given the immensity of the challenges faced by DRC in 2001 regarding the political situation, security, macroeconomic instability and poverty, efforts have focused on a limited number of, yet major, measures to establish a stable macroeconomic environment. Efforts to reform the public expenditure management system combined have achieved major progress, including adoption of a new budget nomenclature and design and implementation of the expenditure chain. Cash-based management and increased budget monitoring have enabled the country to control key macroeconomic indicators. These early reforms were facilitated by the momentum created by the signature of the peace agreement in 2001 and the resumption of the relationship with the IFIs, whose financial support the government desperately needed.

Yet limited progress has been made on increased use of the budget as a central PFM tool and on budget execution rates. According to the 2008 PEFA diagnosis, the credibility of the budget is limited for several reasons, but mainly because of execution that takes little account of budgetary allocations and leaves many administrative services without budgeted resources while, conversely, other entities benefit from strong over-execution. The evolution of the political environment (Transitional Government, election, coalition government) and a lack of widely shared political willingness to implement reforms, beyond the necessity to achieve the HIPC completion point, seem to have been major hurdles to reform implementation and change in behaviours and processes. Reforms have not been supported by a revision of the legal and institutional framework, resulting in incoherencies and inefficiencies: the legal framework still needs to be modernised and aligned with the principles of decentralisation introduced in the Constitution, and a clear organisational structure also needs to be designed to avoid overlapping and repetitions of responsibilities across the administration.

Reforms have also focused on the centre at the budget and finance ministries, preventing broader involvement of line ministries and resulting in limited impact of PFM reforms at sector level and eventually on service delivery. Indeed, efforts conducted at sector level, beyond strengthening the capacity of budget staff (sub-managers and budget controllers) within line ministries, have been limited, and concentrated mostly on HIPC sectors such as education and health, which have also received some support to develop sector strategies and more recently MTEFs. Similarly, little progress has been made at sub-national level, where the entire PFM

[20] The COREF is headed by Ephrem Ghonda (formerly of the Ministry of Budget) and is composed of a team of around 15 people, mostly local PFM experts.

system and capacities need to be rebuilt. The 2006 Constitution adds another layer of complexity to the reform, further enhancing the urgent need to strengthen PFM capacities at this level as provinces are given more financial autonomy and thus spending responsibilities.

3.5.1 Budget preparation and approval

One of the first reforms launched by the government was re-establishing a budget, as budget laws were not systematically voted during the years of civil war. As of 2001, the budget preparation process has been reinstated. During the first year, a budget for the year 2002 in compliance with IMF PRGF targets was prepared.

Budget preparation follows the rules stated in the 1983/87 Financial Law, supplemented annually by a comprehensive budget circular that organises the budgeting process and provides the budget calendar. The budget preparation process must comply with the established annual budget cycle, which includes 1) preparation of the macroeconomic framework; 2) preparation of the budget framework; 3) organisation of budget conferences; and 4) budget approval by the Parliament. The DPSB of the Ministry of Budget is responsible for preparing a consolidated budget. Budgets should be prepared by sectoral ministries and presented at the budget conference, which is chaired by the Ministry of Budget and involves all relevant departments (line ministries and institutions).

Since 2007, two ceiling letters are planned in principle for distribution: one for indicative ceilings and the other for definitive ceilings to help ministries in their budget preparation. The Ministry of Budget next develops a draft Budget Law, which is submitted to the Parliament following approval by the Council of Ministers. All budget approvals until 2007 experienced delays; the 2008 budget was approved within the time limits set in the budget calendar.

Table 3: Budget preparation timetable

Period	Tasks to be performed	Responsible institutions
May	• Budget preparation directives • Validating the macroeconomic framework	• Ministry of Budget (Minister's Office, DPSB) • Macroeconomic Framework Committee
June	• Distribution of budget directive to line ministries	• Ministry of Budget
July	• Workshops on budget preparation • Preparing indicative budget ceilings • Disseminating indicative budget ceilings to ministries	• Line ministries • Ministry of Budget (Minister's Office, DPSB) • Ministry of Budget
July-August	• Preparation of spending programmes in line with ceilings • Missions to explain instructions and collect data • Submission of budget proposals to Ministry of Budget (DPSB)	• Line ministries and institutions • Ministry of Budget (DPSB) • • Line ministries and institutions
August	• Budget conferences • Distribution of budget allocations	• Ministry of Budget, relevant departments • Ministry of Budget (DPSB)
September	• Breakdown of budget allocations and submission to Ministry of Budget • Finalisation of government budget • Adoption by government	• Line ministries and institutions • Ministry of Budget (DPSB) • Government
October	• Draft Budget Law submitted to Parliament	• Government
October-November	• Review and approval of budget	• Parliament
December	• Budget Law promulgated	• President

Source: World Bank et al. (2008).

Starting in 2002, efforts have been conducted to strengthen the state budget formulation process through improved comprehensiveness, reconciliation of different sources of data, reduction in off-budget items and modernisation of budget classifications. In 2003, a new public expenditure nomenclature based on Global Finance Statistics (GFS) and Classification of the Functions of Government (COFOG) standards, including a functional, economic and administrative classification, capable of tracking expenditures in general and those related to poverty reduction in particular, was implemented. There have been also been efforts to rationalise the 'budget annexes' by limiting their number and integrating the information into the main document.

Reforms have also aimed at strengthening the use of the budget as a planning tool by improving coherence between the budget forecasting and execution tools, with the Ministry of Budget (DPSB) using data on execution from previous years to prepare realistic budget proposals. In turn, reforms have also aimed to harmonise commitment plans, based on treasury cash plans, with budget allocations.

Today, documentation of the budgeting process provided by the Ministry of Budget is complete and of good quality: national budgets are now prepared using the new budget classification and there has been an improvement in the integration of external assistance even if it is not yet fully comprehensive. However, the process itself still suffers from various shortcomings, starting with delays. Indeed, the budget calendar is not always strictly adhered to: as a result, the Finance Law has been voted before January only as of the 2008 exercise.

Budget documentation provided to the Parliament is huge (a dozen volumes), and the first document provides a summary; given delays in preparation, the Parliament through its EcoFins has very limited time (between one and two weeks) to review the budget. However, it is still very difficult for citizens to access the Draft Finance Law, which itself does not refer to the principle of transparency. For the first time in 2009, the budget was published along with a short note prepared by CSOs to help in understanding the document. However, this was still not a 'citizens' budget' as recommended by the Open Budget Initiative and asked for by CSOs working on budget transparency, and the explanatory note was not published along with the 2010 budget. The work conducted by local CSOs to improve budget transparency is encouraging, even if it will take time to achieve the level of transparency (and its sustainability) recommended, notably a full blown citizens' budget.

Capacity-building support has been provided to line ministries to develop their budget preparation capacity either through direct training or with the help of Ministry of Budget staff (sub-managers) posted in line ministries. Despite these efforts, line ministries still lack capacity to prepare realistic budgets: they do not use data on execution of previous years to prepare budget proposals but rather make long lists of future needs that go much beyond what an annual budget can realistically accommodate. Strategic allocation cannot be carried out at budget level given the lack of a line strategy in most ministries, and given the lack of multi-year strategies that would enable the development of an MTEF. Furthermore, in many cases, line ministries do not have the organisational and human resources required for budget preparation. Since mid-2008 efforts have been made to improve linkages between development strategies and budgets: a steering committee has been created within the Ministry of Budget to help develop MTEFs. Three sectors have been selected (corresponding to the HIPC priority sectors) to initiate the process (education, health and agriculture and rural development) and have received specific training: the development of MTEFs for those sectors is in progress as sector strategies are being finalised.

The budget preparation process does not provide for an effective dialogue between the Ministry of Budget and line ministries. The macroeconomic framework prepared at the beginning of the budget preparation process does not lead to the determination of indicative spending ceilings for each line ministry: two ceiling letters were planned in principle for distribution, one for indicative ceilings and the other for definitive ceilings, but this has not yet occurred as underlined in the 2008 PEFA assessment. The quality of budget conferences suffers from an absence of links between public policy strategies and the budget itself, and is highly variable from one year to the next. Conferences are sometimes not held at all, or involve only a limited number of ministries. DPSB also lacks the capacity to evaluate the technical proposals prepared by line ministries.

