Digging deeper: the quest for conflict-free minerals

A study on external actor capacity building efforts in the extractives industry in the Democratic Republic of Congo
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Abstract

The Democratic Republic of Congo (DRC) is internationally known for its large endowments of precious natural resources and has the potential to become one of the richest countries on the African continent. Instead, it is plagued by violence, instability and low levels of economic development, all of which are often associated with the presence of so-called conflict minerals. The connection between natural resource abundance on the one hand and economic underdevelopment and conflict on the other hand is in the academic literature better known as the resource curse. The quality of institutional development is deemed critical for a country to be able to avert the negative consequences of the resource curse. However, in countries with large natural resource endowments, institutions are often underdeveloped. In order to mitigate the resource curse in such countries, external actors invest in capacity building, which occurs on institutional, organizational and civil society level. However, the results of capacity building remain rather ambiguous, as it remains unclear whether it can mitigate the deeper underlying socio-economic and political issues that are key to the resource curse. This thesis aims to address this question, by gaining insight in how external actors are involved in the mitigation of the resource curse in the DRC through capacity building efforts and how this can eventually compensate for the absence of domestic institutions in the country.

Based on qualitative data mainly in the form of elite interviews, this thesis concludes that external actors have to contributed to some extent to building local capacities in the DRC’s extractives sector, especially related to awareness-raising, mine conversion, and the facilitation of dialogue. The results of these efforts are likely to remain limited to the short-term and on a local level, however. There are important characteristics of the institutional and political structure in the DRC that obstruct programs to be scaled and to have a significant impact beyond the level of the individual mine site. Progress that is made through capacity building of civil society is likely to be offset by faults further along the system, whether it is by corrupt civil servants, by a dysfunctional tax authority, or by the presence of rebel groups. Similarly, institutional and organizational capacity building is unlikely to make a significant change if citizens are not aware of their rights and obligations and how to hold the government accountable if they do not comply with these expectations. Therefore, for capacity building to have sustainable and long-term results related to transparency, accountability and corruption, the programs have to be implemented at multiple levels, in different layers of society and in various sectors simultaneously. In other words, external actor capacity building needs a more systemic approach.
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<th>Full Form</th>
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<tbody>
<tr>
<td>3TG</td>
<td>Tin, Tantalum, Tungsten and Gold</td>
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<tr>
<td>ADF</td>
<td>Allied Democratic Forces</td>
</tr>
<tr>
<td>ASM</td>
<td>Artisanal and Small-Scale Mining</td>
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<tr>
<td>AFDL</td>
<td>Alliances des Forces Démocratiques pour la Libération du Congo</td>
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<tr>
<td>CAR</td>
<td>Central African Republic</td>
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<tr>
<td>CSO</td>
<td>Civil Society Organisation</td>
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<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>CBRMT</td>
<td>Capacity Building for Responsible Minerals Trade</td>
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<tr>
<td>DRC</td>
<td>The Democratic Republic of Congo</td>
</tr>
<tr>
<td>EITI</td>
<td>Extractive Industries Transparency Initiative</td>
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<td>EPRM</td>
<td>European Partnership for Responsible Minerals</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FARDC</td>
<td>Forces Armée de la République Démocratique du Congo</td>
</tr>
<tr>
<td>FDLR</td>
<td>Forces Démocratiques de Libération du Rwanda</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GIZ</td>
<td>Gesellschaft für Internationale Zusammenarbeit</td>
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<tr>
<td>GNI</td>
<td>Gross National Income</td>
</tr>
<tr>
<td>HCSS</td>
<td>The Hague Center for Strategic Studies</td>
</tr>
<tr>
<td>ISIL</td>
<td>Islamic State of Iraq and the Levant</td>
</tr>
<tr>
<td>iTSCI</td>
<td>ITRI Tin Supply Chain Initiative</td>
</tr>
<tr>
<td>LSM</td>
<td>Large-Scale Mining</td>
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<tr>
<td>M23</td>
<td>March 23 Movement</td>
</tr>
<tr>
<td>MONUSCO</td>
<td>Mission de l’Organisation des Nations Unies pour la Stabilisation en République Démocratique du Congo</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental organization</td>
</tr>
<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
</tr>
<tr>
<td>OECD</td>
<td>The Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>RVO</td>
<td>Rijksdienst voor Ondernemend Nederland</td>
</tr>
<tr>
<td>TAI</td>
<td>Transparency and Accountability Institution</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNEP</td>
<td>United Nations Environment Programme</td>
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<tr>
<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<tr>
<td>VSLA</td>
<td>Village Savings and Loans Association</td>
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1. Introduction

1.1 Problem definition
How is it possible that countries that are so rich of natural resources have difficulty to translate this into a democratic society wherein peace, integrity and sustainable economic growth are the norm? This question has been subject to debate in the field of conflict studies since the mid-1990s. Authors such as Sachs & Warner (1995), Ross (1999) and Auty (2002) argue that the answer lies with a phenomenon known as the ‘resource curse’. The resource curse entails the idea that resource-rich countries are often plagued by negative growth rates. In fact, many resource-rich countries perform worse than countries with less natural resources (Collier & Hoeffler, 2004). For long, it was thought that this was only true for countries that are endowed with large oil or gas reserves. Auty (2002: 3), however, demonstrates that this nexus between large resource endowment and negative growth rates is especially true for mineral economies, or economies that rely heavily on the exports of hard minerals, such as gold, copper or tin. Not only growth rates are negatively affected by natural resource abundance. History has shown that the presence of natural resources in specific cases has also led to an increased risk of violence and conflict. According to Le Billon (2001: 562) “beyond increasing the risk of armed conflict by financing and motivating conflicts, natural resources also increase the vulnerability of countries to armed conflict by weakening the ability of political institutions to peacefully resolve conflicts”. Moreover, natural resource abundance may lead to corrupt government institutions (Ross, 2001). Money laundering, rent-seeking, systemic mismanagement of funds and lucrative tax systems within the extractives sector are commonplace in many resource-rich countries.

A textbook example of the resource curse can be found in the Democratic Republic of Congo (DRC). The country has, with its vast amount of natural resources in terms of minerals, oil and forestry, the potential to become the richest country on the African continent. However, due to a lack of good governance, transparency and accountability issues, and systemic mismanagement of funds, this potential remains largely unused. The country is on the verge of change, with government elections expected in the near future, which might put an end to the illegitimate rule of current president Kabila. A democratically-elected government with a visionary leader could significantly contribute to economic growth and human development in the country. On the other hand, in a context that is still fragile and is marked by weak governance structures, the increase in government revenues as a result of economic growth could also turn out to further spur political and socio-economic instability (NRGI, 2015).

The narrative of conflict minerals in the DRC is one that is popular with the international community. However, it is not the sole driver of conflict in the country. The country faces myriad issues, including armed groups committing human rights violations, poverty and famine, a significant share of the population being internally displaced, and a low overall development rate. Land rights, ethnic fragmentation and high levels of corruption are major contributing factors to the conflict. However, the conflict minerals narrative often overshadows these other important dimensions of the conflict (Autesserre, 2012). The international
community focuses on initiatives that target the country’s extractives sector, for example through institution and capacity building initiatives. The violence and instability, however, have not ceased. The level of democracy has not improved, and neither has the level of human development. Are the efforts taken by the international community not enough? Autesserre (2012) takes it one step further and concludes that violence persists in the eastern part of the DRC because of international peacebuilding efforts, as it is an unintended consequence. The question we have to ask ourselves is: how effective can external actor capacity building be, if the context wherein it is implemented is highly fragile and unstable? And, looking further ahead, can capacity building initiatives compensate for the fact that domestic institutions are weak or even entirely absent?

This thesis will argue that external actors have contributed to building local capacities in the DRC’s extractives sector in various ways, but that the results of these efforts are likely to remain relatively short-term and unsustainable. As a result, external actor capacity building can only to a limited extent compensate for weak domestic institutions in the DRC. In order for external actors to contribute to sustainable and long-term change, they will have to execute capacity building and institution building at multiple levels of society and government, within multiple policy areas, and at multiple important nodes in the extractives sector simultaneously.

1.2 Research objective and questions
As will be argued in the literature review, the quality of institutional development is vital for a country to be able to avert the negative consequences of the resource curse. However, in countries with large natural resource endowments, these institutions are often underdeveloped, which leads to myriad problems. When these domestic institutions are weak or even entirely absent, this is often where the international community comes in. However, the question remains as to if, and to what extent, external actors can compensate for these weak domestic institutions in the mitigation of the resource curse. This research aims to gain insight in how external actors are involved in the mitigation of the resource curse in the DRC through capacity building efforts and how this can eventually compensate for the absence of domestic institutions in the country. This objective can be achieved by addressing the following research question:

To what extent can external actors achieve local capacity building and to what extent can this substitute for weak domestic institutions in mineral-rich countries?

In order to answer this research question, the following sub-questions will be addressed:

- To what extent is the resource curse perceived as a reality in the DRC?
- Which external actors are involved in capacity building in the extractives sector in the DRC and how do they operate?
- To what extent have external actors succeeded in promoting local capacities in the extractives sector in the DRC?

1.3 Scientific and societal relevance
Although the term ‘capacity building’ is often mentioned in the academic literature on external actors and state-building, it remains a relatively vague concept and has gained a buzzword status
in academic literature, as well as in more policy-oriented documents. Due to its broad use, the
definition of capacity building remains rather ambiguous. The academic literature frequently
does not provide a conceptualization of capacity building and there is little consensus on what
the term actually means. Sometimes, capacity building seems like a garbage can of all different
kinds of development aid. However, this research adds to the theoretical discussion by
elaborating on what capacity building entails, in which different forms it appears and which
external actors are involved in which type of capacity building.

In addition, this research adds to the literature on the resource curse in general and the way
external actors can play a role to mitigate it. Although the literature on the resource curse is
elaborate, the causal relation between natural resource endowments and conflict has been
subject to a lot of criticism and ambiguity. Is there a causal relationship? And if yes, how can
it be explained that there are some countries with vast natural resources that do not experience
conflict or low levels of economic development? And vice versa, not all countries that
experience economic underdevelopment, conflict and authoritarianism have large natural
resource endowments. This differentiation is, in the academic literature, explained by the role
that institutions play (Mehlum, Moene & Torvik, 2006; Havro & Santiso, 2011). However,
there may also be more contextual factors within a country that contribute to the possibility of
the resource curse to occur. The scientific relevance of this research lies in its investigation of
the different factors that may encourage or discourage the resource curse to manifest itself, by
looking into the case of the DRC, which is often named in one breath with the resource curse.

In terms of societal relevance, on the other hand, this research has to be seen in the context of
a growing awareness among consumers and producers that minerals may be related to conflict
and that the international community has a role to play in mitigating this. A lot of high-level
initiatives are aimed at the extractives industry in the DRC, such as Section 1502 of the Dodd
Frank Act, but initiatives that target conflict minerals globally are emerging. Radley & Vogel
(2015) argue that the conflict minerals movement finds itself at a critical juncture, with two
possible futures ahead of it. The first scenario assumes that external actors’ efforts have
contributed to reliable systems, ensuring more ethical sourcing and consumption, and leading
to improved living conditions of mining communities. The second scenario, however, assumes
that if external actors fail to do so, current efforts to improve the extractives industry may
descend into attempts to improve their public image and conscience.

Quite recently, the European Union (EU) adopted a new legislation on conflict minerals in
2017, which will become operational in 2021 (European Commission, 2017). This regulation
aims to stop the export of conflict minerals and metals to the EU and aims to enhance the
working conditions of local mine workers. It is, however, debated whether this regulation will
have significant impact and its often labeled as a rather symbolic act (Cuvelier, 2017). In other
words, in the midst of this conflict minerals movement, it is useful to look back at previous and
current mechanisms and reflect on their positive and negative consequences.
1.4 Structure
In order to answer the main question of this research, a thorough understanding of the academic literature is required. Therefore, a literature review will follow in chapter 2, in which the core theoretical concepts and theories will be discussed. This theoretical framework forms the basis for the analysis of the data and will give insight into the theoretical tradition in which this research should be seen. Subsequently, the background chapter will provide some more contextual details on the case of the Democratic Republic of Congo. This has proven to be important, as the context of the DRC influences significantly the ability of external actors to substitute for domestic institutions. In the results chapters 5 and 6, the main results of this research will be discussed. These chapters are mostly based on semi-structured interviews with experts and stakeholders. In chapter 5 it will be discussed whether the resource curse is perceived as a reality in the DRC by these respondents and how external actors are involved to mitigate that through capacity building of local actors and organisations. Chapter 6 answers the main research question: to what extent external actors have been able to substitute for weak domestic institutions in the DRC through capacity building in the extractives sector? In chapter 7, the main conclusions of this research will be given, as well as a discussion and recommendations for further research.
2. Literature review

2.1 The resource curse
The idea that large resource wealth could have a negative impact on economic, social and political aspects of society emerged in the late 1980s. According to Rosser (2006: 8), the resource curse literature is divided into three sub-divisions, namely the impact of resource abundance on economic performance, on the onset and duration of civil war, and on the political regime of a country. This section will be structured accordingly.

2.1.1 Resource curse and economic development
Sachs & Warner (1995) were one of the first to instigate the debate on natural resource abundance and economic growth, by stating that resource abundance can have a negative impact on a country’s economic development. They find a negative relationship between the ratio of natural resource exports and the rate of economic growth. Their argument has been widely supported and complemented by other authors. The larger debate on the role of natural resources and economic growth distinguishes between direct and indirect effects. Early works on the resource curse mostly focused on the direct effect on natural resource abundance on economic growth and explained it through a phenomenon called ‘the Dutch Disease’. This entails the idea that large revenue booms from natural resources may have a destabilizing effect on the domestic economy. As it inflates domestic prices and raises the exchange rate, it renders other economic sectors, such as agriculture or manufacturing, as internationally uncompetitive (Auty, 2002; Auty, 2004; Collier & Hoeffler, 2012).

However, the explanation of the Dutch Disease was regarded with some skepticism by other authors. Therefore, the more recent literature on natural resources and economic development has paid more attention to the indirect effects related to political variables. For example, Leite & Weidmann (2002) underwrite the negative relation between resource abundance and economic growth, but add that this relationship exists because large natural resource endowment encourages rent-seeking behavior and corrupt practices. They emphasize that this is especially the case in less-developed countries, where natural resource discoveries largely determine the country’s economic wealth and the extent of corruption.

