Ex post evaluation – Democratic Republic of the Congo

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Sector: Conflict prevention and resolution, peace and security (CRS code: 1522000)
Project: Peacebuilding Fund phase I and II (BMZ no.: 2007 65 537, 2008 65 402*, 2008 66 145*, 2009 65 343, 2011 66 800)
Implementing agency: Fund manager commissioned by KfW for the handling and management of finances for the individual projects

Ex post evaluation report: 2017

		Phase I and II (planned)	Phase I and II (actual)
Investment costs (total)	EUR million	70.00	69.26
Counterpart contribution	EUR million	0.00	0.00
Financing	EUR million	70.00	69.26
Co-financing	EUR million	0.00	0.69
of which BMZ budget funds	EUR million	70.00	68.57

*) Random sample 2016

Summary: As part of the cooperation between the Democratic Republic of the Congo (DR Congo) and Germany, a peacebuilding fund was set up in the form of a disposition fund in 2007. Since then, it has been used to support the stabilisation process in DR Congo. Under phases I and II of the peacebuilding fund (2008-2015), which are the subject of this ex post evaluation, a total of 61 labour-intensive individual projects were implemented. Projects included, for example, the renovation, expansion and construction of schools, hospitals/health stations, water points/lines/storage systems, sports facilities, solid waste dumps, waste water systems, bridges, flood barriers, roads, markets and warehouses. Further measures were also applied to increase agricultural productivity. The individual measures were implemented in the east of the country (North Kivu, South Kivu and Maniema) as well as in the Kinshasa urban area and Bandundu Province.

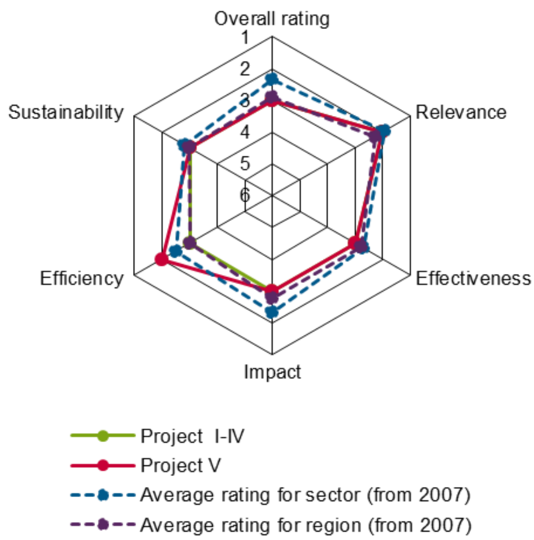
Development objectives: The FC modules to be evaluated aimed, on the one hand, to generate jobs and sources of income and boost local economic cycles, and, on the other, to improve access to and utilisation of public infrastructure. Taking the form of dual objectives for a fragile country, one objective was to promote economic, social and political stability and, as a result, contribute to reducing conflicts and ensuring peace. The second objective aimed to reduce poverty.

Target group: The target group were residents in the project regions who were particularly affected by poverty and unemployment. The specific target groups in North and South Kivu and Maniema were internally displaced persons, ex combatants, refugees and rural households.

Overall rating: 3 (all projects)

Rationale: The renovated and newly built public infrastructure still enjoys intensive utilisation by the population today. The infrastructure measures created jobs, though did not significantly improve the income situation on the village level. The overarching developmental impacts were only achieved to a limited extent: poverty was alleviated in some areas, though no evidence could be found for positive effects on increased stability.

Highlights: Utilisation increased by 34% for renovated health stations and 37% for renovated schools. Despite the poor state presence in eastern Congo, staff at health stations and schools are overwhelmingly financed by government funds. During phase II, the individual measures were implemented very efficiently within 3 to 16 months despite long-winded selection processes. The individual projects addressed both local residents and refugees in equal measure.