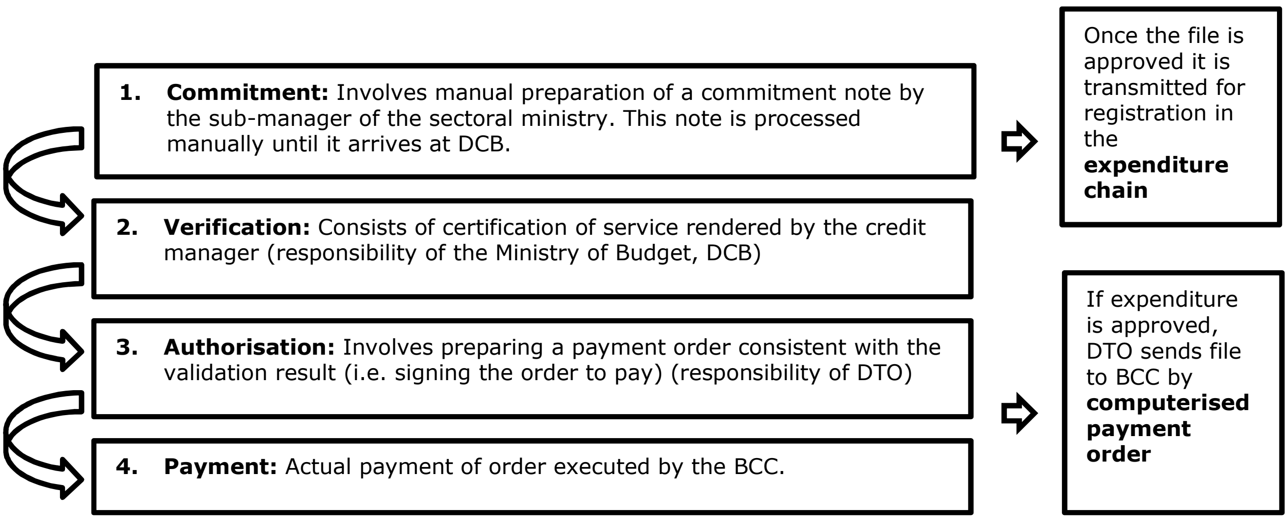
Finally, reforms have failed to put the budget at the centre of PFM. Indeed, the credibility of the budget is limited for several reasons, but mainly because of execution that takes little account of budgetary authorisations and leaves many administrative departments without budgeted resources while others benefit from large overruns. The resulting lack of confidence on the part of those ministers in budget execution reduces their motivation to devote resources to budget preparation and to take part in the budgeting process.

3.5.2 Budget execution

Before the implementation of any structural reform, a strict management of expenditures on a cash basis was reinstated, at the central level, with the use of commitment vouchers and control over expenditures through respect of payment authorisation procedures under the supervision of the DTO. Control over provincial expenditures was also reintroduced, even if this proved technically difficult to implement.

In late 2001, the Ministry of Economy, Finance and Budget undertook in-depth reform of the procedures and mechanisms of expenditure execution and oversight. With IMF support, it implemented a new public expenditure circuit to track specific expenditure from commitment to payment: a manual was developed in 2002 and a computerised information system in 2004, managed by a *cellule informatique inter-ministérielle* (CII, inter-ministerial unit). The introduction of a computerised public expenditure management system aimed to monitor in real time public spending at the four phases (Figure 2) of budget execution. In addition, it aimed to improve the decision-making process, including accelerating or slowing down commitments and better managing arrears, and to better control the eligibility of public expenditures (if a budget allocation is not in the system since the beginning of the fiscal year, no purchase can be made on that basis through the budget). Furthermore, it should make it possible to verify that pro-poor expenditures (including HIPC-financed expenditures) have been carried out in accordance with normal execution procedures and are identified on the basis of the agreed nomenclature. Finally, it informs the preparation of publications presenting budget data that can be posted on the websites of the finance and budget ministries.

Figure 2: The four stages of the standard expenditure procedure



Source: Author.

The objective of the expenditure chain reform was also to minimise the proportion of expenditure that takes place outside of the full budget execution and control procedure including emergency procedures (letters to the Office of the Budget Minister) and *mise à disposition de fonds* (MAD, cash advances), which weakens budget controls and makes it very difficult to monitor public spending by category of expenditure.[21] In 2005, the government

[21] Expenditure may be executed under the standard procedure (Figure 2) or exceptional procedures. Exceptional procedures are used primarily for executing expenditure of a special nature, or with special financing, or expenditure execution that calls for simultaneous action on the commitment, verification and payment order steps (emergencies, payroll, centralised payment (which include 10 expenditure items common to all public entities such as fuel, food, communications, water, electricity etc), government debt and advanced funds mechanism for small amounts (MAD)).

announced its intention to minimise the practice of letters to the Office of the Budget Minister. Since 2007, new ministerial guidelines from the Ministry of Budget recommended a return to orthodox budget execution methods and prohibit commitments based on letters to the Office of the Budget Minister.

The standard four-phase public expenditure circuit has been restored and computerised and is operational. However, the expenditure circuit is not always used appropriately and the frequent use of exceptional procedures weakens the credibility of budgetary authorisations and commitment plans and budget controls, and makes it very difficult to monitor public spending by category of expenditure. Despite efforts to limit their use, these procedures have continued to be used, notably to expedite the spending process. Repetitions of responsibilities in the chain, such as the duplication of the verification stage by the Ministry of Budget and the MoF and necessary approvals of each expenditure by the respective Office of the Budget/Finance Minister, create additional steps that slow down the expenditure circuit, prompting line ministries to resort to emergency procedures for normal spending. Exceptional procedures are also used to impose expenditure that normally should have been rejected for lack of appropriate budget allocation. It is difficult to obtain recent data on the volume of expenditures that have used the standard procedure, but, according to the 2008 PEFA assessment, they represented 0.1% in 2004 and 10.7% in 2005 but only 4.1% in 2006 and 4.5% in 2007. Emergency procedures represented 30.5% in 2004, 37.4% in 2005, 43.6% in 2006 and 42.5% in 2007. Such weaknesses of Treasury management, combined with often-severe liquidity constraints, cause delays in processing expenditures, creating a situation whereby those who are politically well connected receive payments first.

This system results in a composition of executed expenditure that differs widely from budget forecasts, usually to the benefit of general secretariats and ministerial offices. The large gaps in the composition of expenses by ministry and institution as forecast by the budget and as actually executed are perhaps even more serious, with over-execution rates that commonly go from 150-500% in the most over-executed ministries or institutions. Other sectors are traditionally under-executed, notably the health and education sectors.

Box 2: Implications of the reforms at line ministry level

The Ministry of Budget is represented within line ministries by a budget controller and a sub-manager. The original purpose was to enable the Ministry of Budget to facilitate the involvement of the line ministries in preparing and executing the budget. The contribution of these staff members was to compensate for line ministries' lack of expertise concerning public expenditure management and facilitate the expenditure execution circuit of line ministries and its integration into the expenditure circuit.

In theory, sectoral ministries become involved in budget preparation once they receive the circular containing the instructions for preparation of the government budget. However, priorities in the commitment plan are eventually set by the Ministry of Budget (DCB) and do not always reflect those of the sectoral ministry. In addition, line ministries also commit expenditures and procurement contracts without consulting the sub-manager, and often with the agreement of the Office of the Budget Minister.

If the use of a computerised expenditure chain has failed to improve budget execution rates, it provides, according to several government departments, within and outside the budget and finance ministries, more transparent information on the expenditure process and on bottlenecks. It also makes it possible to measure payment arrears, even if several problems remain because of lack of information on whether the file has been serviced or not, and discrepancies between estimates based on the expenditure chain and those in the budget execution reports.

As from 2001, two departments, the DTO and the DCP, have been responsible for proper accounting of government financial operations. In 2003, the government decided to introduce a double-entry (debit and credit) accounting system at the level of the DTO. Implementation of this progressed during the 2004-7 period. A simplified accounting plan in line with international standards was prepared in 2004 and was gradually put in place during the following three years. The DTO was reorganized with the creation of a division responsible for centralising all the accounting operations (the Direction de la Centralisation de la Comptabilité du Trésor, DCCT) and a computerised information system captures in real time accounting operations. The accounting software is based on a structure of the chain of expenditure. An accounting manual with new accounting procedures was prepared in December 2009 to supplement the manual on the expenditure circuit.

At the end of each month, a comprehensive *état de suivi budgétaire* (ESB, budget execution report) can be produced automatically through the single database common to the Ministry of Budget and the DTO, using the new budget classification, which allows monitoring of pro-poor spending. A monthly Treasury balance reports the financial flows of the month and produces the overall balance of government accounts. A *tableau des opérations financières et economiques* (TOFE, table of financial operations) should be prepared on a monthly basis, when monthly accounts have been closed and reconciled with the BCC and revenue agencies, to monitor all the government's financial operations. Yearly closure of accounts is prepared by the Direction de la Reddition Générale des Comptes (DRGC, General Accounts Revision Department).