However, the negative impact of resource wealth on economic development has been scrutinized by some authors. Brunnschweiler (2008), for example, concludes from a quantitative cross-country research that there is no negative impact of resource wealth on economic development. He argues that in fact the opposite is true. Similarly, Brunnschweiler & Bulte (2008) challenge the resource curse thesis, by stating that greater resource abundance leads to better institutions and more rapid growth. They suggest that countries with poor institutions are unlikely to develop economic sectors, other than the natural resource sector to reduce their dependence on resource exports.
2.1.2 Resource curse & civil war

Besides its impact on economic development, there is a broad literature on how resource wealth can affect the onset and duration of conflict. The thought leaders in this debate are Collier & Hoeffler, who suggest that countries that are highly dependent on primary commodities exports are more prone to civil violence than others (Collier & Hoeffler, 1998). They confirmed this in a later publication, using a more accurate and elaborate data set (Collier & Hoeffler, 2000). This line of reasoning is followed by Le Billon (2001), who states that in the post-Cold War era, armed conflicts have increasingly been marked by a political ecology that is linked to the geography and political economy of natural resources in two ways. Firstly, armed conflicts can be motivated by the wish to control the access the resources. Secondly, the income that is generated by the trade of these resources can be used to finance armed conflict.

The arguments of Collier & Hoeffler (1998, 2001) and Le Billon (2001) have to be understood within the context of the broader debate on greed vs. grievance mechanisms of civil war. Both sides are represented within the debate on the role of natural resources. The greed thesis is particularly represented in articles by Bannon & Collier (2003) and Collier & Hoeffler (2004). They argue that conflict emerges out of greed, that is by the desire of rebels to acquire resources and to control the access to them. The grievance thesis presumes that civil wars occur due to grievances about inequalities of wealth and the unequal distribution of rights (Rosser, 2006: 17). However, more recent literature suggests that there seems to be little support for either the greed or the grievance thesis. The greed and grievance mechanisms are not denied, but it is argued that rather there seems to be interaction between the two mechanisms (Ross, 2004), or that there are different alternative mechanisms operating at the same time that are underlying the linkage between natural resources and civil war (Humphreys, 2005).

One mechanism that is involved in the relationship between natural resources and conflict, is considered by both Ross (2004) and Humphreys (2005). They both find support for the ‘foreign intervention’ mechanism, which suggests that resource wealth increases the likelihood of civil war as it increases the likelihood that foreign actors will get involved to support one or more warring parties. Another alternative mechanism that is considered by Humphreys (2005) is that the larger economic structure of a country, that is its reliance on primary commodity exports (e.g. agriculture and natural resources), determines its vulnerability to conflict. Another determinant of the relationship between natural resources and conflict is state weakness. Therefore, Humphreys (2005) calls for better management of the extraction process and better usage and distribution of resource revenues.

Auty (2004) argues that the presence of natural resources creates certain pre-conditions for civil war through a two-stage process. Firstly, natural resource wealth leads to the emergence of predatory states, which distort the economy and produce a growth collapse. This growth collapse does not present a condition for the emergence of civil war in itself. Whether civil war follows depends on the type of resource in question. Auty (2001) already recognizes that there are several characteristics of resources that can determine how the conflict is shaped. He distinguishes between ‘point’ and ‘diffuse’ resources, which refers to their concentration. Point resources are rather concentrated within an area, whereas diffuse resources are more widely
spread out. He argues that resources that engender point socio-economic linkages, such as minerals, increase the risk of civil war to break out (Auty, 2004: 30). Le Billon (2001) adds another characteristic that is likely to influence the role of resources in conflict, namely the geographical location. He distinguishes between ‘proximate’ and ‘distant’ resources, with the former being relatively easy to access from the center of power and the latter being relatively difficult to access. Le Billon (2004) argues that based on this categorization, specific resources are more prone to specific types of conflicts. For example, point and distant resources (such as minerals) are more likely to be associated with secession, while diffuse and proximate resources (such as cash crops near the political capital) may be associated with rebellion.

2.1.3 Resource curse & political regime

Finally, resource abundance tends to have influence on the regime type. One common argument is that a sudden influx of resource revenues leads to the creation of rentier states (Ross, 1999). This argument is based on the idea that governments use their resource revenues to lower taxes or other social pressures, which would otherwise give them the obligation to be transparent and accountable. In other words, the fact that these countries have high resource revenues, renders them freed from the obligation to be accountable to their societies. This, in turn, causes poor democracy and high corruption levels.

Ross (2001) finds that the negative correlation of resource abundance on regime type counts for oil as well as for minerals. His results contradict earlier research, which focused primarily on the antidemocratic effects of oil and did not extend to mineral wealth. Further research into the negative correlation between resource wealth and regime type was done by Jensen & Wantchekon (2004) in several African countries. They argue that large resource rents are very likely to hinder the transition to democracy and increase the likelihood of democratic breakdown, because natural resource wealth tends to increase the competition for state control, which is often accompanied by the use of political violence. Also, high resource rents make it possible for governments to invest more in internal security, which reduces the possibilities for opposition parties to act.

2.2 The role of external actors and institutions

2.2.1 External actor involvement and institutions

The resource curse should not be regarded as an inevitable spell. There are some mechanisms that can reduce the likelihood that a resource rich country falls into this trap. As Havro & Santiso (2011) argue, it is crucial to find ways in which the international community can help mineral-rich countries to avoid or manage the resource curse, not only because it will help to enhance their development, but also to provide international security and to make scarce natural resources more accessible to the global markets. By comparing the cases of Chile and Botswana to other low and middle-income mineral-rich countries who have not managed to turn their resource abundance into economic and political successes, they conclude that the policy choices they made have been crucial to their success stories. In addition, they acknowledge the
importance of well-developed domestic institutions, such as the quality of the civil service, the absence of corruption, and solid public administration bodies.

Mehlum, Moene & Torvik (2006) underwrite the importance of well-developed institutions for a state’s capacity to manage the resource curse. They argue that when institutions are better established and integrated, rent-seeking opportunities decrease. This explains the diverging effects of resource abundance across countries. While there are clear ‘losers’, there are clear winners as well. The difference lies with the institutional quality of the concerning governments and administrations. In other words, the combination of resource abundance and institutional quality is what determines the success or failure of resource management. Therefore, it is often proposed that international aid to resource-rich and conflict-affected countries should be given in the form of “technical support and capacity building, political support for institutional processes like the EITI [Extractive Industries Transparency Initiative] and money laundering regulations” (Havro & Santiso, 2011: 10).

Political support for institutional processes, or institution building, has been a popular way for the international community to interpret this aid allocation. Transparency and accountability institutions (TAIs) are examples of institutions that are often initiated and built by the international community, specifically by donor countries (Gaventa & McGee, 2013). By investing in TAIs, they aim to make the supply chain more transparent and to avoid or manage corrupt institutions. Corrigan (2014: 17) argues that “transparency and accountability within government are potentially among the key determinants of the economic, political and social consequences of natural resource abundance”.

2.2.2 Ambiguous impact of external actor involvement

However, the impact of external involvement within the conflict minerals movement in order to build institutions is somewhat ambiguous. Acosta (2013) states that there are certain factors that can contribute to or undermine the success of institution building in the extractive resources industry, such as the political willingness and the country’s commitment towards increased transparency, active citizen engagement, and stakeholder leadership. Corrigan (2014) is critical when evaluating the impact of the Extractive Industries Transparency Initiative (EITI); a worldwide standard for the governance of natural resources that attempts to enhance transparency in the extractive resources sector. She concludes that the negative effect on GDP per capita, on the level of rule of law, and on the capacity of the concerning government to make and implement effective policy is mitigated by the EITI. Nevertheless, the EITI has shown little effect on the level of democracy, political stability and corruption. In addition, Radley & Vogel (2015) point to the ambiguous impact of the conflict minerals movement and its call for transparency and accountability in the DRC, where it has negatively affected mining communities, increased black market sales of minerals, and did not decrease the presence of violence and armed groups. In other words, the effectivity of institutions in targeting rent-seeking behaviour and corruption seems to be unclear. It is not yet clear whether external actor institution building as a policy is able to address problems that are key to the resource curse, namely rent-seeking behavior and corruption.
2.2.3 Alternatives

In short, there seems to be a certain agreement on the value of institutions and the role they play in the occurrence of the resource curse. Catchwords such as transparency and accountability are therefore dominant in foreign policy formulations (European Parliament and the Council, 2017; USAID, 2018). However, the academic literature has not (yet) reached consensus about their effective contribution to the mitigation of the resource curse. Another pillar of the international community’s efforts in resource-rich countries is capacity building, human capital development and establishing requirements for extractive industry companies operating on the global market (Havro & Santiso, 2011: 10). Capacity building often comes in the form of legal or technical assistance to formalize the ASM sector, for example in the Capacity Building for Responsible Minerals Trade (CBRMT) in the DRC from Tetra Tech, a consulting and engineering company, and the US Agency for International Development (USAID, 2015). The OECD Due Diligence Guidance also provides a good example of how capacity building is the focus of extractive industries development, by recognizing the need for multi-stakeholder partnerships and appropriately trained security forces on mine sites (OECD, 2016). The question is, however, whether capacity building initiatives are able to address corrupt government institutions and rent-seeking behaviour of elites. Or is it, just like institution building, unclear and ambiguous whether they can really contribute to the mitigation of the problem that lies at the foundation of the resource curse: weak domestic institutions?

2.3. Capacity building

2.3.1 Definition

As argued before, capacity building has gradually become one of the buzzwords in the development aid sector. Kühl (2009: 552) defines capacity building as the actions that are taken by donor organizations with the aim to support people and local organizations to extend their own capabilities. The concept of capacity building emerged within the development discourse in the 1990s. Kühl (2009: 561) compares capacity building (or capacity development, as it is sometimes called) to institution building programs. He concludes that, whereas institution building focuses solely on the buildup of institutions in developing countries, capacity building has a much more comprehensive meaning.

Although capacity building is often used as an umbrella term, a distinction can be made between individual, organisational and institutional capacity building (Kühl, 2009; Cairns, Harris & Young, 2005). Individual capacity building mainly targets civil society and aims to improve its capabilities to perform its activities or functions. It can entail trainings of civil society or human resource development. Organisational capacity building can entail the training of the organisation’s staff members and the guidance of processes that enable the organization to better perform its activities. Institutional capacity building refers to improving the functioning of institutions, such as governments and state actors. According to Hameiri (2007), institutional capacity relates to the broader societal and political structures, within which institutions develop. Institutional capacity building therefore often entail governance reforms.
It remains difficult, however, to pinpoint exactly what capacity building is. It cannot be seen as a ‘thing’, but if we would have to give a definition, capacity building would mean to enable those on the margins to represent and defend themselves and their interests more effectively, within their own livelihood and globally (Eade, 2007). The capacities that development organizations seek to build are diverse. According to Eade (2007: 633) “they may be intellectual, organizational, social, political, cultural, representational, material, technical, practical or financial – and most likely a shifting combination of all of these”.

In other words, capacity building remains a rather vague and comprehensive concept. Therefore, it is useful to delineate a certain focus for the purpose of this research. This research will look into the three forms of capacity building and investigate, through expert interviews, which form is most suitable for the extractives sector in the DRC and why. Capacity building in the extractives sector can target upstream, as well as midstream and downstream actors. Upstream initiatives are projects that are implemented at the mineral production sites in the DRC. Midstream and downstream actors are often located outside of the country. To be able to evaluate capacity building initiatives in the context of the DRC and to assess whether they can substitute for domestic institutions, this research will focus solely on upstream initiatives, as they take place within the domestic sphere of the DRC. Midstream and downstream initiatives do not directly aim to build the capacities of domestic actors.

2.3.2 Capacity building within the development discourse
Capacity building has claimed an important place in the allocation of development aid (Kühl, 2009; Eade 2007). This is also the case in the extractive resources sector. As Bridge (1999) already argued, mechanisms to manage the socio-economic and socio-cultural impacts of mining, to create opportunities for training, skill acquisition, and social investment, and to encourage public participation in decision-making processes are likely to become more and more important as international mining companies invest in developing and transition economies. Also Hermes & Lensink (2001) emphasize that capacity building initiatives are crucial for developing countries, as recipient countries may be willing to adopt good governance practices, but often lack the capacity to do so. Therefore, it is argued that capacity building should be one of the focus points of donor countries when allocating development aid. Mate (2002) also underwrites the value of capacity building initiatives to encourage community participation. He argues that community participation has the potential to speed up the community development process and could increase the pressure on central government to reform mineral wealth distribution policies.

Capacity building initiatives are often seen as a counterpart of legal and institutional mechanisms that aim to address the conflict minerals supply chain. Legal frameworks often do not sufficiently protect citizen rights or are undermined by corrupt government institutions or by a lack of confidence from the citizens (Kemp, 2009). The international community regards the resource curse as a largely technical issue, which calls for a rather technical solution. Therefore, to break the link between conflict and minerals, the international community focuses on formalization and certification mechanisms.
However, the broader socio-economic and political issues that underlie the problem are not necessarily represented in solutions to the resource curse (Geenen, 2012). Past experiences have shown that efforts to formalize ASM activities often turned out to be counterproductive. Geenen (2012) investigates formalization efforts of the mining sector in the DRC, where up to 90 percent of the minerals production and trade is informal. One top-down formalization effort in 2010 actually led to the suspension of all artisanal mining activities. Its negative impact was highly underestimated by both the national government as well as the international community. Because of the poverty-related nature, ASM activities remained in spite of the new legislation. As the ASM sector provides employment or indirect income for a large share of the population of the DRC, spillover effects occurred in other aspects of life, such as education and health. These statements are underwritten in a report by The Hague Centre for Strategic Studies (HCSS) (2013), which concludes that the ban negatively affected miners and their families, who depend heavily on mining activity, while the army and police officers became illegally involved in maintaining mining activity and actually benefited financially on an individual basis. This example shows how complicated the reform of the ASM sector in mineral-dependent DRC is, and how multi-faceted the problems associated with ASM activities are.

The role of businesses in capacity building initiatives to target the conflict minerals supply chain is widely recognized. For example, the Voluntary Principles on Security and Human Rights guides companies in maintaining the safety and security of their operations and asks them to commit to human rights on a voluntary basis (Börzel & Hönke, 2010). As a part of this, mining companies engage in community development, which entails activities that aim to achieve positive economic, environmental and/or social change for local mining communities. This community development includes local employment, provision of infrastructure and services, but also capacity building activities such as training and skills enhancement and empowerment programs (Kemp, 2009: 204). Sometimes, when domestic government institutions are weak or lacking, communities turn to mining companies for community development and the provision of social services. In these cases, mining companies were expected to perform state functions and to allocate mineral wealth to communities (Mate, 2002).