Rating according to DAC criteria

Overall rating: 3 (all projects)

General conditions and classification of the project

The Democratic Republic of the Congo's Ministry of Planning gave KfW a mandate to handle the Peacebuilding Fund (PBF; also known as the Fonds pour la Consolidation de la Paix, FCP). KfW concluded all contracts needed for the execution and management of the fund on behalf of and in the name of the government of DR Congo. For example, it assigned a consultancy company (fund manager) to manage and supervise the individual projects and to handle the finances of the PBF.

Because the concept was the same for projects I-IV (phase I) of the PBF and there was no difference in their impact, the same rating was issued for all projects. Phase II had a similar design to the previous projects, though it also incorporated experience already gathered. For example, the individual projects in phase II were no longer executed exclusively by NGOs. Instead, they were predominantly handled by private companies. To reinforce ownership among the Congolese parties involved, the proposals for individual projects in phase II were no longer put forward by NGOs but by government bodies. Since phase II was concluded, further projects have been implemented within the scope of the PBF or are currently under preparation.

The ex post evaluation (EPE) of the PBF is based in part on the results of a study by the GIGA Institute, in which 15 randomly selected households from 100 project and control villages (n=1,500) were questioned ex post regarding the impacts of the PBF. Control villages are villages for which project proposals were put forward under the PBF but could not be implemented for budget reasons.

The EPE took account of the fact that the sustainability requirements were reduced due to the urgency of the circumstances in accordance with Note 47 of the FC/TC Guidelines.

Relevance

Following the conclusion of the peace deal between North and South Kivu in January 2008, the PBF was supposed to make swift and noticeable contributions to alleviating poverty and stabilising the country. The Democratic Republic of the Congo (DR Congo) remains one the world's poorest and most fragile countries today.

Phases I and II of the PBF were consistent with the national poverty alleviation and growth strategies (Document de Stratégie de la Croissance et de la Réduction de la Pauvreté, DSCRP) issued in 2007 and 2011, and also corresponded to the provincial poverty reduction strategies and annual plans drawn up by the provincial governments on the basis of these national strategies. By financing public and economic infrastructure, the PBF focused particularly on the two pillars of "Improving public access to basic social services" and "Consolidating macroeconomic stability and growth" set out in the two DSCRPs. In phase II, more emphasis was placed on the concept of ownership than in phase I. To account for this, the individual projects were proposed by government bodies (central and provincial). The Peacebuilding Fund's objectives assumed that the creation and use of public and economic infrastructure would promote peace and help to alleviate poverty. Due to the widespread poverty and ongoing complex armed conflicts in the east of DR Congo (core problem), alleviating poverty and promoting peace are priority issues for both state bodies and the general population.

Some individual projects complemented other donors' projects (e.g. EU, UNICEF; UNFAO, WFP, Belgian cooperation) though donations were not systematically coordinated between the development actors. Nevertheless, the PBF's fund manager was in regular contact with MONUSCO (Mission de l'Organisation des Nations Unies pour la stabilisation en République Démocratique du Congo), which deploys peacekeeping forces and now also runs peace-promoting projects as the implementing organisation.

The labour-intensive process of rehabilitating economic and public infrastructure aimed to create short-term jobs and sources of income for the target population. It also aimed to revive the economy and promote the reconstruction of the intervention regions. As an overall outcome, the aim was to enable the population to see and experience the benefits of peace (peace dividend) and to generate positive prospects for the future. In addition to alleviating poverty, the PBF also aimed to support peace consolidation (dual objective).

Research has provided strong evidence that alleviating poverty, increasing economic growth and creating future prospects for young men act to reduce conflict[1]. However, there is very little empirical evidence to date for the goal of increasing the peace dividend, as set out in the programme proposals (PPs) – the aim was to ensure that the beneficiaries in the population quickly became aware of this increase through the swift provision of basic services. Yet it seems plausible that adequate utilisation of the public and economic infrastructure provided through the PBF can improve living standards and social cohesion among the population and enhance relations between the state and society. In turn, these changes are assumed to have a positive effect on peace and security.