However, production of ESBs is still irregular and the quality needs to be improved further. There have been efforts to harmonise the TOFE and the ESBs. Efforts to publish budget information on the websites of the Ministry of Budget and the BCC have been delayed since 2006. There are delays in the periodic integration of expenditure execution funded by external resources. An accounting system linked to the expenditure chain has been implemented, and the production of a true and fair Treasury balance has improved following the adoption of new accounting procedures in December 2009. The yearly closure of accounts is carried out by the DRGC in conditions made difficult by the state of the public accountant network, but is a precious source of detailed information on the effective use of resources for services delivered by ministries or provinces.

3.5.3 Audit, evaluation and accountability

Public expenditures must be controlled *ex-ante* and *ex-post* through internal and external control mechanisms. Internal controls (administrative controls) are organised within government services before and after payment execution. External controls are performed by the Audit Office (judicial control)[22] and the Parliament (political control). *Ex-post* external controls are in place and control has improved since 2002, but substantial improvements are still required.

Since 2001, the government has improved internal control procedures by restoring the commitment phase and rationalising the four phases of the expenditure circuit. In essence, internal controls verify the eligibility of the expenditure: the availability of an appropriate budget allocation, the legality of the expenditure and the provision of supporting documents. The minister of budget is the principal controller of public expenditure, exercising internal *ex-ante* control. Internal administrative controls are performed before the payment phase by the DCB within the Ministry of Budget, which controls the commitment procedure and verifies that the service has been provided; by the DTO within the MoF, which controls the payment authorisation phase; by the Office of the Minister of Budget, which monitors global commitments; and by the Office of the Minister of Finance, which monitors the flow of payment authorisation and actual payments.

Ex-post administrative controls are performed by a high-level internal audit institution, the Inspection Générale des Finances (IGF, General Finance Inspectorate), which reports to the minister of finance. In December 2009, the statutes of the IGF were modified to place it under the authority of the president, who approves its programme of actions.[23] Reports produced by the IGF rarely lead to corrective measures aimed at improving PFM, and its independence,

[22] Unlike the British-based system, Francophone countries' chambers of accounts (audit offices) are legally independent of both the executive and the legislature and come under the judiciary, presided over by a magistrate. However, the president of the chamber of accounts is appointed solely by the executive branch (Lienert, 2003).

[23] In 2003, the IGF's 1,897 statutes were modified to place it under the authority of the president but, after only eight months, a newly appointed Minister of Finance, André-Philippe Futa (ex-AfDB staff), who took office in 2004, worked to place it back under the authority of his ministry.

notably regarding the choice of audit missions, is in questioned. With over half the inspectors of retirement age, there is also an urgent need to rebuild the capacity of this institution.

The role of the external Audit Office is to perform comprehensive and permanent judicial control of public finance operations, to ensure transparent use of public funds and to provide the Parliament, the government and citizens with adequate information on public sector management. The role of the Parliament is to use the budget's approval and the Budget Review Law to control the financial management performance of the government. Since 2005, efforts have been made to invite the National Assembly's EcoFin to participate in budget conferences and to involve it in the discussion of the overall budget and its main components. Budget execution and public accounts are supposed to be controlled *ex-post* by the Parliament through the EcoFins of the two chambers with the help of the Audit Office, which provides comments.

While the Audit Office president is free to determine the mission orders to be given to auditors, these missions can be effectively carried out (especially in the provinces) only if they have been authorised by the Ministry of Budget, which is the only entity able to ensure mission funding. Blockages at this level have been noted in several cases and representatives of the Audit Office confirmed that it receives on average 15% of its allocated budget excluding salary payments.[24] Government accounts are submitted to the Audit Office after long delays, except for in fiscal years 2001 and 2002, when the political will of the government to secure support from the Bretton Woods institutions and its commitment to reforms was stronger. Recommendations made by the Audit Office are usually not published and not implemented; a notable exception was the publication of its comment on the Draft Budget Review Law for 2004 in the Official Gazette in December 2005 thanks to the perseverance and clout of the director of the Audit Office at the time.

The tardiness of the budgetary process at government level means that both the EcoFins and the plenary assemblies must work on shorter deadlines. Parliament has not yet voted on a Budget Review Law.

Box 3: Main conclusions of the Open Budget Index

DRC scored 0% on the Open Budget Index. According to the assessment conducted by the Open Budget Initiative, the government provides the public with no information on the central budget and financial activities during the course of the budget year. This makes it very difficult for citizens to hold the government accountable for its management of public money. The Executive's Budget Proposal is not made available to the public, meaning citizens do not have a comprehensive picture of the government's plans for taxing and spending for the upcoming year. Minimal information related to the enacted budget is posted on the internet, and only once the budget has been passed, denying the public any opportunity to provide input. Moreover, it is very difficult to track spending, revenue collection and borrowing during the year. DRC does not publish its in-year reports or a mid-year review. Publishing these documents would be a first step towards strengthening public accountability, since they provide updates on how the budget is being implemented during the year.

It is also very difficult to assess budget performance once the budget year is over. A year-end report is not released, preventing comparisons between what was budgeted and what was actually spent and collected. Also, DRC does not make its audit report public and does not provide any information on whether the audit report's recommendations are implemented successfully. Access to highly detailed budget information needed to understand the government's progress in undertaking a specific project or activity remains limited. This is despite the fact that DRC has codified the right to access government information into law, through the Constitution.

Source: IBP (2008).

3.5.4 Legal framework and institutional rules

In order to modernise the legal framework, efforts have been made to take into account various innovations brought about by the reforms initiated since 2002, particularly with respect to the presentation of budget documents, simplification of the expenditure chain by reducing

[24] Based on an interview with the Audit Office (Kinshasa, September 2010).

the number of administrative steps, appropriations carried forward from one year to the next and budget classification of revenue and expenditure. A public expenditure manual has been introduced in the regulatory framework (ministerial directive of 2003) to help implement the 2003 reform of the expenditure circuit. Another ministerial directive introduced a new budget nomenclature and defined pro-poor spending (2002).

The 2006 Constitution established a number of new basic rules concerning PFM, namely relations between the executive and the legislative concerning the budget. The legal framework is supplemented by a number of regulations, including two annual directives, concerning budget preparation and budget execution.

Box 4: PFM according to the 2006 Constitution

The new Constitution, published in 2006, defines some of the basic principles of PFM. Public finance regulations (Article 122), the structure of the budget and the budget preparation and approval process (Article 126) must be defined by law; Article 127 specifies that prepared and approved budgets must be balanced. A full section of the Constitution (Articles 170-81) is about public finance issues; it provides for the separation of central and local government budgets, which must, however, be presented in the same annual budget document (Articles 171 and 175); 40% of tax revenues must be transferred to local governments (Article 175). The fiscal year starts on 1 January and ends on 31 December (Article 172). Article 173 establishes the principle of budget review laws. Only the legislator can create taxes (Article 174). Two articles (176 and 177) deal with the operations of the BCC and Articles 178-80 are about the Audit Office. Article 181 defines the *modus operandi* of the National Equalisation Fund.

Yet the legal framework and institutional rules that currently manage public finance are not adapted to the new Constitution of 2006, and particularly to the decentralisation principle that it introduces. A new public financial law was prepared and approved by the government in March 2010, and now needs to be voted on by the Parliament. In addition, even when a proper framework exists and rules are defined clearly, underpaid and demoralised civil servants are often tempted to circumvent them. Behaviours that prevailed during years of mismanagement and absence of control are still anchored in government departments and administrations.

While a few steps have been taken towards its modernisation, the overhauling of the PFM legal and institutional framework could start only after the new Constitution was established, introducing basic principles of PFM. But, perhaps more importantly, notably for PFM, the Constitution sets out the decentralisation process, which has become a microcosm of all other key issues inherent in the reform of the governance system, as it touches on the reform of the public service and notably the PFM system. As a result, the long and intense debate around the decentralisation process that engages the senior political leadership of the country, up to the president, partly explains the delays in overhauling the PFM legal framework, as it needs to be underpinned by this wider governance system reform.

Furthermore, fragmented institutions and political considerations have complicated policy management. Bifurcation of the ministries in charge of finance and budget impedes efficiency and coordination of fiscal policy. This, along with weak policy coordination and fragmentation of responsibilities across other ministries, confuses policy implementation and reform. These weaknesses will likely be exacerbated by the constitutionally mandated fiscal decentralisation policy, given weak PFM at the provincial level. Donor staff seem to have suggested the authorities merge the ministries in charge of finance and budget: the authorities have agreed but stress that this should be seen in the context of the country’s nascent institutions and broad-based government coalition that has played a critical role in national reconciliation.