2.3.3 Why capacity building would not work
However, capacity building efforts have not always been as sustainable and effective as initially thought they would be. Criticism of capacity-building initiatives can be divided into practical constraints and more governance-related concerns. The practical constraints center particularly around the time-consuming character of community building projects. This is especially highlighted by Pegg (2006) in a case study on the Chad-Cameroon pipeline and the three accompanying technical assistance projects of the World Bank. He concludes that many of the capacity building aspects that were involved in this process have failed due to implementation and planning issues. As a response, the World Bank Group appointed senior staff members to its Chad office. This, according to Pegg (2006: 20), highlights the importance of high-level attention in the project’s formative phase.

Other constraints of capacity building programs focus on their effectiveness and governance issues. Eade (2007), for example, takes a very strong position when evaluating the effectiveness
of capacity building initiatives and asks the question whose capacity is actually built by whom. She argues that, in fact, development NGOs only engage in capacity building practices to retain power, rather than to empower. Capacity building projects by Northern development organisations seem to only deepen the asymmetrical power relations between donor and recipient countries. Moreover, she emphasizes that Northern development NGOs often undermine the capacities that are already present in the target population. Before engaging in capacity building of local capacities, these actors should therefore critically reflect on their own capacities and what capacities are already present within the target population, in order to have a potentially long-term and sustainable impact. A similar argument is made by Koch & Nsamba (2011). They argue that instead of reinforcing the state, capacity building efforts may potentially weaken the state. Engagement of external actors in state capacity building efforts may lead to a substitution effect. This entails international actors taking over core state activities, thereby undermining the responsibility of the Congolese state to carry out these activities and discouraging it to enter into a social contract with its population. As a result, two parallel systems exist, which results in problems related to sustainability and accountability of service provision.

On the other hand, according to Sanyal (2006), capacity building organizations do have an important role as they can serve as a bridge between NGOs’ activities at grassroots level and the larger socio-political issues and institutional structures at stake. But due to their decentralized governance form, they are vulnerable to external influences which may lead to funds siphoning off and leakage of values. Therefore, the institutional environments in which capacity building organizations function should be carefully evaluated before activities start. Moreover, because of this specific institutional environment, capacity building organizations should combine their capacity building initiatives through decentralization with mechanisms that provide for more direct influence and more centralized control.

Sanyal’s (2006) argument recurs in a chapter by Kongolo and Zamberia (2016). They conclude that in the case of state fragility, capacity building initiatives are key actors in peace building and the provision of basic government services in the DRC. Although the authors are highly supportive of capacity building initiatives and their advantages to the local population, they do acknowledge that there are limits to what they can achieve without a clear guidance and regulation from the government. The inclusion of government actors is therefore crucial in this respect. To be sustainable and effective on the long-term, capacity building initiatives will eventually have to be picked up by state actors. They argue that the state needs to define and enforce clear legal, regulatory and administrative frameworks that will serve as a guidance to capacity building programs and that will enable them to work effectively.

Another point that is often highlighted in evaluations of capacity building programs is their rather technocratic character. Despite their comprehensive approach, capacity building programs that are implemented by transnational governance organisations tend to remain rather technocratic, by focusing on technical, legal or financial capacity enhancement. According to Hameiri (2007), institutional capacity building is expressed in technical and objective terms, which makes capacity building in fact ‘apolitical’. Also for legitimacy reasons these
organisations may be reluctant to engage in domestic political issues (Kühl, 2009). This makes it difficult for capacity building initiatives to target the larger underlying problems at stake, such as socio-political and governance structures that allow rent-seeking behaviour and patronage. In addition, The Hague Center for Strategic Studies (2013) states in a report that, as long as the underlying governance structures to address grievances of the local population are not addressed, rebels are likely to simply shift from minerals trade to other forms of illegal revenue generation, such as taxing agriculture.

This is a reason to problematize capacity building initiatives, as they may not actually address the problems that are key to the resource curse, namely rent-seeking behaviour, corrupt government institutions, and patronage. This is underwritten by Kolstad & Wiig (2009: 5324), who state that “policy initiatives that do not promote the impartiality of institutions, nor attend the underlying interests and incentives keeping a bad institutional equilibrium in place, will not help lift the resource curse”. In fact, building the capacity of natural resource bureaucracies that maintain patronage politics have the opposite effect, increasing the power of political elites relative to that of the population.

In addition, in the state-building literature it is emphasized that sound political leadership is an important domestic condition to enable change. Rose-Ackerman & Palifka (2016) argue that, in fact, political leadership and political will at the top are necessary conditions for reforms to mitigate corruption at government level. Autocratic rules with little popular accountability can significantly impede economic growth by engaging in corrupt practices. However, international efforts to reduce corruption at government level can be restrained by the domestic context of a specific country. Rose-Ackerman & Palifka (2016: 446) recognize that “the most difficult cases are polities in which corruption is so deeply embedded that almost everyone is somehow entwined with the corrupt system”. This is especially true in kleptocratic states and those that are rich of natural resources, which gives autocratic leaders a certain amount of leverage to resist reform. This argument appears merely in the state-building and corruption literature, but is not directly related to capacity building in the extractives sector more specifically, however.

In sum, whereas capacity building often claims a dominant place in foreign policy formulations, there are a lot of obstacles and difficulties to be taken into consideration. Due to its buzzword status, it may seem like a no-regret measure. However, one should not simply assume that capacity building works effectively to address the resource curse, as it remains the question whether it mitigates the deeper underlying socio-economic and political issues. The question remains what the role of external actors should look like and to what degree they can effectively address the key problems of the resource curse, namely weak and corrupt government institutions, through capacity building initiatives. This research will build on the existing literature and apply it to the cases of the DRC, in order to evaluate the role of capacity building by external actors in resource abundant countries with weak domestic institutions. The selection of this case will be explained further in the methodology section.
3. Research design and methodology

3.1 Research design
From the literature review, it becomes clear that the theoretical debate does not clearly point into one direction about the effects of capacity building and how they can compensate for non-functioning domestic institutions. However, what does become clear is that capacity building is often regarded as rather technocratic and therefore seems unable to address the larger political and socio-economic issues that are key to the resource curse. In a context that remains highly corrupt and fragile, where humanitarian needs are pressing and with different sources of conflict, it is likely to be difficult to turn the tide. Therefore, the expected outcome of this research is that unless change will occur on a more fundamental, political level, capacity building will have a positive impact only to a limited extent. This theoretical assumption will be tested in this research.

This research has a case study design. A case study design is the most appropriate approach for this research, as it allows for detailed investigation into a specific case, which would be rather superficial in other research designs (Taylor, 2016). From the literature review, it appears that the relationship between capacity building and the mitigation of the resource curse is not necessarily straightforward. A case study can be helpful to get a better understanding of this relationship. Moreover, the conflict in the DRC has many aspects. Although its large natural resource endowment seems to play an important role, the country also suffers from ethnic fractionalization and group grievances and is destabilized by significant numbers of refugees and internally displaced persons. Therefore, it is important to investigate in-depth to acquire detailed knowledge about the case. These case-specific details may affect the results of these research and can be accounted for by taking into consideration the context.

Also, the concept and the mechanisms of the resource curse work out differently in every country. It is a complicated phenomenon, that has many different facets and variables. To be able to explain the resource curse in a country, one needs to have a profound understanding of the resource governance in that specific country. It takes a lot of time to delve deep into the context of the case, but hereby a lot of in-depth knowledge is acquired. In addition, a case study design allows the researcher to have multiple data collection strategies, such as interviews, observation and document review, which strengthens the validity of this research (Taylor, 2016; Kitchin & Tate, 2000).

One important point of critique that is inherent to case study research is that its results are difficult to be generalized, because they investigate only one or more specific cases. However, Gerring (2017: 222) recognizes that although the external validity of case studies may be limited, they are not irrelevant for larger theoretical debates. He argues that the goal of a case study is not limited to developing or testing general theories. It is about finding something general and something particular, which is referred to as the dual function of a case study.
Another limitation of case study research is that it is prone to become the subject of the investigator’s biased view to influence the direction of the research. Although this concern may also occur with other research designs, it may be more prominent in case study designs (Yin, 2009: 14). In order to mitigate this concern, it was attempted to report all evidence in a way that is as fair and neutral as possible by transcribing the interviews before analyzing them.

### 3.2 Case selection

The case that was chosen for this research is the Democratic Republic of Congo (DRC). The DRC is internationally known for its mineral-richness, especially in the 3TG sector, which includes the minerals tin, tungsten, tantalum and gold. The 3TG minerals are often referred to as ‘conflict minerals’, as they are associated with rebel financing and illicit trade (Enough, 2018). The DRC is a usual suspect in public and academic debates on conflict minerals and is often named in one sentence with the resource curse (Mehlum et al., 2006; Autesserre, 2012). It is a classic example of a country that is rich in natural resources, but that has weak governance and a weak institutional environment. This is the main reason why the DRC was selected as a case. Because the country is such a well-known example of the resource curse and is known for its so-called conflict minerals, the majority of the initiatives that target conflict minerals in general are aimed at the DRC. The case selection can also be explained from a practical point of view. Because of its popularity, experts and policy makers who are familiar with the resource curse and capacity building projects in the extractives sector, are also familiar with the case of the DRC. This broadens the pool of potential respondents substantively.

In general, the DRC is regarded as a fragile state. In the Fund for Peace Fragile State Index of 2018, the country ranks 6th out of the 178 countries, based on social, economic, cohesion and political indicators (The Fund for Peace, 2018). When looking at the resource governance sector, the DRC mining sector ranks 75 out of 89 in the 2017 Resource Governance Index, with a resource governance index score of 33. The resource governance of a country can be categorized as ‘good’, ‘satisfactory’, ‘weak’, ‘poor’, and ‘failing’. With an index of 33, the DRC mining sector falls into the ‘poor’ category. This means that the country has established some minimal procedures and practices to be able to govern its resources, but that important elements necessary to ensure society benefits are missing. The low index score is especially the result of the low score on ‘enabling environment’, which measures the broader institutional governance and transparency context (NRGI, 2017). The fact that the DRC is a popular target of capacity and institution building initiatives in the extractives sector, combined with its weakly developed institutional framework and transparency context, makes the country an interesting case for this research. It will be interesting and useful to see whether these capacity building initiatives can actually compensate for these non-functioning domestic institutions and whether they can have a long-term impact.

### 3.3 Research method and data collection

In order to assess the impact of capacity building initiatives and to answer the question whether they can compensate for weak domestic institutions, this research has been conducted using qualitative methods. Qualitative methods are useful for complicated and controversial subjects and allow the researcher to take into account the context. Qualitative research is especially
useful to analyze societal structures and how they are constructed and maintained (Winchester & Rofe, 2010: 5). Acosta (2013: s97) argues that qualitative research methods are more useful to evaluate for example, transparency and accountability mechanisms in the context of resource governance than quantitative methods. Therefore, qualitative methods have been more popular to evaluate external actor institutional and capacity building in resource cursed countries. In addition, Acosta (2013: s97) argues that, through expert interviews with stakeholders responsible for, or benefiting from, these initiatives, qualitative methods are better able to capture the complexity and the interconnectedness of the variables than quantitative methods. Key stakeholders have proven to be a valuable source of information about the successes and failures of projects.

This research has made use of semi-structured interviews with key stakeholders and participant observation as a means of collecting primary data. Semi-structured interviews are a useful tool to investigate complex patterns or mechanisms (Longhurst, 2010). For the interviews, a list of interview questions was created based on the theoretical insights (Appendix II). Questions were asked about the effectiveness of capacity building initiatives to mitigate or avoid the resource curse in the context of the DRC and their potential to substitute for weak domestic institutions. However, because the interviews were semi-structured, the precise questions that were asked often deviated from the initial questions. This led to a lot of interesting and detailed descriptions, anecdotes, and contextual information that were deemed important for that answer and that would have otherwise been left out. Semi-structured interviews also allow the researcher to ask follow-up questions on a specific topic if needed. By using insights from previous interviews in other interviews, questions could be asked more focused and narrowed-down and provided for the accumulation of knowledge. The key conclusions that arose from one interview could be scrutinized in another interview. The interviews were recorded and transcribed afterwards, so that they could be coded and analyzed at a later stage.

Respondents were selected based on their expertise of the subject and their involvement in capacity building activities or policy making on this subject. This way of interviewing is often referred to as elite interviewing (Moyser, 2006). Some respondents were selected through snowball sampling, as they were recommended by other respondents to be valuable information sources for this research. A list of interviewees can be found in Appendix I. To substantiate the heterogeneity of the interviewees, the respondents come from different pillars in the extractives sector, namely civil society organizations, supply chain actors and government actors. Additionally, several other experts that do not fit within one of these categories were selected based on their profession or their involvement in the subject in other ways. The respondents also come from different countries. Whereas the ‘Western’ perspective dominates the list of interviewees, it was attempted to include views from the Congolese people as well. However, because I was not able to do field research and because of the language barrier, it was difficult to reach out to Congolese people, which is why the number of Congolese respondents is limited. I have tried to account for this by seeking confirmation of statements across respondents and by seeking confirmation in secondary data.
It should be noted that the results reported throughout this thesis are based on the personal experiences and opinions of experts. Therefore, the results and conclusions of this research should be read with the knowledge that there might have been a judgement bias of these persons when asking them about the (potential) impact of different programs. This is one important limitation of expert and stakeholder interviewing. Stakeholders that are or have been directly involved in the projects may show unjustified optimism, because they might not have all the information, because they are commissioned by donor agencies, or simply because it is their job. Therefore, efforts have been made to also include critical respondents and to verify key conclusions from one interview in other interviews. However, the observations and opinions of experts are still highly valuable for this research, as they have a lot of personal experience in the functioning of capacity building programs and how they operate in the context of the DRC. Moreover, contrary to the expectation that respondents would be optimistic about the programs if they would be involved in it, respondents were often actually rather realistic and sometimes even pessimistic about the potential of capacity building. Another limitation of elite interviews is their sensitivity, because of the respondents’ positions or their ties with donor or government organizations. Before each interview, the respondent was asked if they allowed the interview to be recorded. All of the respondents allowed the interview to be recorded. It was also indicated that it was possible to talk about something off the record, which was preferred by a few respondents for some specific passages. Also, the ability to remain anonymous ensured that people were willing to give their personal opinions and more sensitive information.