Even from today's perspective, the relevant target group was addressed in all of the project regions (Kinshasa, Bandundu, North/South Kivu and Maniema).

In terms of the core problems and need among the target groups, the assumed outcomes and impact of the PBF approach are highly relevant. The executing agencies primarily relied on local staff and, as a result, provided employment in the conflict-ridden project regions. This further increases the relevance.

Relevance rating: 2 (all projects)

Effectiveness

On the outcome level, the PBF pursued multiple objectives. On the one hand, it aimed to generate jobs and sources of income and also revitalise local economic cycles. On the other hand, it was designed to improve access to and utilisation of public infrastructure in the project regions. This approach was designed to help fulfil the dual objectives set at impact level: alleviating poverty and promoting economic, social and political stability (see Impact).

Target achievement is assessed using the following indicators:

Indicator	Target value	Actual value as of EPE
(1) Income effects: The income situation has improved (subjective view in the project villages and among PBF employees).	Significant statistical improvement	Partially achieved (no significant statistical improvement on the village level but significant improvement to income of PBF staff)
(2) Job creation: Jobs were created directly during the implementation of the PBF.	100,000 person months, at least 30% of which are attributed to women	Partially achieved 83,682 person months, 26% of which are attributed to women (phase I) 18,866 person months, 23% of which are attributed to women (phase II)
(3) Economic cycles: Consumer prices of agricultural products in the project regions fell or at least remained stable following completion of the programme.	Reduction or at least stabilisation of consumer prices	Achieved Reduction of prices (phase I) 15% reduction (phase II)

1 De Juan, A., Gosztonyi, K. & Koehler, J. (2014). Study: Operationalisierung konfliktbezogener Wirkungsbeobachtung bei FZ-Vorhaben in fragilen und Konfliktstaaten ("Operationalisation of conflict-related impact assessment of FC projects in fragile countries and countries in conflict"). ARC: Berlin.

(4) Public infrastructure: Access to basic services has been improved (subjective view in project villages). (Proxy indicator for utilisation) Utilisation of renovated schools and health facilities has risen.	Significant statistical improvement relating to access to basic services At least a 20% increase in the utilisation of renovated schools and health facilities	Access to basic services: Achieved (significant statistical improvement to access to basic services on the village level) Use of basic services: Achieved (health stations: 34% increase; schools: 37% increase)

The outcome-level goal of improving access to and utilisation of public infrastructure was achieved. According to the project indicator, the outcome goal of contributing to improved economic cycles in the project regions was achieved. Nevertheless, the significance of the indicator is limited, as a number of other factors can affect consumer prices (global demand for agricultural products, global supply trends, food provided by NGOs, and so on). Furthermore, it is unclear whether falling food prices may have a negative impact on income levels among producers.

In contrast, the other outcome objectives of generating employment and income were only achieved to a limited extent. Overall, 1,713 people benefited from permanent employment during phase I while 5,000 people benefited from the job creation measures for at least one month during phase II. The lack of significant income effects on the village level despite the job creation measures is likely to be caused by the considerably higher number of village residents who did not benefit from the PBF's employment measures and the relatively late point in time of the evaluation, relative to the short term employment effects. The job creation measures did very little towards establishing the underlying conditions required to create long-term jobs.

In phase I, the quality of the renovated and newly built infrastructure was deemed only satisfactory-to-acceptable due to the sometimes inadequate execution by the NGOs. For this reason, phase II commissioned mainly private companies with the implementation of infrastructure measures, which resulted in a good quality of construction overall according to the final inspection.

By improving access to and increasing utilisation of public infrastructure and by revitalising local economic cycles, the projects laid the foundations for impacts that help to reduce conflict and improve living standards on the programme objective level. However, because the income effects remained below expectations, we have rated the effectiveness as satisfactory overall.