3.6 Conclusion

- Years of conflict, lack of transparency and problems of governance have led to the collapse of the expenditure control system and of fiscal revenue. Still, the legal and institutional framework, based on a French PFM system legacy, was used as a basis for reform, even if it had been virtually non-operational for years.
- Donors have widely guided the reform process, from design to implementation. Major analytical pieces of work such as the PER (2002), the HIPC-AAP (2004) and

the PER and PEFA (2008) have informed reform plans; the reform's implementation has been guided by the integration of recommendations in programme performance matrices with results used as triggers for funding (external incentives have partially made up for a lack of political leadership and willingness internally).

- Provision of TA has also been a major tool for reform implementation, even if most of it has been provided through short-term posting of international consultants to address specific issues, with a lack of coordination among donors. Despite efforts to locate TA in public institutions and to return financial management of programmes to ministries, implementation modalities used by donors (PIUs, TA staff) have had limited spill-over effects in relation to capacities within the public administration.
- Capacity development efforts have failed to be sustained by reform of the civil service, further undermined by the attraction of the most talented civil servants by donors to staff PIUs.
- Initial measures aimed at restoring macroeconomic stability and breaking hyperinflation by first instating strict cash-based management. Subsequent reforms consisted in design and implementation of basic procedures and mechanisms of expenditure execution and oversight at central level, and were followed by the establishment of a simplified double-entry accounting system. Other reforms focused on areas challenging the country's financial sustainability and of particular concern to donors (debt management, procurement, civil service salary reform).
- Despite efforts made to reform PFM, systems still suffer from severe shortcomings, highlighted in the 2008 PEFA assessment and PER: findings confirm that the overall quality of PFM and accountability in DRC is very low, with important leakage of funds at all levels.
- In particular, reforms have failed to put the budget at the centre of the PFM system; its execution takes little account of budgetary authorisations, leaving many administrative departments without budgeted resources while other benefit from large overruns. This clearly impedes the improvement of basic service delivery and poverty reduction, as social sector budgets are traditionally largely under-executed.
- The expenditure circuit is not always used appropriately and the frequent use of exceptional procedures weakens the credibility of budgetary authorisations, commitment plans and budget controls, and makes it very difficult to monitor public spending by category of expenditure. Despite efforts to limit their use, these procedures continue to be used, notably to expedite the spending process. Repetitions of responsibilities in the chain, such as the duplication of the verification stage, which is conducted by the Ministry of Budget and the MoF, and necessary approvals of each expenditure by the Offices of the Ministers of Budget/Finance, create additional steps that slow down the expenditure circuit, prompting line ministries to resort to emergency procedures for normal spending.
- While a few steps have been taken towards its modernisation, the adoption of a new legal and institutional framework has been delayed by the establishment of a new Constitution in 2006 and the debate around the decentralisation process, which touches on the wider reform of the public service, and notably PFM.
- Fragmented institutions and political considerations have complicated policy management. The bifurcation of the ministries in charge of finance and budget impedes efficiency and coordination of fiscal policy. This, along with weak policy coordination and fragmentation of responsibilities across other ministries, confuses policy implementation and reform. These weaknesses will likely be exacerbated by the constitutionally mandated fiscal decentralisation policy, given weak PFM systems and capacities at the provincial level.

4 Main PFM reform outputs and outcomes

Since 2001, PFM reforms have focused widely on the re-establishment of control over expenditures through the implementation of a highly centralised public expenditure circuit and a double-entry accounting system underpinned by a new budget classification that enables the tracking of poverty expenditures. Yet reforms have failed to put the budget at the centre of the PFM system and the expenditure chain is not always used appropriately, resulting in weak budget execution, which is particularly acute in key sectors such as health and education.

In this context of poorly performing PFM systems at the central level, the introduction of the decentralisation policy, which aims to provide increased financial autonomy to the provinces, adds another challenge to the PFM reform process. Institutions and capacity need to be built at the sub-national level to enable the absorption of these new responsibilities. The legal and institutional framework also needs to be modernised to take into account the major changes introduced in the 2006 Constitution regarding the government structure at sub-national level, the transfer of revenues and resulting new responsibilities to be handled at the provincial level.

Reforms have largely been driven by donors, notably through structural reform programmes and conditionalities attached to financial support, but also through the provision of technical assistance to implement those reforms. Donor support is still crucially needed, in particular to maintain the momentum of the PFM reform process as the country has reached the HIPC completion point, which largely drove the reform process between 2003 and 2010. External incentives to conduct reforms still seem to be needed as accountability mechanisms continue to be very weak, but also because much of the political debate is still captured by issues around decentralisation modalities, resulting in comparatively limited attention to PFM reforms.

Table 4: Main PFM reform results and remaining challenges

Budget cycle	Results	Challenges
Budget preparation and approval	• Restoration of budget law • Documentation provided complete and of good quality • New budget classification implemented, enables tracking of poverty expenditures • Improved integration of external assistance	• Delays experienced in budget preparation and approval process • Lack of capacity within line ministries to prepare realistic budgets and limited dialogue between Ministry of Budget and sector ministries during budget preparation • Need to improve linkages between budget and national strategy
Budget execution	• Implementation of cash-based management • Standard four-phase public expenditure circuit restored and computerised and is operational • Implementation of new double-entry accounting system with simplified accounting plan	• Expenditure chain not always used appropriately and frequent use of exceptional procedures that weaken the credibility of budget authorisations, commitment plans and budget controls • Weak budget execution rate, particularly at sector/institution level
Audit, evaluation and accountability	• *Ex-ante* internal control restored through implementation of expenditure chain as well as IFG *ex-post* administrative controls • Audit Office performs judicial control of public finance operations (based on French system legacy) and provides the Parliament (EcoFin) with information re. public sector management	• Reports produced by IGF rarely lead to corrective measures; independence needs to be strengthened • Lack of financial autonomy of Audit Office impeding capacity to fulfil its mission • Lack of transparency of budgetary process with limited public information on budget and financial activities
Legal and institutional framework	• Few steps taken to modernise legal framework particularly with respect to presentation of budget documents, simplification of expenditure process and budget classification	• Need to overhaul legal framework to align it with 2006 Constitution and in particular the decentralisation process • Institutional framework could also be revised to avoid overlap of responsibilities and resulting inefficiencies created by split between Ministry of Budget and MoF

Turning to the wider impact and outcomes of PFM reforms, it appears that efforts conducted since 2001 have been successful in ensuring global macroeconomic stability in DRC, which was one of the primary objectives back in 2001. Inflation globally has been kept to low levels and the currency exchange rate is stable. However, progress remains fragile, as witnessed in 2009: the resurgence of conflict in some provinces, in a context of highly constrained resources, put high pressure on DRC's global macroeconomic stability, with an upsurge in inflation and a depreciation of the exchange rate during the first quarter of 2009, resulting from additional public spending.

More generally, the lack of revenues and high levels of non-discretionary spending impede progress in achieving poverty reduction. Progress in social sectors is further impeded by the absence of linkages between the national strategy and the budget, a failure to place the budget at the centre of the PFM system and weak budget execution rates that result in a limited impact of PFM reforms at sector level and on service delivery.

Box 5: Impact of PFM reforms in education

The education sector is now faced with a serious and deep crisis of management, in terms of both its objectives and its financing. In theory, the state provides salaries for teachers and an operating and maintenance budget for schools. Constructing non-church public school buildings is also the state's responsibility. In practice, the state pays only the salaries and a small fraction of operating costs. NGOs, churches, development partners and school fees paid by parents cover the balance.[25] The budget appropriation for primary, secondary and vocational education remains low, at 6.4% of total budget (2.4% of GDP) in 2009 (2009 ESB).

Yet, even if the adequate financing were available, the current system could ensure neither the appropriate allocation of resources nor proper implementation of the same. Indeed, budget preparation is not carried out on the basis of a sector policy and an action plan backed with figures and the Ministry of Budget ends up using the previous year's allocation, adjusted for the slightly higher overall budget envelope. The result of the budget process has been a MEPSP budget that covers only a small fraction of expenditures and an executed budget that is below the initial budget allocation.

The bulk of MEPSP expenditures (around 90%) cover salary payment. The execution rate for teachers' salary payments is reportedly high: according to the 2008 PER (World Bank et al., 2008), more than 95% of wages disbursed by the DTO reached teachers, although the rate of arrival varies across provinces, and also across different months for the same school. At the DTO level, payments are made following a specific procedure as they are directly engaged by the Minister of Budget and integrated in the expenditure information system without prior control of the DCB. This 'fast-track' automated procedure has contributed to improving the regularity of payments made at DTO level. Yet payments are still executed through a very lengthy physical chain of transfers with many leakages (see below), and salaries are extremely low.[26] In addition, there is a large number of unregistered teachers who were hired during the long years of conflicts and confusion. Their salaries are paid either from those intended for departed or diseased teachers or from school fees.