Another means of collecting primary data was through participant observation. The participant observation took place within my internship with the European Partnership for Responsible Minerals (EPRM) Secretariat, part of the Netherlands Enterprise Agency (RVO.nl). The EPRM was established as an accompanying measure to the European Union Conflict Minerals Regulation. By participating in the daily activities of this partnership, I gained more insight in capacity building initiatives in the minerals sector in the DRC, as well as in the more general status quo of the conflict minerals movement and supply chain due diligence. By participation in the strategic financing working group and its meetings, I gained insight in the projects that are out there and what seems to be the more successful projects, based on evaluations and progress reports. A baseline study that was executed for the EPRM Secretariat by a third-party research consultant gave me insight in how concrete indicators are used to evaluate programs and to measure success. These insights have provided useful background information, which enabled me to do this research in a more profound way.

The internship with EPRM provided me with great opportunities to talk to experts and stakeholders that I would otherwise have had limited access to. Respondents were more than willing to talk and were open to all sorts of questions. However, knowing that I worked with EPRM might have also biased them in their answers. I tried to emphasize, when introducing myself, that this is a research that I am conducting for my master’s thesis and not for EPRM. A limitation of conducting these interviews while at the same time doing an internship with the EPRM may have increased the risk on a researcher’s bias as well. However, I have always tried to take on a critical perspective and ask critical questions to respondents, not only about EPRM projects, but about capacity building projects in general.
In addition to primary data, secondary data was gathered from documents that are published by the Dutch government, the Congolese government, the European Union, the EPRM, and other research institutes. The document analysis provided for background information on the projects and on their (anticipated) results and provided factual data that was not possible to acquire from the interviews.

A significant shortcoming of this research is that I have not been able to travel to the DRC and conduct fieldwork. It would have improved the quality of the data if I would have been able to witness directly how capacity building programs function in the DRC. Instead, most of the interviews were held from behind my desk, as I talked via Skype to people from all over the world. Several respondents I was able to speak to in person. It should be noted that the majority of the respondents are representatives from Northern organizations that carry out activities or make policy on the extractives sector in the DRC, who talked from their point of view. I tried to include the local perspective as well. Due to limited access and a language barrier, it was difficult to get into contact with the Congolese miners themselves. However, I was able to talk to several experts, stakeholders of the projects and government officials that had experience with working at or in close cooperation with Congolese mine sites.

3.4 Data analysis
To measure how external actors have been able to build local capacities and to what extent this can substitute for weak domestic institutions, it will be useful to operationalize these concepts. This operationalization will be useful in analysing the interviews and background documents. The interviews were coded using Atlas.ti software, which is designed for qualitative data analysis. Coding allows the researcher to organize and analyze the data in a systematic and rigorous way (Cope & Kurtz, 2016). All raw data were carefully examined to code passages and phrases. In order to get the most information out of the raw data, it is important to consider the context of important statements and the examples and anecdotes that often accompanied them.

As already mentioned in the literature review, this research will focus on capacity building of upstream activities, which entail the activities that are aimed at the local mines in the DRC. The EPRM developed in its formative days a Theory of Change, that was used to operationalize upstream activities in order to build local capacities. The main output of the EPRM’s upstream capacity building activities is ‘to get supply chain actors and other stakeholders (CSOs, governments, and international organisations) to understand the need for responsible minerals and to allocate resources to support mine conversion and community development’ (EPRM, 2017). The output definition will be used to analyse the interviews in order to measure how external actors have contributed to local capacity building. Attempted outcomes that fall under these categories could include the creation of public-private partnerships, communities and (local) governments supporting better regulations and the adoption of good mining practices, and mines having improved access to markets as well as the ability to produce responsibly.

In order to measure how external capacity building can substitute for weak or absent domestic institutions, indicators of why capacity building would not work that appeared from the
literature are used to analyze the interviews. First of all, the impact of capacity building projects could be substantially offset by the institutional framework in which they take place. Second, the substitution effect could occur when capacity building organizations take over tasks that are originally assigned to the state, which discourages the state to take action. Third, because capacity building initiatives are mostly regarded as technocratic and ‘apolitical’, it makes it hard for them to address the underlying socio-political issues. And fourth, it is suggested that political leadership is a necessary condition for reform. However, the fact that DRC is resource-rich and often regarded as kleptocratic imposes limits to what external actors can achieve. Besides these indicators, the reading and re-reading of the transcriptions of the interviews some results that were not anticipated came to the surface. The coding process therefore yielded interesting other relevant insights. When deemed necessary, they were further explored using document analysis. This approach left room for unanticipated results and interesting ‘bycatches’ that could contribute to answering the main question.
4. The Democratic Republic of Congo (DRC)

4.1 Demography and socioeconomic context
The Democratic Republic of Congo (DRC) is a country located in Central Africa. With a surface of 2.3 million square kilometers, it is the second largest country of the African continent. The DRC belongs to the poorest countries in the world with a very low standard of living, according to the World Bank (2017). Interestingly, in pre-independence times, the gross national income (GNI) per capita of the DRC was almost twice as high as the sub-Sahara African average (HCSS, 2013: 30). In fact, due to its large endowments of precious metals and arable lands, the DRC has the potential to become one of the richest countries in Africa. Besides, it could act as an instigator of economic growth and political stability on the African continent. However, this potential remains largely unused. The formal economy is plagued by high corruption levels, mismanagement of natural resources and ongoing conflict (Kongolo & Zamberia, 2016).

The current standard of living is poor. According to the UNDP, the DRC ranks very low on the Human Development Index, which combines three basic dimensions of human development: life expectancy, income and access to education. Although the situation had improved in 2015 compared to the situation in 1990, the country still finds itself positioned at 176 out of 188 countries based on human development. In 2015, about 77 percent of the population lived below the poverty line, with about 37 percent of the people living in severe poverty. The life expectancy at birth of 59.1 years is about the same as the sub-Saharan Africa average of 58.9 years. However, infant mortality rates belong to the highest in the world (UNDP, 2016).

At the same time, the population of the DRC is with an estimated 77 million inhabitants the fourth largest country in terms of population in Africa and is still rapidly growing (World Bank, 2017).

Since colonial times, the mining industry has been an essential part of the DRC’s economy. Historically, the mining industry accounted for 25% of the country’s GDP and for about 80% of its export revenue. However, the sector is very vulnerable to price fluctuations and fluctuations in demand from the global market. In 2013-2014, the global demand for raw minerals shrunk heavily, which put the country in a difficult position economically. However, the global demand for the country’s main raw materials, namely copper and cobalt, is rising again due to an increase in applications and commodity prices (World Bank, 2017). The mining sector provides employment to a large share of the DRC’s population. The distinction between the formal mining sector and artisanal and small-scale mining (ASM) sector is important in this regard. The ASM sector in the DRC is very popular among the local population as a way to get out of poverty. The entry barrier is low and the revenues are relatively high, which makes it a popular source of income to many Congolese (de Haan & Geenen, 2016). Although there are wide variations in the figures on the number of people in ASM, it is estimated that about 2 million Congolese directly depend on ASM activities (IGF Mining, 2017: 7).

The population of the DRC is ethnically fragmented with more than 200 different ethnic identities and groups. Due to a very strong sense of belonging to a certain ethnic identity, rivalry
between different ethnic groups has not been uncommon. Ethnic rivalry has been a main source of rebellion, especially in the early 1960s during the first years of independence, (HCSS, 2013).

The DRC was in 2015 the second largest recipient of Official Development Assistance (ODA), following Ethiopia. The largest donors are the United States, the International Development Association, and the European Union institutions (OECD, 2017). However, the effectiveness of international aid to the DRC is often questioned. Munganga (2017), for example, explores the relation between United States ODA and development in the DRC. She finds that there is no significant progress to be seen in areas that have received development aid. Also Autesserre (2012) states that development assistance to the DRC is largely dominated by the conflict minerals narrative, which makes it possibly less tailored to specific local needs and sometimes even counterproductive. By focusing almost exclusively on this narrative, and by diverting the attention from other pressing issues that need to be solved, the international community has in fact exacerbated the problem that it attempts to combat.

4.2 Historical background
To understand the current conflict and the role that minerals play in it, it is important to have some basic understanding of the historical background of the country. Therefore, this subsection will shortly describe the historical events that have led the DRC to where it is today.

The country was colonized in 1885 by King Leopold II of Belgium. In 1908, it was put under colonial rule until 1960, when it was granted independence. Patrice Lumumba became its first prime minister. However, not long after his installment, he was taken over by Colonel Joseph Mobutu. A period of unrest and small-scale conflict followed, and in 1965 Mobutu once again seized power during a military coup, backed by the United States and Belgium, after which he declared himself president. He renamed the country ‘Zaire’ and his 32 years of presidency were characterized by a single-party political system, unopposed elections, corrupt activities and economic mismanagement. Consequently, the DRC degenerated into a failed state (HCSS, 2013; Kongolo & Zamberia, 2016).

In the period that followed, the First and Second Congo War further destroyed the country’s economic and political possibilities and unfortunate events in its neighbouring countries spilled over into the DRC as well. The 1994 genocide in Rwanda led to a large influx of Rwandan refugees and armed militia into the country. In 1996, the Alliance des Forces Démocratiques pour la Libération du Congo (AFDL), commanded by Laurent Kabila, was established in Rwanda and began to gain support to march into the DRC and to overthrow Mobutu. As this plan was brought into action, Mobutu fled the country and Kabila took the presidential office, after which he renamed the country the Democratic Republic of Congo (DRC). Shortly after, in 2001, Joseph Kabila took over from his father, who was assassinated (HCSS, 2013; Kongolo & Zamberia, 2016).

The era of Joseph Kabila brought a welcome change to the country. Kabila engaged in negotiations to establish a national institutional framework and he signed peace treaties with neighbouring countries, such as Rwanda and Uganda. Despite some remaining fragility, the
first democratic presidential and parliamentary elections were held in 2006, in which Kabila was officially elected. According to international observers, the elections were relatively free and fair. However, the eastern provinces remained largely isolated from these changes, which left them with the presence of armed militias and criminal networks (HCSS, 2013).

4.3 The current conflict
Since 2006, however, the violence has not stopped. In fact, conflicts have intensified recently and according to the Council on Foreign Relations (2018), the situation is worsening. Although the jurisdiction of the president has been relatively established around the capital city of Kinshasa and the surrounding areas, the control over the eastern part of the country is largely lacking. This results in the eastern provinces, North and South Kivu and Ituri, in particular being subject to unrest and conflict. The presence of warring parties, ethnic strife, and a lack of basic state services result in ongoing violence and instability.

There are a lot of different forces actively engaged in the current conflict. It is estimated that at least seventy armed groups are active in the eastern region of the country (Fig. 1). Some originate in the DRC itself, such as the Forces Armées de la République Démocratique du Congo (FARDC), the national military. However, the strongest armed groups that are present in the eastern provinces originate in neighbouring countries, such as Rwanda and Uganda. The largest armed group in the region is the Rwandan Forces Démocratiques pour la Libération du Rwanda (FDLR). Despite its continuous presence, the FDLR has not been able to achieve major successes, which makes it perceived as a rather symbolic threat. The Ugandan Allied Democratic Forces (ADF) is an important actor as well. Despite its relatively small size, the group is an important perpetrator of human rights violations (Stearns & Vogel, 2015). In addition, there are armed groups that are Congolese, but are backed by foreign actors. The most prominent example of this is the March 23 Movement (M23), which consisted largely of ethnic Tutsis and was allegedly backed by the Rwandan government. The M23 was defeated by the FARDC and UN forces in 2013, after it had taken control over Goma, a capital city in the eastern region of the DRC. However, the defeat of M23 has not prevented other armed groups from emerging. Militant groups control weakly governed areas of the country and are responsible for major human rights violations of the local population (Council on Foreign Relations, 2018). In January 2018, the United Nations High Commissioner for Refugees (UNHCR) reports that the DRC hosts more than 540,000 refugees and that no less than 4.5 million people are internally displaced. The DRC has large influxes of refugees from neighbouring Rwanda, and more recently from the Central African Republic (CAR) (UNHCR, 2018).

In addition to the already tense socio-political environment, the current president Joseph Kabila causes further political instability. Although he initially promised elections at the end of his term, he refused to step down in 2016. Consequently, tensions intensified and opposition has been brutally suppressed, resulting in a worsening humanitarian situation. The United Nations have deployed a large number of peacekeepers in the DRC. MONUSCO is the largest and most expensive peacekeeping mission of the UN (Coleman, 2017). Despite ongoing efforts to
stabilize the situation, the international community is increasingly concerned that the conflict will continue to destabilize the DRC and that it will spill over into neighbouring countries.

Figure 1: Armed groups in North and South Kivu
Congo Research Group, October 2015.

4.4 The role of minerals
Many foreign policy activities aimed at the DRC address the link between the country’s vast natural resources and conflict. The role of natural resources in the DRC dominates media coverage on the conflict and is prominently present in large international NGO campaigns.
Catchphrases such as ‘blood diamonds’ and ‘conflict minerals’ are widely used (Global Witness, n.d.; Poulsen & Tornbjerg, 2010). Although it is questioned whether natural resources are the primary source of the conflict in the DRC, it is widely recognized that it at least serves as a contributing factor to violence and instability. Global Witness (2015) states that “the region’s natural resource wealth is not the root cause of the violence, but competition over the lucrative minerals trade has become an incentive for some warring parties to continue fighting”. This is also the line of reasoning in the HCSS report (2013). It concludes that in most cases in the DRC, armed groups’ involvement in minerals sourcing and trading in the eastern part of the country is an instrument of armed groups rather than a goal in itself. In fact, it argues that if the country would not be rich of minerals, armed groups would switch to other resources to finance their activities.

Nonetheless, it is not denied that the country’s vast natural resources play a role in prolonging the conflict. Minerals, especially in the ASM sector, are likely to become linked to the conflict. This is because ASM is often thought of as a war-resilient activity, as mining activities can easily continue even during war times. Especially the three T metals: tantalum, tungsten and tin, and gold are associated with the conflict in the DRC (Garrett & Mitchell, 2009: 5). These are so-called point-source non-renewable resources, as they are rather concentrated within a certain area. As was already discussed in the theoretical framework, the literature finds evidence that point-source resources are associated with an increased likelihood of civil war to break out. There are several mechanisms in place that maintain the relationship between minerals and conflict in the DRC.