Effectiveness rating: 3 (all projects)

Efficiency

In light of the widespread corruption in DR Congo, high levels of government mistrust among the population and weaknesses in the staffing and structures of governmental implementing organisations, the involvement of a fund manager to act as the executing agency was justified. Any other approach to execution would have likely led to high losses in efficiency. The entire term of phase I was extended from 36 to 54 months, which was one of the factors (as well as the establishment of an additional Satellite Office in Kindu) that led to consultancy costs rising from EUR 4.2 million during the project appraisal to EUR 5.0 million (10% of total costs). The individual projects in phase II were implemented very swiftly within the anticipated project term of 36 months in spite of the difficult general conditions. Due to the increase in staffing requirements, consultancy costs were slightly higher than anticipated at EUR 4.14 million (planned: EUR 4.0 million). The large proportion of consultancy costs in relation to total costs (around 22%) can be primarily attributed to the remoteness of the project regions, the introduction of a pre-qualification process, and high outgoings for a revised security concept.

A large portion of the PBF funds were used in the regions most affected by conflict. A total of 44% of the individual projects (27 in total) can be classed as public sector; 34% of projects (21 in total) as economic sector and 21% (13) as agricultural sector. The high proportion of public infrastructure projects reflects the priorities set out by the NGOs and state bodies. The high utilisation rates indicate that the distribution of infrastructure between the sectors is in line with the population's needs and therefore reveals an adequate level of allocation efficiency.

Nevertheless, it is important to note that the impact assessment shows that the PBF did not have a significant effect in statistics on income creation and promotion of employment on the village level. In addition to the reasons described in the Effectiveness section, this could also be linked to the large geographical distances to the individual measure locations (dispersion effects) and the excessive number of sectors addressed. As the PBF funds were not sufficient to cover all villages in the extensive project regions, it would have been favourable to focus on one region so that as many neighbouring villages as possible could benefit from the individual projects (preventing envy). It may have also been useful to tap into synergies to magnify the effects.

Furthermore, in phase I, a larger number of weaker NGOs were involved in executing the individual projects. This meant that the support costs for the fund manager were significantly higher than for phase II, which was executed by better-qualified private construction firms and NGOs.

Despite the difficult conflict in DR Congo, the PBF was implemented quickly though allocation was not completely efficient due to the dispersion effects. Overall, we rate the efficiency as satisfactory, with the very swift implementation of the individual projects in phase II being particularly noteworthy.

Efficiency rating: 3 (projects I-IV), 2 (project V)

Impact

The programme objective (impact level) was to promote economic, social and political stability on the one hand and, as a result, to contribute to reducing conflicts and ensuring peace. On the other hand, the programme aimed to alleviate poverty.

No clear evidence for these overarching development impacts could be identified during the impact assessment. However, it appears plausible that the income-generating effects helped to alleviate poverty, at least on a temporary basis. It is likely that these impacts could not be measured at project village level as the ratio of beneficiaries was relatively small. Taking into account a broader dimension of poverty, however, it could be argued that the increased utilisation of renovated and newly built public facilities (see Effectiveness) could result in longer-term effects on the alleviation of poverty.

Creating jobs and future prospects in fragile countries can help to reduce conflict (see Relevance). Yet the impact assessment measured only statistically significant positive links between the PBF's measures and satisfaction among residents in the project villages. According to the assessment, the PBF measures did not make any particular improvements to social cohesion and relations between the state and society. The assessment indicates that parts of the population were dissatisfied with the distribution of the individual projects and job opportunities created by Project V. This may be one of the reasons why the rating for state bodies in the project villages was slightly poorer for phase II than for phase I and why no improvement to social cohesion could be measured. However, it is possible that the PBF's impact on conflict reduction and peacebuilding was impeded by increasing action by rebel groups in eastern DR Congo and also obstructed by the high levels of mistrust towards state bodies (for example, due to human rights violations and corruption).

Owing to the countless factors that influence economic, social and political stability, it is difficult to make a targeted contribution to conflict reduction and peacebuilding with developmental measures. We rate projects I-V as "satisfactory" overall due to their impact on reducing poverty in certain areas.