Procedure for salary payment in the education sector:

- All teachers must be registered officially in the Service de Contrôle et de Paie des Enseignants (SECOPE, Wages of Primary and Secondary School Teachers) database.
- Salary payments are based on a pay list prepared by the national SECOPE. In provinces, provincial SECOPES prepare a breakdown of allocations based on school listings.
- Funds are transferred from the DTO to provincial branches of the BCC or to designated commercial banks.
- Principal public accountants representing groups of schools withdraw the money from banks.
- Several persons/entities intervene in physically transporting the case from these principal public accountants to head teachers.
- School directors are responsible for paying teachers.

[25] Religious denominations manage more than 70% of primary and secondary schools ('covenants' schools); the state directly manages fewer than 20% ('non-covenant schools'). The rest are private schools (World Bank et al., 2008).
[26] Around $50 per month on average (interview with Ministère de l'Education Primaire, Secondaire et Professionnelle (MEPSP, Ministry of Primary, Secondary and Vocational Education), September 2010).

Given the high proportion of salaries in the education budget and the high execution rate for wage payments, the overall execution rate of the MEPSP budget is relatively good compared with other social sectors, with an execution rate of 85.5% reported for 2009 (2009 EBS). However, this rate hides a very low execution rate for non-salary payments. One interesting exception is the school block grant programme initiated in 2005, designated to partially finance schools' operating costs. The special procedure of MAD delivering the grants directly to schools was used for this programme. This programme appeared successful and popular, but was suspended after a year when the central government ran into severe budget constraints. Experience from the education sector confirms that the use of exceptional expenditure procedures ensures a higher execution rate.

Box 6: Impact of PFM reforms in infrastructure, public works and reconstruction

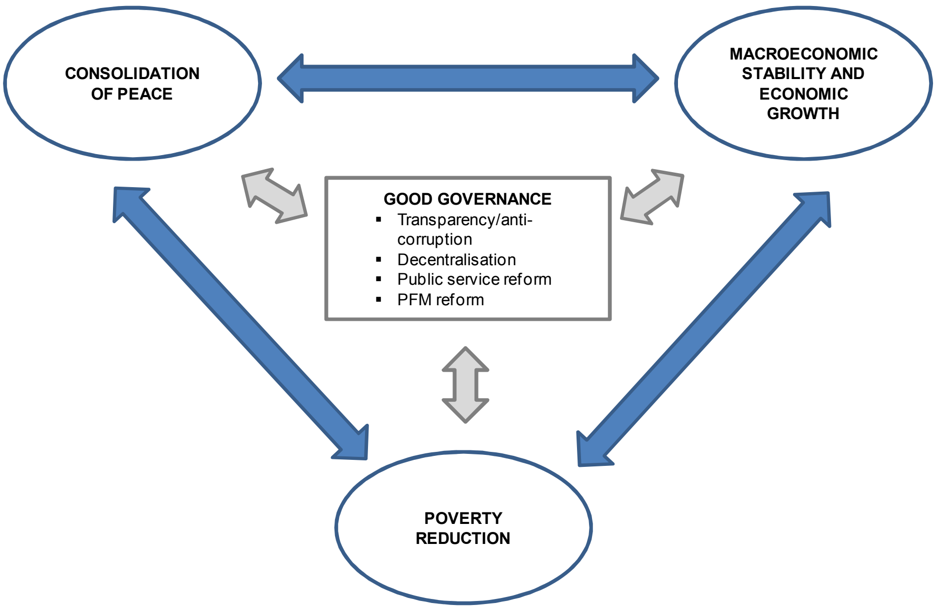
Even though budget allocations to the infrastructure sector have increased, this sector remains largely funded by external resources, at over 90%. Yet it remains instructive to analyse public expenditure management in this sector. Similarly to other sectors, the Ministère des Infrastructures, Travaux Publics et Reconstruction (MITPR, Ministry of Infrastructure, Public Works and Reconstruction) is not associated with the finalisation of the sector budget, which is prepared, along with commitment plans, by the Ministry of Budget with no alignment with the sector's priorities. Furthermore, quarterly commitment plans do not take into account the seasonality of infrastructure works, rather dividing commitments into equal parts for each quarter. In addition, given the emergency needs of some reconstruction work (all the more so because the work is conducted, most of the time, during the rainy season rather than planned in advance to prevent destruction), the ministry resorts to emergency expenditure procedures, which have proved more efficient than the standard procedure: in 2009, the execution rate of the domestic budget for the MITPR reached 229%, and 145% in 2010.[27]

[27] Interview with MITPR, Kinshasa (September 2010).

5 The Impact of context on PFM reform results and outcomes

PFM reforms have been put in President Kabila's electoral programme at the centre of the state- and peace-building process in DRC. They are part of the Governance Contract established in 2007 between the government and its citizens. Improved governance is presented as a means to trigger the virtuous circle of macroeconomic stability and economic growth, poverty reduction and consolidation of peace (Figure 3).

Figure 3: Good governance and consolidation of peace- and state-building in DRC



Source: Author.

However, DRC's fragility strongly influences the context in which reforms are taking place and the dynamics between them, thus impacting outputs and outcomes achieved, At the start of President Kabila's mandate, the reform agenda was particularly heavy with highly political reforms such as decentralisation. Progress achieved on PFM reforms has been contingent partly on priority given to and progress made on other reforms, and in particular the decentralisation process. The delays experienced in the establishment of a modern PFM legal and institutional framework, for example, can be explained partly by the need to previously define more precisely the modalities of the decentralisation process, which have been (and are still) subject to long and intense debate. The time and energy of political leaders is largely taken up by a need to reach political consensus on this highly sensitive issue.

The political settlement reached in the framework of the peace process (and the legacy of public service management practices) has resulted in a highly politicised government and administration. The separation of the Ministry of Budget and the MoF into distinct entities, for example, is the result of a political decision to share key functions of the former mega ministry among different parties participating in the Transitional Government. Similarly, since the election of President Joseph Kabila and the establishment of a coalition government, the MoF and the Ministry of Budget have been shared by two different parties of the coalition (respectively, the PPRD and the PALU). From an operational perspective, this organisational structure has led to an overlap of responsibilities between the two ministries, resulting in repetitions and bottlenecks in the expenditure chain that can delay the approval process. The efficiency of the PFM system is thus undermined and vulnerable to the evolution of the political (and personal) relationships between coalition leaders. While there is no evidence of political divides within the coalition that would have negatively impacted the implementation of PFM reforms, personal connections and political networks seem to facilitate the execution of some expenditure, helping bypass the standard procedure. This in turn further undermines the efficiency of the standard expenditure chain.

Past as well as ongoing conflicts experienced by DRC have major direct and indirect impacts on the outputs and outcomes of PFM reforms. Beyond military spending, which contributes to weak fiscal sustainability, years of conflict and weak control of the central state over some provinces have depleted public institutions (at the central but mostly at the sub-national level) and public sector management capacities, including in PFM. As a result of conflict, local administrations are dysfunctional, with plethoric staff in provinces where local power groups recruited on their own initiative during the conflict. All provincial administrations suffer from severe capacity constraints as a result of both human losses and partial disruption of education services during the conflict period. Weak institutional structures and capacities impede the implementation of PFM systems at the sub-national level.

Finally, another key characteristic of DRC's fragility is linked to the country's reliance on external funding and more particularly the heavy debt burden on its public finance. This has been used by donors as a leverage to implement PFM reforms. Similarly, weak local capacities have lead to the appointment of some key Congolese experts in key posts (such as Mbuyamu Matungulu as Minister of Finance between 2001 and 2003) from international institutions such as the IMF, the World Bank and the AfDB, who have proved to be key entry points to develop and implement structural reforms in DRC, and particularly those related to PFM.

6 Conclusion

Despite efforts made to reform PFM, systems still suffer from severe shortcomings, which were highlighted in the 2008 Public Expenditure and Financial Accountability (PEFA) assessment and Pubic Expenditure Review (PER). While technical improvements have been made in budget classification, cash management, budget execution and computerisation, strong political interference has undermined these achievements. Improvements in public service delivery and poverty reduction goals have not been achieved, as budgets are traditionally under-executed.

In addition, the frequent use of exceptional procedures weakens the credibility of budget authorisations and commitment plans, and makes it very difficult to control and monitor public spending by category of expenditure. Duplication of responsibility for controls on spending that are executed both by the MoF and the Ministry of Budget both slow down the expenditure cycle and prompt line ministries to resort to informal procedures to maintain spending on vital services.