First, the trade in minerals is used to (indirectly) finance non-state armed groups, which is called the militarisation of minerals trade. Through taxes, obligatory fees and the monopoly on exports of minerals, armed groups gain a large share of their income from the minerals industry. From the HCSS report (2013: 52), it appears that 11% of the coltan revenue goes to armed groups, while only a slightly larger share of 17% goes to the actual miners. In a research conducted by Garrett & Mitchell (2009), it is estimated that the FDLR earns up to 75% of its revenue from minerals trade, and the FARDC brigade up to 95%. The groups rely heavily on gold mining and trading and claim their share of the revenues by obliging mine workers and intermediate traders to pay some form of taxes.

Second, as a direct result of the lucrative nature of the minerals trade, armed groups are motivated to gain control over mineral-rich sites and use violence to ensure this. Mineral deposits are fought over by local militias and foreign actors (Kongolo & Zamberia, 2016). This is especially the case in the eastern provinces of North and South Kivu and Ituri, which are also the most endowed with minerals as compared to the rest of the country (Fig. 2). As the government lacks effective control in this part of the country, it is easier for armed groups to gain access to mineral-rich sites and claim them as their own. The Kivus and Ituri are crowded with armed groups that fight over the same mining sites. This leads to ongoing violence and instability in the region.
The dominant narrative on the conflict in the DRC is that it is cursed by its resources and that the conflict endures because armed groups use mineral revenues to finance their activities. Consequently, the international community and policy makers focus on the prevention of illegal mineral trade and armed groups making money from it (Cuvelier, Diemel & Vlassenroot, 2013). However, this focus on the role of minerals might be too narrow, as it often diverts the attention from other problems. As Autesserre (2012: 205) already argues, “the international actors’ concentration on trafficking of mineral resources as a source of violence has led them to overlook the myriad other causes”.

![Figure 2: Mineral deposits in the DRC](HCSS, 2013)

### 4.5 Resource governance

#### 4.5.1 Regulatory environment

To understand how minerals have come to play a role in the conflict, it would be useful to have a basic understanding of the DRC’s resource governance and of some steps within the mineral supply chain. When speaking about the DRC’s mining sector, an important distinction is made
between large-scale mining (LSM) and artisanal and small-scale mining (ASM). Whereas LSM often operates according to formal mining concessions, ASM is often associated with informality and illicit financial flows. The DRC’s biggest mining sites are located in the eastern provinces of North and South Kivu and Ituri. The law that mainly governs the DRC’s mining sector is the 2002 Mining Code, which was recently revised. The new mining code raises taxes and royalties to the benefit of the central government and includes a clause that allows the government to address companies’ concerns on a case-by-case basis. This leaves the door open to corrupt practices and preferential treatments (Global Witness, 2018).

Small-scale mining activities, on the other hand, must go through a Congolese company in which local investors own at least 25 percent of the share capital (KPMG, 2014). ASM is for many Congolese people a ‘side-activity’, which they pursue besides their regular jobs, because it is lucrative and because of its low entry barrier. This also means that the sector includes the most vulnerable part of the Congolese population. Whereas the ASM sector provides a livelihood to a great number of people in the DRC, it also provides an opportunity for criminal networks to emerge, illicit financial flows, human rights abuses, and armed conflict (Levin Sources, 2017).

Various attempts have been made by the Congolese government as well as the international community to formalize the Congolese ASM sector. The past has shown that complete eradication of ASM activities does not work, as too high a number of Congolese directly or indirectly depend on it. Therefore, engagement with the sector and trying to draw it into the formal economy is preferred. For the Congolese government, one of the spear points in their attempt to formalize the ASM sector is to force artisanal miners to organize themselves into cooperatives. De Haan & Geenen (2016) have evaluated the impact of these cooperatives on the ASM sector. The cooperatives are controlled and operated by groups of miners, which should enhance traceability and security, and improve working conditions at the mining sites. However, their impact on these aspects has been limited. This top-down formalization policy is perceived by the miners as a continued expression of power by a small group of elites. Therefore, cooperatives are often associated with exploitation and merely seem like a way to legalize forced labour. They have not changed the distribution of revenues and of power, nor the traceability or the security.

4.5.2 Transparency and accountability

When it comes to transparency and accountability, the DRC has to come a long way. Recently, the Congolese government has taken steps to improve transparency and governance in the extractive industries. The country participates in the Extractive Industries Transparency Initiative (EITI) since 2005 and all contracts that are signed by the government are made publicly accessible (World Bank, 2017). However, there are still additional efforts to be taken on the part of the DRC government, which still seems relatively reluctant to take significant steps to address transparency and governance in the mining sector. The government recently revised its 2002 Mining Code, which includes a clause on transparency, but does not contain sufficient measures to effectuate this. Besides, it does not include a conflict of interest clause, which may leave the mining sector open to corruption (Global Witness, 2018). Also, EITI DRC
only covers LSM activities. Whereas there have been some scoping studies on the possibilities to include ASM activities as well, the road to that remains difficult and vague (EITI, n.d.).
5. The resource curse in the DRC and external actor involvement

This chapter will address some of the sub-questions of this research. First, as the resource curse remains a controversial concept, it will be useful to elaborate on whether experts and local actors perceive the resource curse to be a reality in the context of the DRC. It will also provide more definitional clarity on the concept of capacity building. Then, this chapter will evaluate which and how external actors are involved in the mitigation of the resource curse in the DRC through capacity building initiatives. Finally, it will focus on the sub-question as to what extent external actors have actually succeeded in promoting local capacities in the extractives sector in the DRC and what might be the negative, unintended consequences of this approach.

5.1 The resource curse in the DRC

As mentioned before in the case description chapter, the DRC is generally perceived to be inextricably linked to its mineral wealth and is therefore often regarded as a classic example of the resource curse. This is also recognized by many of the interviewees. One interviewee referred to the country as the ‘Saudi-Arabia of Africa’, considering its natural resource-abundance to be a significant potential source of wealth and economic development (respondent #16, 16 July 2018). All the respondents were familiar with the case of the DRC and its resource-related problems. However, as was already emphasized in the literature review, the variables of minerals and conflict do not provide for a one-on-one causal mechanism. There are mineral-rich countries that have a proven track record of good governance, economic development and, to some extent, democracy, such as Botswana. On the other hand, there are plenty of non-mineral-rich countries that are plagued by issues of governance and corruption as well.

According to the academic literature, resource wealth in itself is not the problem. There are several factors that, in combination with resource-abundance, could lead a country into the resource curse. As appeared from the literature review, a lack of well-established institutions seems to be the most important of these factors. Institutions are crucial for a country to be able to manage its resources and to turn the curse into a blessing (Mehlum et al., 2006). This view is widely shared among the interviewees. The context of a (post-)conflict country, where poor governance and systemic mismanagement of funds are the rule rather than the exception, provides a fertile ground for the resource curse to manifest itself (respondent #3, 25 May 2018; respondent #11, 3 July 2018). The level of governance and the lack of transparency and accountability mechanisms in the DRC provide a window for illicit financial flows related to minerals trade (Levin Sources, 2017). This statement is supported by respondents’ observations that the economic system of the country is designed in such a way that mineral revenues are distributed among a small number of people. The value chain of minerals from the DRC contains a lot of loopholes, which enables a systemic leakage of revenues to government actors and rebel groups that control the value chain or specific mine sites (respondent #18, 15 August 2018).

Besides an economic issue, weak institutions have caused the minerals trade in the DRC to be a security issue as well. According to respondents, an important problem seems to be the
underpaid civil service. A lot of mine sites have army presence, in addition to rebel groups. As civil service is underpaid, these military forces control mine sites and exploit miners in order to have an income (respondent #3, 25 May 2018; respondent #11, 3 July 2018). Moreover, weak institutions in combination with minerals trade have also resulted in a political problem. At the international level, a lot of attention has been paid to the issues regarding the presidential elections. As the current president, Joseph Kabila, has failed to live up to his promise to hold democratic elections, tensions have risen and outbreaks of violence have occurred. This has especially been the case in the eastern provinces, where the government jurisdiction is lacking and where rebel groups benefit from the illicit minerals trade. The insecurities regarding the elections have caused the rebel groups in this part of the country to gain more political base (respondent #13, 9 July 2018).

In addition, almost every respondent mentioned the country’s political leadership as an important reason for the resource curse to occur in the DRC. The persons that govern the country and that have to make the institutions work are important players in the game. As one interviewee argued: “Minerals are lifeless objects and therefore you can’t ascribe any responsibility to them. In the end, it’s about the people ‘who pull the triggers, not the guns’.” (respondent #2, 23 May 2018). The political will to change a system of inequality and violence, but that is lucrative to the political leadership as it is, is doubted. This will be discussed in further detail in the next chapter.

However, many of the interviewees took a more nuanced perspective on the contribution of minerals to the conflicts in the DRC. Rather than being a root cause, the country’s mineral-wealth is said to complicate, intensify and prolong the conflict (respondent #3, 25 May 2018). According to these respondents, minerals provide a means to an end for the stakeholders involved. The military, other armed forces and political elites use illegal extraction of minerals or enable corruption to fund their activities or to get an income. However, as was already concluded in a report by the Hague Centre for Strategic Studies (2013), if they would not gain their income or their benefits from minerals, they would go after something else. One respondent compared this to the case of ISIL in the Middle-East, who funds a large share of their activities through the trafficking of antiquities. The perception amongst respondents is that rebel groups will find other sources to finance their cause once minerals trade ceases to be lucrative. As long as there is something to structure a political system around, that enables a small number of people to maintain their position and to accumulate wealth, the link between conflict and minerals will be maintained (respondent #2, 23 May 2018; respondent #4, 30 May 2018).

The failure of plenty of conflict minerals initiatives, among which the Dodd Frank Act, to bring about a significant improvement of the situation, could be used to underline the argument that minerals are not the root cause of the issues in the DRC. Respondents suggested that their inability to solve the conflict could demonstrate that minerals are not the only variable in the equation (respondent #5, 31 May 2018). Although this leaves aside claims about the quality of the said policies, there are indeed plenty of initiatives on due diligence, illegal taxation, human rights abuses and child labour, and whistleblowing mechanisms, but violence, instability and
human rights violations are nonetheless a daily reality. As was already argued by Autesserre (2012), the conflict minerals narrative is often being used by international donors to make the situation in the DRC more comprehensible and to provide a guideline for international donors to base their policies on. This also comes to the fore in several interviews. The conflict minerals narrative is ‘sometimes used as a scapegoat’ (respondent #5, 31 May 2018) or used to provide a point of entry for initiatives that aim to mitigate the conflict (respondent #2, 23 May 2018).

Other determinants of the conflict are subject to a blind spot within the international community. For example, the problem of land rights, which is a major determinant of conflict in the DRC, is often overlooked. Local conflicts about land tenure are very common. External actors have a general tendency to focus on fiscal and revenue transparency in the DRC. However, local communities hardly ever benefit from revenue or fiscal transparency. They come into conflict with other communities or with companies over environmental issues, such as land rights, availability of water or air pollution (respondent #8, 11 June 2018; respondent #9, 26 June 2018).

An important point to be made here is the relation of these local conflicts to the concept of ethnicity. Ethnic fragmentation is displayed to a large extent on societal relations. Ethnic rivalries stem from the colonial period and from past events in neighbouring countries, such as Rwanda. The question of who is regarded as Congolese and who is not influences, for example, who is allowed to participate in elections and who is allowed to start a community. These, even more than transparency mechanisms and fiscal administration, are important questions that shape the daily reality of people. The question of ethnicity is a reality for a lot of people, but remains difficult for the international community to understand and to grasp (respondent #8, 11 June 2018). One the other hand, one could ask oneself whether it is wrong that the conflict minerals narrative provides a point of entry for conflict mitigation strategies (respondent #1, 14 May 2018; respondent #2, 23 May 2018). Some respondents suggested that, when getting involved in the situation in the DRC, international actors have to make a decision what they want to engage in. They have to start somewhere, and the extractives sector provides a concrete framework for them to operate in.

5.2 Definitional clarity on capacity building
As was mentioned in the previous section, the mineral sector in the DRC is popular for external actors to engage in, as it provides a clear starting point for development cooperation. The most important external actors involved are donor governments, capacity building NGOs and the private sector. The following section will elaborate on the types of capacity building that each of the external actors engage in and will give examples of how this is done. Before that, it will be useful to have a better understanding of what capacity building entails in more general terms. An important element of capacity building is, as the name implies, meant to improve the capacities of local actors, by providing them with the technical skills and resources that are necessary to have a better ownership of their future. In the extractives sector, it is meant to give actors a better sense of how they should control and manage their resources. Eventually, capacity building is meant to give the target groups or beneficiaries the ability to fulfill these activities without the external actors involved. At the end of the day, capacity building
organizations will leave and local actors should be able to carry the results of those programs forward.

Another important element of capacity building is to explain to local actors what is right and what is wrong, in this case in the context of the extractives sector in the DRC. This can be done for government actors and civil society actors. It is meant to give local actors a clear sense of what can be expected from a government official, what are the taxes that can be collected legally and what are the ways to engage with corrupt civil servants (respondent #4, 30 May 2018; respondent #5, 31 May 2018; respondent #19, 16 August 2018).

For example, one of the biggest capacity building projects in the DRC’s extractives sector is Capacity Building for Responsible Minerals Trade (CBRMT), implemented by TetraTech and funded by USAID. The aim of the CBRMT program is to support and scale up legal production of artisanal gold in the DRC. The project runs for four years and has a total budget of 14.7 million dollars (TetraTech, 2015). One of its pillars is to educate civil society on these issues, explain to them what concepts of transparency and accountability mean, and how they can play a role in the supply chain when new systems are set up (respondent #14, 11 July 2018). On the other hand, this can also be done for companies to familiarize them with CSR norms and regulations. Mining companies operating in the DRC are, for example, educated on how to interpret the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereafter: OECD Due Diligence Guidance) that sets standards for mining companies and on how to incorporate a human rights-based approach into their activities. (respondent #5, 31 May 2018).

5.3 External actor involvement
Now that it has become clearer what capacity building entails in general terms, it will be discussed which external actors are involved in capacity building in the extractives sector in the DRC and what types of capacity building they engage in. The type of capacity building that is pursued highly depends on the type of external actor involved. First, donor governments are important actors in the restructuring of the DRC’s extractives sector, through both bilateral and multilateral donor cooperation. Bilateral donor cooperation consists of, for example, the provision of Official Development Assistance (ODA). As was mentioned in the background chapter, among the biggest donors of development aid to the DRC are the United States. This is reflected in, for example, the beforementioned CBRMT program. Multilateral donor cooperation consists of, for example, the implementation of the iTSCI program, which will be discussed below, or the EITI, in which multiple governments participate.