Indicator	Target value	Ex post evaluation
(1) The respondents' subjective view of their satisfaction with their own situation and their optimism regarding the future	Significant statistical increase in satisfaction and optimism	Partially achieved (significant statistical increase to perceived satisfaction but no significant statistical increase to

have improved in the project villages.		perceived optimism)
(2) Social cohesion has improved in the project villages.	Statistically significant improvement to social cohesion	Not achieved (no significant statistical improvement to social cohesion)
(3) State bodies' interest in and contributions to the village are subjectively perceived to be better.	Significant statistical improvement to evaluation of state bodies	Not achieved (somewhat poorer view of state bodies in project villages and better view of NGOs)

Impact rating: 3 (all projects)

Sustainability

Despite the limited sustainability requirements, the rehabilitated and newly built public infrastructure is still in a good condition overall. The government fully funds and trains hospital/health station staff, and mainly funds and trains school staff. Maintenance and repair work is financed by fees, though these are not high enough to cover more extensive renovation work. According to the fund manager, the water connections financed by the PBF are still largely in good condition and are managed by water usage committees, who collect enough in fees from users to cover maintenance for the water supply system. The current high utilisation rates (see Effectiveness) are also an indication of the sustainability of the public infrastructure. As particular attention was paid to ensuring robust public infrastructure during the renovation and building work, very little maintenance work is required overall.

Apart from some sections of toll road in North Kivu, no maintenance work is currently being carried out on the renovated roads. This is problematic because the quality of the roads deteriorates very quickly without maintenance, due to high levels of rainfall. In urban areas, the condition of the renovated markets has also deteriorated due to a lack of maintenance.

While irrigation channels, processing machines, and food stores remain in good condition, the fund manager rates the sustainability of measures to increase agricultural productivity (rice growing and livestock breeding programmes) as satisfactory to poor. Further accompanying measures to support beneficiaries would have been useful here.

In general, the weakness of state structures is poorly suited to the tasks of upkeep and maintenance.

The majority of the paid jobs created were only temporary (apart from the long-term jobs created in agriculture) as they were only needed during the construction phase. For the most part, the PBF therefore acted as only a short-term solution for alleviating poverty (in relation to income) and reducing conflict.

In light of the sustainable operation of public infrastructure and the resulting effects on poverty alleviation, the mixed record with maintenance of economic and agricultural infrastructure, and the projects' limited sustainability requirements, we rate the sustainability as satisfactory overall. As DR Congo suffered from fragility for a sustained period, it would have been beneficial to have established a more sustainable fund structure.

Sustainability rating: 3 (all projects)

Notes on the methods used to evaluate project success (project rating)

Projects (and programmes) are evaluated on a six-point scale, the criteria being **relevance**, **effectiveness**, **efficiency** and **impact**. The ratings are also used to arrive at a **final assessment** of a project's developmental efficacy. The scale is as follows:

Level 1	Very good result that clearly exceeds expectations
Level 2	Good result, fully in line with expectations and without any significant shortcomings
Level 3	Satisfactory result – project falls short of expectations but the positive results dominate
Level 4	Unsatisfactory result – significantly below expectations, with negative results dominating despite discernible positive results
Level 5	Clearly inadequate result – despite some positive partial results, the negative results clearly dominate
Level 6	The project has no impact or the situation has actually deteriorated

Rating levels 1-3 denote a positive assessment or successful project while rating levels 4-6 denote a negative assessment.

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability): The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability): The development effectiveness of the project (positive to date) is very likely to decline only minimally but remain positive overall (this is what can normally be expected).

Sustainability level 3 (satisfactory sustainability): The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain more or less positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability): The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and is very unlikely to improve. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The **overall rating** on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. Rating levels 1-3 of the overall rating denote a "successful" project while rating levels 4-6 denote an "unsuccessful" project. It should be noted that a project can generally be considered developmentally "successful" only if the achievement of the project objective ("effectiveness"), the impact on the development objective ("impact") **and** the sustainability are rated at least "satisfactory" (level 3).