The main challenges regarding PFM are now to identify and leverage new internal and external incentives to implement reforms. Internally, it seems that PFM reforms at the sub-national level will be crucial to both the implementation and the success of the decentralisation process. Decentralisation is central to the state-building process as a means to maintain the country's unity and should receive increased attention as presidential elections are looming (the first round is scheduled in November 2011). This could constitute the main entry point and domestic driver for future PFM reforms.

Additionally, donors could further push for reforms by establishing more clearly the linkages between PFM reforms and increased budget support. The PFM reform strategic plan developed by the government could be further developed into an operational plan jointly prepared with donors, setting indicators and criteria that could pave the way towards budget support. Sector-level reforms aiming at improving service delivery could be used as an entry point to sector budget support.

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Annex 1: Chronology of major events in peace and state building

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Phase	Immediate post-conflict period		Transitional government				Democratically-elected government				
Overarching national strategy		I-PRSP (2002-2005)				PRGS (2006-2011)					
					x New Constitution						
			x HIPC Decision point							x HIPC Completion point	
		PER 2002			*CFAA*			*PER* *PEFA*			
IMF support	SMP	PRGF				SMP			PRGF		
World Bank strategy	TSS 1			TSS 2				CAS			

Annex 2: Table mapping reform measures by actors and PFM dimensions

	Budget formulation	Budget approval	Budget execution	Audit, evaluation, accountability	Legal framework and institutional rules
2001-3: immediate post-conflict period					
Ministry of Economy, Finance and Budget, Ministry of Planning, BCC	• Preparation of realistic 2003 budget in compliance with PRGF targets • Preparation of 2004 budget under new budget classification and based on actual consumption in 2001/02 • Integration of 'off-the-books' revenue and expenditure forecasts • Consolidation of external assistance estimates with clear description in budget • Establishment of realistic budget for annual consumption of general services • Rationalisation of 'budget annexes'; specification of their status and eligibility requirements		• Strict management of expenditure on a cash basis (resources actually available) as defined in the Treasury cash-flow plan (June 2001) • Reinstatement of budget and accounting procedures through use of commitment vouchers for expenditure on goods and services and strict compliance with the payment authorization procedures under the supervision of DTO (June 2001) • Coordination of commitments and payments by reinstatement of periodic commitment reports and appointment of a committee including minister of finance, secretaries-general of finance and budget, director of budget control and director of treasury (June 2001) • Elimination of all wage payment arrears	• Initiation of system of regular monthly ESBs • Publication and dissemination outside MoF of official version of ESBs at least once a quarter • Presentation of data using new budget classification	• Adoption of decree requiring all budgetary disbursements be authorised by MoF • Publication of new status enshrining BCC independence • Creation of inter-ministerial committees (CISPI and CTR) to monitor reforms undertaken in framework of Bretton Woods institutions' programmes (2002) • Creation in 2003 of Poverty Expenditure Monitoring Committee (Comité inter-ministériel de Suivi des Dépenses de Lutte contre la Pauvreté) • Improvement of methodology for reconciliation of BCC and Treasury accounts; harmonisation of presentation of data in budget by the BCC and by the Treasury • Establishment of new budget classification based on IMF's GFS (2002) • Establishment of new expenditure procedure manual (2003)

	Budget formulation	Budget approval	Budget execution	Audit, evaluation, accountability	Legal framework and institutional rules
Sector ministries					
Sub-national entities			Beginning of reinstatement of process of expenditure control in provinces (September 2001)		
Audit Office, Parliament		Adoption of 2002 budget by Parliament (early 2002)		Audit of fiscal year 2001 accounts in 2002 and fiscal year 2002 in 2003 with presentation to the Parliament of the EBS in accordance with the calendar of the Finance Law 83/87 but not voted by Parliament	
Private sector, NGOs, churches, CSOs, communities					
Other reforms: n/a					
2003-2006: Transitional Government period					
MoF, Ministry of Budget, Ministry of Planning, BCC	• Development of medium-term forecasts of macroeconomic aggregates using a very simple model (support from UNDP) • Preparation of annual budgets according to specific timetable (as described in the 83/87 Financial Law), with no delays in process • Harmonisation of budget forecasting and execution tools: Ministry of Budget to prepare quarterly commitment plans (detailed by budget lines) in line with Treasury cash flow plan (starting June 2005) and publication on Ministry of Budget and MoF website		• Effective implementation of new expenditure procedures, restoring and streamlining the entire expenditure chain: including integration of commitment plan in computerised system to avoid over-spending; minimising proportion of expenditure that takes place outside of full budget execution and control procedure (including advance funds: MAD), effective payment by BCC within 48 hours following reception of payment order; and transmission of debit and credit orders executed by BCC to	• Reconciliation of data on external assistance and integration into ESB • Publication of monthly ESBs within MoF and quarterly statements outside of ministry • Publication of monthly execution reports of commitment plans and Treasury plans • Publication and transmission of ESB in line with TOFE to the Parliament • Publication of previous fiscal year's audited accounts before end of current year	• Creation of COREMAP; revision of legal and regulatory framework (2005)

	• Respect of budget allocations as outlined in expenditure commitment plans		Treasury (2003 delayed to 2004) • Implementation of simplified double-entry government accounting system at Treasury (DTO/DCCT) (2005) • Implementation of new payroll system (PTS) based on information provided by civil service (2006) • Implementation of computerised debt management system		
Sector ministries	• Capacity building for sectoral ministries to prepare action programme to produce budget forecasts (2003) • Increase of budget allocation for education sector to 8.5% and health sector to 5.5% • Towards 2005/06, start of development of MTEFs for social sectors to back up implementation of full PRSP		• Closing down of 240 ministries' bank accounts held in commercial banks • Improvement of health and education sector budget execution rates to 60%		
Sub-national entities					
Audit Office, Parliament		• Adoption of annual budgets by Parliament but with delays		• Presentation to Parliament of audited ESBs (2004-8) but with delays (5-6 months) compared with official timetable (received after 30/06 of following financial year) • No Budget Review Law ever been voted on by Parliament	

	Budget formulation	Budget approval	Budget execution	Audit, evaluation, accountability	Legal framework and institutional rules
Private sector, NGOs, churches, CSOs, communities					
Other reforms: public administration: census of civil servants; implementation of PTS; implementation of retirement plan for 90,000 civil servants; decentralisation: maintain current level of financial transfers to provinces and work towards transfer of competences re. expenditures in line with increase of financial transfers as described in the Constitution; assessment of priority technical needs to strengthen administrative capacities of provinces; statistics: strengthening of statistical capacities, preparation of statistical law (2006), increased collaboration between different institutions to prepare financial and monetary statistics and Treasury cash flow plans (TOFE) under leadership of CTR					
2007-2010: new elected government					
MoF, Ministry of Budget, Ministry of Planning, BCC			• Prepare plan for return to normal budget execution procedures, to include timetable for normalisation process, and organise monitoring of the measure – monthly publication of appropriate data (Offices of Ministers of Budget and Finance) (2007) • Updating plan of action for management of centralised payments (Offices of Ministers of Budget and Planning) (2007) • Finalisation of plan to clear 2007 and 2008 arrears on public domestic debt • Centralisation of debt management at DGDP (former OGEDEP)	• Exhaustive computerised ESBs prepared on monthly basis (2009) • Plan of action to strengthen cash management, including monitoring instrument to compare forecasts and execution (DTO/MoF and Office of Budget Minister) (2007) • Finalise software for validation of revenue and expenditure entries and increase accountability of Treasury officials on accounting entries (CII, DTO) (2008) • Static Treasury balances replaced by monthly production of complete computerised balances (DTO) (2009) • Review role of committee evaluating poverty reduction and HIPC expenditures; reduce number of case-by-case reviews (Ministry of Budget, MoF) (2007) • Systematic monthly updating of data on	• Revision of 2003 public expenditure manual, including rationale for transferring validation phase from Treasury to DCB (DPSB/TA) and integration of exceptional expenditures in computerised system (2007) • Ministry of Budget and MoF create group of peer reviewers to prepare Draft Organic Law on Public Finance on basis of two existing drafts, with help from drafters and TA (2007) • Validate timetable for finalisation of Framework Law and public accounting regulations (2008) • Workshops to validate Draft Framework Law and public accounting regulations (2008) • Bill on exceptional expenditures, creation of committee to manage execution of emergency expenditures (December 2008)