Donor governments particularly engage in institutional capacity building, by aiming to improve the governance in the extractives sector in the DRC and also more broadly the governance of the country. A popular way for donor governments to do this is through capacity building of transparency and traceability mechanisms. For example, the Dutch government was involved in the implementation of the iTSCI initiative, which puts in place a traceability system to combat corrupt practices. Some respondents emphasized that it is vital that donor governments take a broad perspective on governance restructuring, as the issues that appear in the mining
industry in the DRC are a reflection of the way in which the country is structured. A lot of the issues that appear in the mining sector appear in other sectors of the economy as well (respondent #4, 30 May 2018). Therefore, the involvement of donor governments in the DRC also has a large political aspect. In order to change the governance of the country, it is widely recognized among the interviewed experts and stakeholders that the political leadership will have to change. One priority of donor governments has therefore been to exert pressure on the domestic government of the DRC to hold democratic elections.

Importantly, the reluctance of the DRC government to cooperate in that respect creates tensions between donor governments and the DRC government, which puts the development cooperation to the country under pressure (anonymous interviewee; respondent #16, 16 July 2018). Sometimes, cooperation with the national government is avoided, because the government is perceived as weak and does not always have the right intentions. In fact, this creates a vicious circle of weak governance, as it keeps in place a government that is perceived as undemocratic and self-enriching.

One point of critique that was often mentioned by respondents is that donor governments do not sufficiently take the local context into account or do not cooperate enough with local governments. There still seems to be a somewhat ‘patriarchal attitude’ of donor governments towards host countries and local communities. Oftentimes, ‘Western’ organisations come into the country and get involved in capacity building, but they have a tendency to use a Western-style, business-minded approach, which might not always be suitable or appropriate for the local context (respondent #5, 31 May 2018; respondent #11, 3 July 2018). Cooperation with local actors and with the domestic government is something that is advocated for especially by international NGOs. There are some NGOs that are particularly engaged in capacity building in the extractives sector in the DRC, such as IMPACT and Pact. NGOs engage in institutional, as well as organisational and civil society capacity building.

On the institutional level, NGOs build the capacity of the domestic government in order to improve the governance of the extractives sector. A lot of this is done through, for example, attempts to enhance the capacity of the tax administration, supporting the EITI-DRC Secretariat, improving the capacities of civil servants to read and write financial reports, and training public functionaries on what they can expect from mining companies.

On the organisational level, a lot of capacity building by NGOs is done within mining cooperatives. To operate legally, miners have to be organized in mining cooperatives. Capacity building of these cooperatives is meant to improve the comprehension of national mining rules and the way in which miners engage in artisanal mining (respondent #15, 12 July 2018). Capacity building of mining cooperatives is also meant to provide technical assistance that can be directly applied in the field, such as learning how to take inventory or how to set up an equipment rental point (respondent #14, 11 July 2018).

Although capacity building of civil society is also being done by government actors to some extent, NGOs are mostly involved in this type of capacity building in the DRC’s extractives
It is particularly focused on putting in place advocacy and whistleblowing mechanisms that can be used by citizens to disclose cases of bad governance and corruption and on improving technical skills to source responsibly (respondent #6, June 6 2018). An important aspect is for civil society to understand the need for responsible sourcing and for these mechanisms to work effectively.

Interestingly, almost all interviewees emphasize the crucial role that is played by the private sector as a driver of change in the extractives sector in the DRC. Even more than donor governments or NGOs, a lot of respondents emphasized that it is companies that have the power to bring about change, by implementing due diligence and responsible sourcing strategies. The world needs resources, and will continue to need them for the foreseeable future. It is a question of demand and supply. As long as there are consumers that demand minerals or products than contain minerals, there will be mining operations in mineral-rich countries. A large share of the Congolese population depends on the mining sector to make a living. They depend on (multinational) companies that provide employment and that provide them with an income. It is vital that these companies ensure that their practices are responsible and transparent, that they pay taxes, and that they benefit the miners and the local population general (respondent #5, 31 May 2018). Based on the assessment of respondents, cooperation between the government and companies seems crucial to facilitate change. It is important that there are market incentives for mining companies to engage in good mining practices and to establish arrangements with the ruling elites that are beneficial to the local population as well.

This is easier said than done, however. Some of the interviewees observed that currently there is an incentive for both the companies as well as the ruling elites to abstain from these responsible practices, as they benefit personally from opacity and loopholes in the mineral value chain. According to respondents, restructuring this system calls for (international) measures that set standards to consumer products, requiring mining companies to play by the rules. The OECD Due Diligence Guidance is perceived as a step in the right direction. However, the opinions about the potential impact of such a measure are divided. The OECD Due Diligence Guidance provides a clear and concrete guideline of what companies should work towards and serves as a framework in which a lot of due diligence and transparency initiatives can be implemented (respondent #6, 6 June 2018; respondent #16, 16 July 2018). Still, it remains the question whether such a scheme will be able to tackle some of the core issues, if the domestic context remains fragile and if the political leadership is cautious for change (respondent #7, 6 June 2018).

Unfortunately, development cooperation in the extractives sector in the DRC is subject to a lot of ‘cherry picking’ by donors. This, again, relates to the literature of Autesserre (2012). There is a tendency of international donors to focus on subjects that appeal to the wider public, of which conflict minerals is a primary example. However, several respondents emphasize that it is important that donors also take up tasks that seem less appealing at first glance, but that are equally or even more important than targeting conflict minerals directly. One interviewee argued that “donors have to also engage in less ‘sexy’ topics. They have to engage in building up human resources of the recipient governments, … that there are sanction mechanisms in
place for civil servants that do not function correctly.” (respondent #8, 11 June 2018). In other words, capacity building organisations should focus on the broader range of issues that is related to governance in the extractives sector. On the other hand, it has to be faced that donors cannot do everything. They have to be realistic in defining their aims, and have to decide upon where they want to spend their money on and where they want to send their people to (respondent #10, 27 June 2018). This means that donors have to choose what they want to devote their resources to, which is highly sensitive to political influences and economic well-being in donor countries.

5.4 To what extent have external actors succeeded in promoting local capacities?

Capacity building has become a buzzword in international development cooperation. It consists of a wide variety of elements, as has become clear from the previous section. There is not one fixed definition of what capacity building exactly entails and what it aims to do, which makes it difficult to evaluate its impact in the local context and to attribute specific effects to capacity building programs. However, there are some clear examples of how capacity building has changed certain methods and structures in the extractives sector in the DRC, both positively and negatively. These will be described in this section.

5.4.1 Creating awareness

One of the most important results of capacity building projects has been to develop an understanding amongst local actors for the need to promote responsible sourcing and transparency and accountability mechanisms in the extractives sector. According to many of the respondents, capacity building projects have succeeded to create awareness among government officials, private companies, and mining communities that there are advantages of selling minerals through transparent value chains. One well-known capacity building project in the DRC’s Ituri province is Just Gold, implemented by IMPACT, a Canadian NGO that is particularly focused on natural resource management in conflict-affected areas (IMPACT, April 2018). This project was established with the aim to create incentives for artisanal gold miners to sell their products to legal traders. From the mine pit to the exporter, the gold is being tracked and traced. The Just Gold project has succeeded in making local actors understand the need for traceability and transparent value chains, as well as putting in place a system that generates taxes paid by local actors (respondent #6, 6 June 2018).

Capacity building has in that sense contributed to making local actors more aware of their needs and rights. This is especially visible within civil society. Based on the observations and personal experiences of several respondents, miners and affected mining communities have become more aware of their ability to hold the government accountable for mismanagement and the opacity in the sector. According to one respondent, “this is something that can protect for extortion of communities” (respondent #4, 30 May 2018). Capacity building of civil society has made citizens aware that when they are taken advantage from, they can hold the government accountable for that, and that they can ask for specific corrections in the conduct of government officials.
The Capacity Building for a Responsible Minerals Trade (CBRMT) programme, implemented by TetraTech, that was already shortly introduced, is mainly focused on training mining cooperatives in their organizational and technical skills. Many people that are engaged in the mining sector in the DRC are only to a limited extent familiar with the mining rules, with due diligence practices and with international law. The CBRMT has been implemented with the idea to improve those elements. The total number of people trained by the CBRMT programme is 2353 people. This includes people within mining cooperatives, civil society, the Ministry of Mines, and provincial authorities. Whereas there are details available on the number of people that have been trained on these topics, their impact on creating awareness and putting into practice this newly acquired knowledge is not readily available (TetraTech, 2018). Based on respondents’ observations, the results can be seen in mining cooperatives being more familiar with national mining regulations and being more comfortable working with government actors (respondent #14, 11 July 2018; respondent #15, 12 July 2018). Within government institutions, many of the civil servants are not aware of their tasks and responsibilities and are not aware of how they can play a role in the traceability system. Some respondents suggested that capacity building projects have contributed to an improvement in this respect. Projects that are implemented within governments have made civil servants more aware of their tasks and responsibilities to promote good governance and transparency and accountability in the sector (respondent #17, 28 July 2018).

An important indirect result of capacity building at institutional, organisational and civil society level is to eradicate corruption and to promote transparency, traceability and accountability in the extractives sector. Indirect that is, because capacity building focuses on the first place on improving technical and professional skills. However, by increasing awareness and by making local actors understand the need to produce and trade responsibly, they can make progress to mitigate the bigger issues that are common the DRC’s extractives sector. Going back to the Just Gold project, a respondent emphasized that one of the outcomes of the program that can be seen is that, through creating awareness about corruption and due diligence issues, local actors can identify where the risks are and what they can do to adjust the system (respondent #5, 31 May 2018). By increasing awareness on informal payments, local actors are encouraged to engage with government officials once they signal this issue. By making local actors more familiar with ‘the rules of the game’ and whistleblowing mechanisms, they can ultimately collectively curb corruption practices.

5.4.2 Support mine conversion
Another visible result of capacity building projects is the conversion of mines. Mine conversion entails the transformation from illegal to legal extraction of minerals and illegal mine sites getting access to legal markets. The artisanal and small-scale mining sector is characterized by illegal practices. In the process of conversion, informal ASM sites will get access to legal markets, through transparent trading channels that are being monitored. Especially institutional capacity building programs have supported this process. The Just Gold project that was mentioned in the previous subsection was implemented to put in place a traceability mechanism to be able to trace gold from the mine sites to the exporter, as there was no such a system in place yet for artisanal gold from the DRC. According to some respondents that are involved in
this project, Just Gold has succeeded in demonstrating that gold from ASM sites can be tracked and traced and can therefore be labeled as conflict-free. It has also demonstrated that, as was already shortly mentioned in the previous subsection, with the right incentives, miners and traders do see the advantage of using legal, traceable sales channels for their artisanal gold (respondent #4, 30 May 2018; respondent #5, 31 May 2018).

However, the impact of this approach is limited for several reasons. Firstly, there are still too many incentives for traders not to use legal sales channels. Since the use of formal selling points for gold comes with the obligation to pay taxes, there is no attractive business case for miners and traders to engage in traceability schemes and legal sales channels. Another limitation is that downstream actors remain reluctant to source minerals from the DRC. As the link between conflict and minerals from the DRC is well-known with the wider public, companies do not want to take the risk and be associated with the conflicts and rather source from somewhere else. As a result, the volumes of artisanal gold that are being traded through legal channels remain relatively small. Indeed, the ASM sector in the eastern provinces of the DRC are said to produce around ten tons of artisanal gold per year, of which an estimated 98% is undeclared (ECDPM, 2018). As the tax structure in the DRC is designed in such a way that the higher the production levels, the lower the tax rate, there remains a significant disincentive for miners and traders to produce and trade low quantities through formal channels (respondent #12, 5 July 2018).

Although mine conversion can be seen as a result of capacity building projects, it remains difficult to extend the results to the broader sector. The capacity building projects that support mine conversion are mostly implemented by one or a few mine sites at a time. There are, however, a lot of ASM sites that remain uncovered by traceability schemes, as a matter of budget, resources or political will. For these sites, a lack of traceability and transparency is still an issue that negatively affects the miners on a daily basis (respondent #17, 28 July 2018). To make these initiatives financially sustainable, more mine sites have to be included in the system, so that the production volume of responsibly sourced minerals will increase sufficiently to cover the costs of such a certification mechanism (respondent #16, 16 July 2018). The system has to ultimately be able to financially sustain itself, without financial contributions by external actors. However, currently there are too many incentives for miners and producers to operate illegally. For mine conversion to happen on a bigger scale, many respondents emphasized that there needs to be a high-level political will. This will be discussed in further detail in the next chapter.

5.4.3 Other effects
Besides creating awareness and supporting mine conversion, capacity building projects have contributed to several other results as well. First, and very importantly, from the interviews it appeared that capacity building on all levels has created a platform for dialogue between stakeholders and affected communities. By bringing together government actors, supply chain actors and civil society actors, capacity building projects have facilitated a safe place for structural communication between these three parties, which had not been there before (respondent #3, 25 May 2018).
One example is MapX, a project carried out by the United Nations Environment Programme (UNEP) in cooperation with the EITI Secretariat in the DRC. The objective of the project is to visualize the information that comes from EITI reports, by linking the financial data coming out of these reports to socio-economic and environmental development indicators (EITI, 2016). The information is open source and is used to create dialogue between various stakeholders. It gives civil society insight in financial information related to EITI reports and it can be used as leverage for the Ministry of Mines and the Ministry of Environment to be transparent in their data provision and to comply with mining regulations and environmental standards (respondent #9, 26 June 2018).

These platforms for dialogues have facilitated conversations between people that would normally be adversary about mining issues, which has resulted in the development of a very basic level of trust between the three parties. Although this is an accomplishment in itself, a concern is that it might stop there (respondent #10, 27 June 2018). These dialogues might generate some recommendations on how to develop policies or how to take concrete measures, but it has to be ensured that they are effectively implemented as well.

Another important result of capacity building efforts has been to improve the government administration. A lot of capacity building at institutional and organisational level is done within the Ministry of Mines in the DRC. According to several respondents, capacity building organisations have trained government officials on administrative issues, such as how to accurately report on export figures, on how to register companies and on fiscal administration. These technical skills can be used to measure and report on how much of the minerals is produced and exported, by which companies and if they have generated the right amount of taxes (respondent #5, 31 May 2018). Through capacity building, government officials have been enabled to take up these responsibilities and activities themselves. Again, there are details available on the number of people that are trained on these topics, but the impact of these trainings in terms of how government officials put this knowledge into practice remain rather unclear (Pact, 2015).

5.4.4 Unintended consequences
From the previous subsections, it has become clear that capacity building projects on institutional, organisational and civil society level have had several positive outcomes. Capacity building on all levels has contributed to an increase in awareness among local actors on transparency, traceability and accountability and corruption issues. It has, to a certain extent, contributed to mine conversion and it has facilitated dialogue between different stakeholders. On institutional and organisational level, capacity building has contributed to an improvement of government administration. However, external actor capacity building can also have negative unintended consequences.

One important negative consequence of external actor capacity building is the creation of parallel systems, or the ‘substitution effect’. This phenomenon is not exclusive to the context of the DRC or the extractives sector, however, but can be seen in a lot of cases where there is capacity building by external actors. Through capacity building, external actors have taken up
tasks and activities that are originally assigned to a state. As a consequence, these external actors have taken away the responsibilities from the state to do these things. The problem is that this continuously lowers the population’s expectations from the state (respondent #3, 25 May 2018). In fact, it could in some cases further weaken the state as a lot of initiatives in the DRC’s extractive sector are created by an international network of business-minded actors (respondent #8, 11 June 2018).

Another unintended, negative consequence of external actor capacity building can be disruption of the system, which might actually create more conflict. When changing practices that have remained unchanged for a very long time, external actors may contribute to a disruption of a traditional system. For example, in the case of the extractives sector external actors take efforts to formalize practices that have been illegal for a very long time, and that benefited people in that way (respondent #14, 11 July 2018). For example, section 1502 of the Dodd Frank Act was introduced by the United States as an effort to contribute to formalization of the DRC’s extractives sector. However, because so many miners are dependent on the ASM sector in the DRC’s, this policy actually had adverse effects (Seay, 2012). In other words, changing the illegality of the sector also means changing some fundamental aspects of the lives of many miners and mining communities. This disruption of the system by external actor capacity building may lead to tensions and dissatisfaction and might actually contribute to an increase in violence.

5.5 Conclusion
This chapter has answered some of the subquestions of this research. First, it has been discussed whether stakeholders see the resource curse as a reality in the context of the DRC. As was already suggested in the literature review, the link between conflict and minerals cannot be regarded as a one-on-one causal mechanism. However, the context of a state that is perceived as highly fragile with weak institutions does facilitate the systemic mismanagement of resource revenues and conflict financing. Rather than being a root cause of the conflict, the DRC’s mineral wealth is perceived as a factor that intensifies, prolongs and complicates the conflict. Nevertheless, the international community takes the conflict minerals narrative as a point of entry for development cooperation, which centers a lot around capacity building programs in the DRC’s extractives sector. This relates to the second subquestion of this research: which and how external actors are involved in the mitigation of the resource curse in the DRC through capacity building initiatives. It has become clear that donor governments, bilaterally and multilaterally, engage mostly in institutional capacity building, whereas NGOs engage in organisational and civil society capacity building as well. Interestingly, the role of the private sector seems to be of great importance as well. Mining communities are highly dependent on mining companies in order to generate an income, and these companies, in turn, have to make sure that they pay taxes, implement CSR guidelines and benefit the local communities.

Finally, the subquestion on to what extent external actors have actually succeeded in promoting local capacities in the DRC’s extractives sector has been discussed. In short, according to my respondents, capacity building projects have especially contributed to creating awareness about
transparency, accountability and corruption issues, which will indirectly curb corruption and opacity in the sector, provided that this awareness will be turned into implementation of control and sanction mechanisms as well. External actor capacity building has also contributed to a certain extent to mine conversion and improved government administration and has facilitated dialogue between different stakeholders. However, it has to be taken note of several negative, unintended consequences of external actor capacity building as well. The creation of parallel systems could systematically weaken the state and lower the population’s expectations of what the state’s tasks are. Also, by disrupting a somewhat traditional system, it could be that external actors contribute to tensions and conflict through formalization and legalization efforts.
6. Capacity building and weak domestic institutions

Now that it has become clear what external actor capacity building in the extractives sector in the DRC looks like and to what extent it has brought about effects, it is time to look at the question if and how capacity building initiatives can actually substitute for weak or absent domestic institutions in the DRC. As was already mentioned several times throughout this research, capacity building has become a buzzword within the international development discourse. However, no agreement has been reached on the question as to whether capacity building by external actors is able to address the deeper underlying issues that are key to the resource curse, namely weak governance structures and government institutions. Hereby, an important question to consider is whether, in the context of a fragile state such as the DRC, capacity building programs can have a significant impact. In a context that is internally disrupted, to what extent can external actors contribute to positive change? Are capacity building programs perhaps too technocratic to be able to fundamentally change the situation? And if they are able to change the situation, can they do this in a sustainable way? These are the main questions that will be discussed below. Furthermore, this chapter will discuss some additional factors that seem to determine whether capacity building programs can be successful to compensate for weak domestic institutions, such as the political leadership of a country and some contextual aspects that are specific to the DRC.

6.1 Limitations imposed by existing institutional framework
The title of this section might sound like a paradox. When assessing how external actor capacity building initiatives can compensate for weak domestic institutions, it becomes clear that their effectiveness is actually limited by the institutional framework of the country. The solution that capacity building aims to provide, is actually a reason of why it might not work.
There are several aspects of the institutional framework in the DRC that provide barriers for capacity building initiatives to flourish. These will be discussed in detail in this section.

6.1.1 State fragility and historical legacy
When reading this chapter, an important remark should be kept in mind. At the start of this research, it was attempted to look at the governance of the extractives sector and the conflict minerals movement in the DRC as something separate from the country’s colonial history and past conflicts. Notably, supply chain due diligence and responsible sourcing should be endeavored in any context: conflict, post-conflict or non-conflict. Nevertheless, it cannot be denied that the current situation in the DRC is still significantly shaped by its prior conflicts. The colonial period still has its legacy in most corners of society and governance. External actors still demonstrate a clear interest in the country, partly because of its vast amount of natural resources. And there is no strong government, especially in the eastern provinces, to prevent rebel groups and other illegitimate non-state actors from gaining ground. Seeing the current situation separate from past events is impossible.

Relating this to the potential of capacity building initiatives, state fragility and a situation of conflict do not seem to provide a solid basis for capacities to be built upon. The colonial period
has left the country without a well-established administration and without elites being trained to respond to the challenges that the extractive sector poses (respondent #6, 6 June 2018). Historical events have resulted in a country that is perceived as internally disrupted, with weak government jurisdiction and authority and weak institutions which imposes certain limitations on to what external actors can actually achieve (respondent #2, 23 May 2018; respondent #16, 16 July 2018). External actors can impose certain mechanisms or systems through capacity building efforts, but if there is no sufficient support from within the government or among civil society, a substantial challenge with regards to sustainability of the results remains. In other words, the context of a fragile state has made it difficult for external actors to build capacity on institutional, as well as organisational and civil society level in a sustainable and durable way.

This is not to say that external actor capacity building is not worthwhile and has no chance of success per se in the context of a fragile state. State fragility should not be regarded as a reason for external actors to abstain from capacity building. As became clear from the previous chapter, capacity building by external actors has had some successes in terms of creating awareness, mine conversion, creating safe space for dialogue and administrative reforms. According to various respondents, civil society capacity building has enabled citizens to overcome the daily issues that state fragility poses, for example by introducing them to village savings and loans associations (respondent #3, 25 May 2018; respondent #6, 6 June 2018). Also, respondents observed that the technical capacities within the Ministry of Mines have improved as a result of organizational and institutional capacity building after government officials have been taught on how to report on export volumes, how to properly register companies and how to monitor their tax obligations (respondent #5, 31 May 2018). However, it does imply that the current situation in the DRC cannot be regarded separately from historical events and that this complicates the implementation of capacity building efforts by external actors significantly.

6.1.2 Corruption
Related to the concept of state fragility, is the often-mentioned ‘culture of corruption’ that is perceived in the DRC. Many respondents regard corruption as ingrained into the DRC’s society to such an extent that it complicates the context in which external actors operate and that it is very difficult to change by those external actors. Society is organized in such a way that provides a window of opportunity for corrupt practices to such an extent that they have become normalized. Corruption occurs in many shapes and sizes. Whereas the international attention to corruption issues is often devoted to large deals on mining concessions, the challenge lies with corruption that occurs on an individual level on a much larger scale. As suggested by some respondents, the underlying problem here seems to be the underpayment of civil servants. Indeed, public sector wages were among the lowest in the world around a decade ago with a minimum wage of around $15 per month, especially for lower-grade civil servants (OECD, 2005). Often, salaries to public servants are irregularly paid or not paid at all. This is one of the main driving factors for civil servants to engage in corrupt practices (Morganti, 2007). As a direct consequence, it has become tacitly accepted that illegal taxation or the siphoning off of funds provide some of the few opportunities for people to make a fair living (respondent #5, 31 May 2018; respondent #3, 25 May 2018).
Several respondents emphasized that the difficulty lies with the traditional acceptance of corrupt practices. What is labeled as corruption by Western definitions is often regarded as traditional taxation in Congolese terms. Especially in the ASM sector, there seems to be a fine line between what is regarded as a legal obligation and as a traditional practice. When a chief of a mining cooperative takes a substantial proportion of mineral production for its own benefit, it can be regarded as corruption in the strictest sense of the word, but it is often culturally accepted within the local context (respondent #5, 31 May 2018).

Corruption recurs in multiple layers of society and within many of the actors that are involved in the extractives sector in the DRC. It ranges from ministries that engage in dubious practices regarding the granting of concessions, to the state army, rebel groups and miners that frequently siphon off the mineral production and revenues (respondent #3, 25 May 2018). The issue seems to be systemic. It appears in multiple points in the system and involves various actors, which makes it difficult for external actors to address this element on a fundamental basis.

As was already argued in the previous chapter, external actor capacity building initiatives have a potential to indirectly curb corruption by creating awareness and transparency and accountability mechanisms. However, an important provision seems to be that capacity building programs have to be implemented on multiple levels simultaneously to make progress in this respect (respondent #4, 30 May 2018; respondent #5, 31 May 2018; respondent #8, 11 June 2018). In other words, institutional, organisational and civil society capacity building in isolation are not sufficient to substantially mitigate corruption and the lack of transparency. Capacity building on the level of civil society is not likely to mitigate corruption, if it is not accompanied by measures that prevent government elites from allowing and engaging in corrupt practices. And vice versa, institutional and organisational capacity building are not likely to significantly reduce corruption if, on the individual level, people are not aware of the rules of the game and their rights and obligations. Capacity building has to be implemented at multiple levels simultaneously in order to make a significant dent into the culture of corruption that is often mentioned to be the DRC’s main problem.

6.1.3 Tax administration and revenue distribution

Tax administration plays an important role in the DRC’s extractive sector for several reasons. First, a large share of corruption comes in the form of illegal taxation, as was discussed in the previous subsection. By improving the capacities of tax administrators and putting in place mechanisms that increase fiscal transparency, external actors may facilitate and support the activities of the domestic tax authority. Second, a well-functioning tax authority can curb fiscal malpractices of (multinational) companies that are operating in the extractives sector in the DRC. Once companies pay their obliged taxes, government revenue from the extractives sector will increase (respondent #11, 3 July 2018). Third, tax administration has a great role to play in revenue distribution. An equal distribution of benefits that are gained from mineral production and trade is mentioned by respondents as a necessary condition in order to break the nexus between conflict and minerals in the DRC (respondent #2, 23 May 2018; respondent #6, 6 June 2018; respondent #13, 9 July 2018; respondent #18, 15 August 2018). It is deemed vital that
there is a fiscal system in place that ensures that benefits from the minerals production and trade and taxes that are being paid will in some way flow back to the citizens.

External actors, such as the World Bank or GIZ, can play a role in this, by making fiscal flows more transparent. They engage in capacity building of tax administrators and tax inspections. By promoting fiscal transparency, external actors aim to create awareness among the population that there is a rationale to pay taxes, because eventually the benefits of that will flow back to them or will be invested in development. However, there remain significant limitations as to what external actors can achieve in this respect. Various respondents emphasized that capacity building in isolation is deemed insufficient to compensate for a weak tax authority. The domestic institution as such does not provide a solid basis for capacities to be applied and to be developed further (respondent #10, 27 June 2018). A more comprehensive institutional restructuring is considered to be necessary in order to change the fiscal system fundamentally and in a sustainable way (respondent #2, 23 May 2018; respondent #5, 31 May 2018). Even so, external actors can contribute to this only to a certain extent when there is limited support from within the Congolese government (respondent #2, 23 May 2018; respondent #14, 11 July 2018). This relates more closely to the question of political will and leadership, which will be discussed in more detail in section 6.4.

6.1.4 Security sector
As was already discussed in chapter four, an important feature of the extractives sector in the DRC is the presence and authority of rebel groups in the eastern provinces of Kivu and Ituri. Due to a lack of government control in these eastern provinces, rebel groups can easily gain ground and control mine sites. These rebel groups substantially benefit from illegal taxation and the siphoning off of minerals production and are accountable for many human rights violations. Capacity building that mostly targets illegal taxation and raising awareness on transparency and corruption is therefore likely to be constrained by the presence of rebel groups for two reasons (respondent #7, 6 June 2018). First, it relates back to the problem of corruption. External actors can engage in capacity building of civil society to mitigate corruption at the individual level, but if, at the end of the day, rebel groups take away the money and the minerals production, then miners and traders have few alternatives than to depend on illicit financial flows. And second, external actors can engage in capacity building of civil society and institutions, but if they cannot prevent rebel groups from resorting to violence at the end of the day, the conflict will be maintained. Thus, according to some respondents, a security sector reform should be part of external actors’ capacity building strategy in order to protect citizens from the illegal actions of rebel groups (respondent #7, 6 June 2018).

One example of how external actors are already engaged in the DRC’s security sector is through MONUSCO, the UN-led peacekeeping force. MONUSCO complements and builds the capacity of the national security forces to protect the domestic population. They also engage in the extractives sector through, for example, training of police officers on human rights issues in large mining concessions (Principles for Responsible Investment, July 2018). Hereby, they have become an integral part of the DRC’s security sector and de facto take over state tasks (respondent #13, 9 July 2018; respondent #16, 16 July 2018). This, however, brings up the
question of sustainability again. The danger is involved that the state will rely almost exclusively on external resources and capacity to protect its population. Yet, this cannot be sustained in the long term. This substitution effect often recurs when discussing sustainability of capacity building efforts. Therefore, its practical implications will be further discussed in the next section.