	Budget formulation	Budget approval	Budget execution	Audit, evaluation, accountability	Legal framework and institutional rules
				web sites of Ministry of Budget and MoF (Offices of Ministers of Finance and Budget) (2007)	• New accounting procedures (2009) • Adoption by government of strategic plan for public finance reform (2010) • Adoption by government of new Finance Law (2010), still to be voted on by Parliament • Adoption of new Procurement Law (2010) and application decrees
Sector ministries	• Determine indicative ceilings of expenditures for each sector at beginning of budget preparation process (2007) • Budget and line ministries prepare plan to better involve line ministries in budget planning and monitoring process, including a timetable and monitoring instrument (ministers' offices/DPSB/DTO) (2008) • Preparation of MTEF for education, health and agriculture and rural development			• Quarterly production of ESBs by line ministries including for provincial expenditures (line ministries) (2009)	
Sub-national entities	• Use of simplified classification for provincial budgets		• Implementation of automated expenditure chain in provinces • Application of PTS for payroll in all provinces	• Strengthen capacity in financial management of public finance team in governors' offices (Ministry of Budget and MoF) (2009)	• Submission to Parliament of a law to forbid provinces from contracting debt from commercial banks or BCC (2010) • Elaboration of action plan to strengthen

	Budget formulation	Budget approval	Budget execution	Audit, evaluation, accountability	Legal framework and institutional rules
					PFM capacities in provinces
Audit Office, Parliament		• Adoption of budget by Parliament on time since 2008 budget		• Submission to Parliament of 2008 audited ESB (November 2009)	
Private sector, NGOs, churches, CSOs, communities					
Other reforms: public administration: adoption by the government of strategic plan to reform public administration; revision of grading system for payment of salaries; decentralisation: financial transfers to provinces of 40% as stated in Constitution; statistics: presentation to Parliament of Law on Statistics transformed into decree approved by prime minister; preparation of strategic plan for development of national statistics					

Annex 3: Scores of the 2008 PEFA assessment

Indicator	*Rating*	*The PFM framework indicators*
		A – Credibility of the budget : PFM out-turns
1	*D*	Aggregate expenditure out-turn compared to the original approved budget
2	*D*	Composition of expenditure out-turn compared to the original approved budget
3	*A*	Aggregate revenue out-turn compared to the original approved budget
4	*D*	Stock and monitoring of expenditure payment arrears
		B - Comprehensiveness and transparency
5	*A*	Classification of the budget
6	*B*	Comprehensiveness of information included in budget documentation
7	*D*	Extent of unreported government operations
8	*D*	Transparency of inter-governmental fiscal relations
9	*D*	Oversight of aggregate fiscal risk from other public sector entities
10	*D*	Public access to key fiscal information
		C - Budget cycle
		C(i) - Policy-based budgeting
11	*D+*	Orderliness and participation in the annual budget process
12	*D*	Multi-year perspective in fiscal planning, expenditure policy and budgeting
		C(ii) - Predictability and control in budget execution
13	*D+*	Transparency of taxpayer obligations and liabilities
14	*D*	Effectiveness of measures for taxpayer registration and tax assessment
15	*D+*	Effectiveness in collection of tax payments
16	*D*	Predictability in the availability of funds for commitment of expenditures
17	C+	Recording and management of cash balances, debt and guarantees

Indicator	Rating	The PFM framework indicators
18	D	Effectiveness of payroll controls
19	D	Competition, value for money and controls in procurement
20	D	Effectiveness of internal controls for non-salary expenditure
21	D+	Effectiveness of internal audit
		C(iii) - Accounting, recording and reporting
22	C	Timeliness and regularity of accounts reconciliation
23	D	Availability of information on resources received by service delivery units
24	C+	Quality and timeliness of in-year budget reports
25	C+	Quality and timeliness of annual financial statements
		C(iv) - External scrutiny and audit
26	D+	Scope, nature and follow-up of external audit
27	C+	Legislative scrutiny of the annual budget law
28	D	Legislative scrutiny of external audit reports
		D - Donor practices
D-1	N/A	Predictability of direct budget support (DBS)
D-2	D+	Financial information provided by donors for budgeting and reporting on project and programme aid
D-3	D	Proportion of aid that is managed by use of national procedures

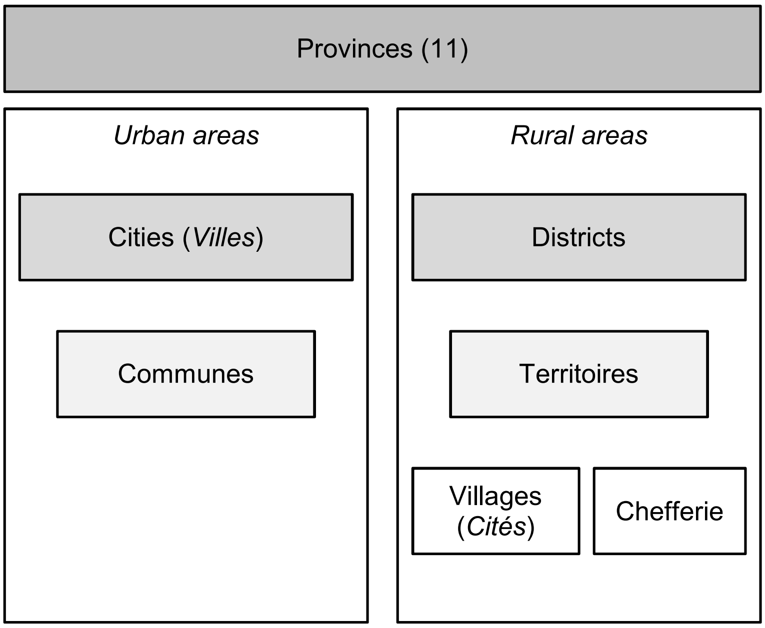
Annex 4: Public finance data over reform period

% of GDP									
	2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008 (est.)**
Total revenues and grants	**5.1**	**6.5**	**8.1**	**9.7**	**11.5**	**16.5**	**20.8**	**16.3**	**20.3**
Total revenues	5.1	6.5	7.7	7.7	9.5	11.3	12.9	14.8	18.5
Income and profit taxes	1.6	1.2	1.4	1.5	2.0	1.6	3.1	3.1	3.9
Taxes on goods and services	1.2	1.0	1.6	2.3	2.8	3.1	3.6	3.7	4.3
Taxes on international trade	1.2	1.5	2.2	2.3	3.2	3.5	4.0	4.6	5.2
Import duties and taxes	1.1	1.5	2.0	2.1	3.0	3.2	3.7	4.5	5.0
Export duties and taxes	0.1	0.0	0.2	0.2	0.2	0.3	0.2	0.2	0.2
Other revenues	1.0	2.7	2.5	1.6	1.5	3.1	2.2	3.3	5.0
Grants	0.0	0.0	0.4	2.0	2.0	5.1	8.0	1.5	1.9
Expenditures	**11.1**	**8.2**	**10.1**	**10.3**	**15.3**	**20.3**	**20.4**	**18.8**	**22.7**
Wages and salaries	2.5	1.7	2.0	2.5	3.6	4.3	5.3	5.8	6.9
Goods and services	5.0	4.7	3.7	4.1	4.6	4.2	3.2	4.0	4.3
Transfers and subsidies	1.1	0.4	0.3	0.9	1.0	1.3	2.1	2.2	3.5
Interest payments	2.1	1.4	3.1	0.1	3.3	4.4	2.3	3.6	3.1
Exceptional expenditures	0.0	0.0	0.0	0.0	0.0	2.8	4.2	0.9	1.1
Investment	0.5	0.1	0.5	2.7	2.8	3.3	3.3	2.4	3.7
Net lending	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-6.0	-1.7	-2.0	-0.6	-3.8	-3.8	0.4	-2.5	-2.3
Primary balance	-3.9	-0.3	1.1	-0.4	-0.5	0.6	2.7	1.1	0.8
% of total									
Taxes on income and profits	31	18	19	19.5	21.4	14.1	24.4	21.2	21
Taxes on goods and services	24	16	21	29.5	29.1	27.6	27.7	25.3	23.5
Taxes on international trade	24	24	28	30.3	33.8	30.7	31	31.5	28.4
Other revenue	21	42	32	20.8	15.7	27.6	17	22	27.1

Annex 5: External aid data over reform period

In million US$	2002	2003	2004	2005	2006	2007	2008
All donors	**820**	**5,360**	**1,674**	**1,986**	**2,107**	**1,322**	**1,803**
Development Assistance Committee of Organisation for Economic Co-operation and Development (OECD DAC) countries, total	**335**	**5,081**	**1,180**	**1,212**	**1,497**	**782**	**989**
Australia	0	..	..	..	2	1	2
Austria	5	5	3	0	4	6	6
Belgium	41	785	268	170	229	210	174
Canada	7	21	12	16	28	19	20
Denmark	..	..	..	..	3	4	6
Finland	1	2	..	..	6	6	7
France	10	1,389	148	258	59	29	31
Germany	16	549	79	51	31	70	61
Greece	0	0	0	0	3	1	2
Ireland	2	2	4	6	13	16	18
Italy	0	446	24	1	1	4	8
Japan	1	1	48	379	28	23	51
Korea	..	..	..	..	0	2	3
Luxembourg	1	0	1	2	2	4	3
Netherlands	135	221	59	46	30	51	48
New Zealand	0	0	0	0	0	..	1
Norway	12	17	18	19	21	23	35
Portugal	5	2	0	1	2	1	1
Spain	3	6	6	10	19	16	43
Sweden	3	166	11	21	38	33	68
Switzerland	3	35	5	7	8	10	9
United Kingdom	9	16	301	78	132	121	195
United States	80	1,418	191	144	838	133	197
Multilateral, total	**485**	**279**	**494**	**774**	**610**	**540**	**814**
ADF	..	..	..	24	9	12	29
European Union institutions	36	40	196	214	222	158	224
Global Alliance for Vaccines and Immunisations	..	..	..	..	..	17	71
Global Environment Facility	..	..	..	..	..	..	2
Global Fund	..	2	9	38	25	28	65
IDA	429	215	255	454	306	261	333
Joint UN Programme on HIV/AIDS	..	0	0	1	0	0	1
UNDP	..	..	10	17	15	15	24
UN Population Fund	2	4	5	5	5	6	8
UN Children's Fund	19	18	19	22	26	43	58
World Food Programme	..	..	..	..	..	..	0

Annex 6: Government structure in DRC



Annex 7: List of people interviewed

Organisation	Name	Position
Audit Office	Joseph Kitambala	Magistrat
Audit Office	Kalala Mwana Banza	Magistrat
Audit Office	Katenga Felo	Magistrat Coordonnateur
Audit Office	Madudu Fuma	Magistrat
Civil society	Abraham Djamba Semba wa Shako	National Coordinator, REGED
COREF	Alain Mangwa	Expert
COREF	Assani Sengi	Assistant
COREF	Ephrem Ghonda	President
COREF	Godefroid Misenga	Executive Secretary
COREF	Mertens Mbayo	Membre
COREF	Michel Niamadjomi	Deputy Executive Secretary
COREF	Yvette Houngbo	Consultant
CTAD	Alain Yahaya	Expert
CTAD	Fataki Anicet	Chef de Section
CTAD	Max Baindu Loma	Chef de Section
CTAD	Ngubo Selemani Longange	Chef de Section
CTAD	Shemisi Betutwa	Expert
CTAD	Songabau Nteley	Expert
CTR	Aimé Kasenga	Assistant in Charge of SOE, Financial Sector and Private Sector
CTR	Charles Fataki	Assistant Chargé des Questions Juridiques
CTR	Félicien Mulenda	Assistant in Charge of PFM Reforms and Natural Resources
CTR	François Kabuya	National Coordinator
CTR	John Muloba	Assistant Chargé des Projets et Programmes Sectoriels
CTR	Roger Shulungu	Deputy National Coordinator
DFID	Carine Escoffier	Senior Governance Advisor
DFID	Felicity Townsend	Senior Human Development Advisor
DFID	Jean-Paul Mabaya	??
DFID	Kobi Bentley	Country Economist
DFID	Phil Evans	Head of Country Office
DFID	Ros Coopers	Deputy Head
DGDP	Diata Kalombo	Stagiaire
DGDP	Emery Tshidimbi	Directeur
DGDP	Marie Claire Assumini	Expert
DGDP	Pongo Léopold	Chef de Division
DGDP	Tasse Mayau Joseph	Sous-directeur
DGDP	Wabeno Ngunga Lula	Chef de Division
European Commission	Jeroen Willems	Chef de Section, Economic Governance
IGF	Mabele Mosamba	Inspecteur Général des Finances, Chef de Service-adjoint
MEPSP	Chantalat Sawasawa	Conseiller
MEPSP	François Kubindikila	Directeur Etudes et Planification
MEPSP	Georges Milumbu	Consultant BOSS
MEPSP	Kimbembi Kamesa Annie	Sous-gestionnaire de Crédits
MEPSP	Mikanda Annie	Sous-gestionnaire de Crédits
MEPSP	Mulay Mimi	Sous-gestionnaire de Crédits
MEPSP	Munsya Molomb	Consultant BOSS
MEPSP	Mvulampia Talunda	Sous-gestionnaire de Crédits
MEPSP	Mwa Ilanga Patou	Consultant BOSS
Ministry of Budget	Grégoire Kwadje	Directeur de la Paie
Ministry of Budget	Jean Gaston Manya	Coordinateur CII
Ministry of Budget	Jean-Baptiste Nthawa	Ministre du Budget
Ministry of Budget	Jean-Marie KABEYA	Chef de Division, DCB
Ministry of Budget	Jeanne NGOLOMINGI	Chef de Bureau, DCB
Ministry of Budget	Jonas Kabunda	Expert, COREMAP
Ministry of Budget	Kau-Kau Muledili	Marchés Publics
Ministry of Budget	Odon Nsampanga	Secrétaire Général Budget
Ministry of Budget	Olongo Dikano	Direction de l'Intendance Générale et Centralisation de Charges

Organisation	Name	Position
		Communes
Ministry of Budget	Paul Luwansangu	Conseiller Chargé des Réformes
Ministry of Budget	Pierre Matanda	Directeur du Contrôle Budgétaire
Ministry of Budget	Raymond Ndudi	Directeur Préparation et Suivi du Budget (DPSB)
Ministry of Budget	Richard Mfuke	Directeur Adjudications
MITPR	Gaston Lokangi Bagaza	Secrétaire Général
MITPR	Grégoire Mwepu	Conseiller Financier
MITPR	Nico Nzau Nzau	Directeur Agence Congolaise de Grands Travaux
MITPR	Pius Ngoie	Conseiller Planification
MITPR	Zénon Ngaburu	Expert
MoF	Adolphe Bilolo	Chargé de la Comptabilité (DCCT)
MoF	Alain Manga	CB/CII
MoF	Antoine Muyaya	Secrétaire-général Finances
MoF	Blaise Kiangala	Directeur DTO (Trésor et Ordonnancement)
MoF	Denys Mbuyu	Directeur Ecole Nationale des Finances
MoF	Henri-Albert Sulubika	Directeur Informatique
MoF	Jean Pierre Mwarabu	Directeur Etudes et Planification
MoF	Kumbu Msenba	Directeur Reddition Générale des Comptes
MoF	Marcel Kangudie	Directeur Services Généraux
MoF	Matata Ponyo Mapon	Ministre
MoF	Mathieu Salafa	Directeur Comptabilité Publique
MITPR	Achille Basemenane	Conseiller
Ministry of Planning	Charles Katsunga Musa-Matadi	DCS
Ministry of Planning	Edmond Bundutidi Mbenda	DSP
Ministry of Planning	Jean Kasongo Lukausha	Chef de Division
Ministry of Planning	Jean Ntshikala Yende	COSEP
Ministry of Planning	Lubaki Mu Matimina	DIR
Ministry of Planning	Mbala-Nkusu	DFI
Ministry of Planning	Modestine Mukiramfi Tshitshiri	DEME
Ministry of Planning	Monique Likele Batiwelo	Secrétaire-général
Ministry of Planning	Olivier Kamitatu	Ministre
Ministry of Planning	Patrice Mukania	DBIP
Ministry of Planning	Theo Kanene	DCRE
Ministry of Planning	Yvon Mombong	PGAI
Ministry of Public Administration	Augustin Abusenge	Conseilleur
Ministry of Public Administration	Florent Mulumba	Directeur de Cabinet
Ministry of Public Administration	Musafiri	Secrétaire permanent, CTRAP
Parliament	Albert Kutekala	Président de la Commission EcoFin de l'Assemblée Nationale
Parliament	Evariste Mabi	Président de la Commission EcoFin du Sénat
Parliament	Médard Mulangala	Député, Rapporteur de la Commission EcoFin
PRCG	Julien Bukasa	Expert Senior Finances Publiques
PRCG	Popaul Kizungu	Coordinateur National
PRCG	Stéphane Muninda	Expert Senior Finances Publiques
Primature	Daniel Mukoko	DirCab Adjoint
Primature	Hamilton Diambuana	Conseiller Principal
Primature	M. Nachega	DirCab Adjoint
UNDP	Jean-Claude Kessous	Anti-corruption Specialist, Governance Team
UPPE	Dieudonné Essimbo	National Coordinator
World Bank	Jean Mulumba	PFM Specialist
World Bank	Woury Diallo	Senior Financial Management Specialist

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Overseas Development Institute
203 Blackfriars Road
London SE1 8NJ
UK

Tel: +44 (0)20 7922 0300
Fax: +44 (0)20 7922 0399
Email: publications@odi.org.uk
Website: www.odi.org.uk