6.2 Substitution effect

One of the main concerns of external actor capacity building is the substitution effect, which was already shortly introduced as a negative, unintended consequence of capacity building in the previous chapter. However, the issue is remarkably prominent in the case of the DRC and deserves to be discussed in further detail here. In short, the substitution effect entails the idea that external actors take over tasks and responsibilities that are traditionally assigned to the state. For example, in the case of the DRC’s extractive sector, EITI has taken up the task to improve transparency and accountability. NGOs like Pact and IMPACT have taken up the task to improve traceability and responsible sourcing. Other NGOs have taken up the task to build schools or hospitals, or to build infrastructure. And MONUSCO, the UN peacekeeping operation in the country, has taken up the task to protect the population. These de facto parallel systems often result in a sustainability problem (Koch & Nsamba, 2011). This can be seen in the DRC as well. On a temporary basis, external actor capacity building can achieve a lot of progress. However, when capacity building organizations leave, the projects often stop or the results are not carried forward (respondent #11, 3 July 2018). For example, the Just Gold project that is implemented by IMPACT has proven that artisanal gold in the DRC can be traced. However, there are various factors that will determine whether this initiative can be sustained and scaled that are in the hands of the government. When the government does not feel the responsibility to get involved in this program and to facilitate further development, the results of this program are likely to remain limited to the mine-site level (respondent #12, 5 July 2017).

By definition, capacity building by external actors is not designed to be infinite. Therefore, it has to be ensured that, once these actors move out of a certain area or country, the state will have the ability and the resources to take up these tasks and responsibilities again. On the one hand, external actors want to engage in capacity building in the extractives sector to break the link between conflict and minerals. On the other hand, they do not want to take away these tasks and responsibilities from the state, as this will not be sustainable on the long term.

The problem discussed here is fundamental and inherent to external actor involvement. More importantly, it raises the question whether it is desirable that external actor capacity building substitutes for weak domestic institutions. If capacity building results in a domestic government that evades its core tasks and responsibilities, should external actors endeavor this in the first place? It should be noted here that external actors often do not have the intention to take over state tasks and thereby give the domestic government a ‘free pass’ to avoid their tasks and responsibilities. Over the last decades, external actors have attempted to mitigate the substitution effect by increasingly cooperating with the domestic government. However, this might send a wrong message as it may be regarded as an indirect legitimization of illegal action.
of state actors, implying that they are in a sort of catch-22 from which it is difficult to escape (respondent #3, 25 May 2018; respondent #13, 9 July 2018).

It is beyond the scope and ambition of this study to provide a solution for this fundamental problem. However, what appeared from the interviews is that certain forms of capacity building are particularly suitable to contribute to a system in which results can be more sustainable. Creating awareness among civil society and civil servants on the role of the government and government officials seems to be the most important in this respect (respondent #17, 28 July 2018). Creating awareness is the most likely to change people’s perception of the state in a relatively sustainable way, what should be its main responsibilities and what its main obligations are. It can make civil society aware of their rights and obligations towards the state and will of their position to hold the government accountable if they do not comply with these expectations. Importantly, it is imperative that this awareness and newly acquired knowledge is then put into practice to be able to have a sustainable effect. The previous chapter contains a more elaborate discussion of this pillar of capacity building.

Here, we can conclude that, for external actors, capacity building presents a trade-off between taking over state tasks and sustainability of results. External actors have to ensure that the capacities that they have helped to build will be sustained after these actors move out or after funding for a specific project has stopped. Capacity building actors should, in other words, be able to write their own exit plan.

6.3 Technocratic nature
Another important matter that is associated with the sustainability question of capacity building is its often rather technocratic nature. As was already suggested in the literature review, capacity building by external actors tend to focus on technocratic skills and capacities, rather than on political and socio-economic elements. Therefore, they are expected to have difficulty targeting the larger underlying issues and governance structures that mark the DRC’s extractives sector. However, the opinions on whether this is true in practice are divided. On the one hand, it is recognized by some respondents that capacity building projects on all levels often have a technocratic character. Theoretically, its technocratic character is included in the description of what capacity building entails, as capacity building projects are mainly aimed at improving the technical and professional skills of local actors to improve their effectivity in resource management (respondent #8, 11 June 2018; respondent #19, 16 August 2018).

Indeed, a large share of the capacity building projects focuses on traceability of minerals by enhancing information systems or on improving the technical skills of miners to better extract and manage resources (respondent #12, 5 July 2018; respondent #14, 11 July 2018). One example is the Village Savings and Loans Association (VSLA) that is implemented by IMPACT. This project focuses on making civil society more familiar with savings accounts and the management of financial assets. The program entails capacity building of group facilitators, who can sustain the savings group (respondent #6, 6 June 2018). This example shows how capacity building is used for technical and management skills enhancement.
On the other hand, capacity building also addresses governance issues in some instances. By making people more aware of their roles and responsibilities and on corruption and accountability issues, capacity building on civil society level and on institutional level can engage in some of the underlying governance issues in the extractives sector (respondent #14, 11 July 2018). Moreover, corruption issues are an increasingly important component of capacity building projects. Capacity building projects that center around technical assistance can still be based on the rationale to mitigate corruption. Returning to the example of the VSLA project by IMPACT, it can be stated that although this is a technocratic project, its underlying idea is to decrease people’s reliance on informal credit networks. Hereby, it indirectly attempts to curb informal financial flows, thus mitigating the possibility to engage in corrupt practices.

However, it is recognized by the majority of the respondents that these initiatives have to be accompanied by measures that address the root cause of corruption, which is the underpayment of civil service. When these elements do not happen in parallel, any step in the right direction will be countered further along the system, by a civil servant that has to be bribed or a rebel group that imposed a road block (respondent #16, 16 July 2018).

In short, although the rationale of capacity building projects can lie with the mitigation of corruption and the improvement of accountability mechanisms, they are still often perceived as technocratic, as they aim to enhance the technical and professional skills of civil society, of organisations and of government institutions. This inherent asset of capacity building initiatives influences the potential of capacity building initiatives to substitute for weak domestic institutions. On a small scale, capacity building programs can have positive impact. However, moving beyond the boundaries of a specific mine site or project area, the results are often offset by faults in the system that are more difficult to address through capacity building. Technical assistance in order to develop a new mining regulation, for example, has to be developed, implemented, monitored and evaluated. If there is no negotiation capacity present within miners and beneficiaries to defend their position, if there is no sufficient capacity within the Ministry of Mines to implement the law, if there is no well-functioning mining cadaster and if there is no credible oversight mechanism, then the technical assistance to develop the law in the first place will have only limited impact as well (respondent #9, 26 June 2018). Therefore, capacity building projects that are implemented only at one level are not likely to achieve substantial results. Implementation should take place on multiple layers simultaneously and at different important nodes in the system of extractive resources governance. In order for capacity building projects in the extractives sector to make significant impact, they should embrace a more systemic approach that involves these multiple layers and different stakeholders.

6.4 Political leadership
In the literature review, several assumptions on the success of external actor capacity building projects to substitute for weak domestic institutions were discussed. These assumptions related to the institutional framework of a fragile state, the substitution effect and the technocratic character of capacity building. However, based on the state-building literature, another important argument was made with regards to sound political leadership of a country, which is a necessary condition for reform in the context of the mitigation of corruption. As was suggested
in the literature review, kleptocratic states in which corruption is entrenched into multiple levels of society make it very difficult for external actors to bring about significant reform. In addition, it was suggested that this is even more difficult when these states are also resource-rich, since this may give the incumbents a certain leverage to resist reform. The outcomes of this study are in line with these suggestions. Capacity building is, as was discussed in the previous section, a rather technical term, but the context in which it operates is much more political. Therefore, more attention should be paid to the domestic political context in which capacity building takes place.

The political leadership and political will to commit to mitigation of corruption and transparency and accountability mechanisms in the extractives sector are necessary conditions to realize positive reforms. When comparing the case of the DRC to Botswana, another resource-rich developing country, it becomes clear that in the latter case, political leadership has played a central role in realizing the country’s potential (respondent #2, 23 May 2018). In other words, the importance of political leadership as a factor that influences external actors’ ability to substitute for weak domestic institutions deserves to be discussed in further detail here.

The political leadership in the DRC is perceived by respondents as one of the major constraining factors to bring about positive change in the extractives sector. The political leadership in the country is seen as kleptocratic and predatory (respondent #14, 16 July 2018), self-enriching (respondent #16, 16 July 2018), and has failed to realize the full potential of the country attributed to its natural resources (respondent #2, 23 May 2018). The origins of these political structures can largely be found in colonial times, the coup d’etat by Mobutu and the transition to Kabila (Schatzberg: 1997; Englebert, 2006). Political power is mainly acquired through access to resources and through the use of violence, which has become embedded into the country’s governance structure. The political culture in the DRC has become centered around self-interest and around achieving power and resources for the political elites. It is difficult for external actors to impose a top-down change, as they would have to change the political culture of the country. This requires high-level political commitment (respondent #2, 23 May, 2018; respondent #14, 16 July 2018). At the same time, the legitimacy of the current government expired when president Kabila delayed the scheduled elections. Although there are new elections planned for the end of 2018, it remains unclear whether these elections will be democratic and, even if they are, whether they will bring about significant positive change (respondent #13, 9 July 2018). However, some respondents see the elections as a momentum for a new political leadership that could credibly commit to transparency, accountability and mitigation of corruption (respondent #14, 16 July 2018; respondent #15, 17 July 2018).

Due to the political structure at the national level, it remains difficult for external actors to cooperate with political actors at this level. However, this does not automatically imply that progress cannot be made at the more local level. Various respondents have emphasized that locally, external actors and local actors are more likely to cooperate regarding capacity building and to bring about positive change (respondent #3, 25 May 2018; respondent #13, 9 July 2018).
6.5 Contextual issues

Besides the rather general factors that can influence external actor’s ability to substitute for weak domestic institutions through capacity building, there are some important contextual factors as well that are specific to the case of the DRC. Oftentimes, respondents referred to the DRC as being a very difficult and complex case, compared to other countries, because of several reasons. Since these reasons frequently recurred in multiple interviews, it is worth mentioning them shortly in this section.

Firstly, the size of the country is seen as a great complicating factor in attempts to bring stability and peace (respondent #2, 23 May 2018). Several respondents mentioned that the vastness of the country makes it difficult to bring order and governance in all areas, especially in the eastern provinces, which are relatively remote. The population in these parts of the country feel distant from the government in Kinshasa and decision-making processes there. For example, when the population in the eastern provinces of Ituri or Kivu pay taxes, they are less likely to see the results of that in the form of improved social services or investments in infrastructure (respondent #16, 16 July 2018). Also, the political decisions in Kinshasa are often very different from the reality on the ground in remote areas. For example, local communities are not involved in the development and implementation of traceability and certification mechanisms, because they are so remote from the political epicenter or big mining concessions are granted for areas that are not at all suitable for it (respondent #17, 28 July 2018).

Secondly, the state of the infrastructure in the country is deplorable, which impedes capacity building actors to travel through the country and to monitor the results of their programs (respondent #13, 9 July 2018; respondent #16, 16 July 2018). Conflict has severely damaged infrastructure networks and the country’s size and the lack of resources impede new infrastructure networks from rising.

Third, the outside perspective of the DRC is harmful to its further development. The reputation of the country is harmed by its systemic mismanagement of funds and by its dubious conduct regarding mining concessions. Therefore, private investors remain reluctant to do business in the country. Foreign investors or downstream actors are cautious of buying minerals that are sourced in the DRC (respondent #14, 11 July 2018). This, first of all, harms the country’s economic position vis-a-vis other mineral-rich countries that are less controversial. Besides, it impedes further capacity building, as private actors have been one of the most important external actors to engage in capacity building.

Lastly, the government and the population are said to lack a long-term vision. The context of a country that is in conflict and finds itself in a dire humanitarian crisis, in which basic humanitarian needs are not met, provides no solid basis for a long-term vision. In such a situation, the establishment of a well-functioning tax authority, or of a civil servant administration system is not prioritized. This argument is well-illustrated by the example of the mining code that was recently revised by the government and is now being implemented. The new mining code contains substantial regulatory and fiscal reforms. The code is designed in such a way that is beneficial to government elites, as a way of collecting more taxes on the short
term. However, it scares away mining companies and certainly does not encourage them to operate responsibly (iTSCI, 2018). The new mining code suggests that the government is mainly driven by short-term interests, rather than by a long-term vision to attract responsible investors to the country (respondent #14, 11 July 2018). A long-term vision within government actors, but also among the population, will help to improve the investor’s climate, which could gradually shift priorities to capacity building of institutions, organisations and civil society. First, the focus should be on conflict prevention and management, so that the leadership and the population can adopt a long-term vision and capacity building programs in the extractives sector have a solid basis to be found upon (respondent #13, 9 July 2018).

6.6 Systemic approach

From each of the previous section, it appeared that capacity building programs have to be implemented at institutional, organizational and civil society level, within multiple layers of society and within various sectors simultaneously. Without a certain systemic approach, capacity building in the DRC’s extractives sector will only have limited results. An example of a project in which this is done is the Mines to Markets program, that is implemented by Pact. Although there is recognition among respondents that this systemic approach should be pursued, this example is an exception rather than a rule. This section is merely to demonstrate how a systemic approach can be shaped and be implemented in practice.

One pillar of the Mines to Markets program is the Children out of Mining project, which aims to reduce child-labour in mines in the province of Katanga, in the south-east of the DRC (Pact, 2016). The program committed to capacity building on multiple levels. It built the capacity of governments to make them more aware of issues concerning child labour and how they could take on the responsibility to enforce exclusion of children to mines. Then, the program encouraged cooperation between the mining services, child protection services and other social services to ensure that the results would be sustained. In addition, it built the capacity of mining companies to make them aware of their obligations under the OECD Due Diligence Guidance and how they can incorporate a human rights-based approach into their operations. The program also engaged in civil society capacity building by educating the children on how they could make their voices heard, what their rights are and what the obligations of the governments are regarding labour (respondent #5, 31 May 2018). The results of the program are perceived as positive. Based on surveys and unannounced mine site visits, it can be concluded that the number of child miners in the participating mines have significantly reduced, from 1050 children to 115 children (Pact, 2016) and is said to have caused a shift in socio-cultural norms and expectations regarding child labour (respondent #5, 31 May 2018).

Capacity building in isolation can have positive results on the short term, but on the long term, results are likely to remain limited. Saying that capacity building should be systemic may seem like empty words. This example, however, makes it more concrete and demonstrates how a systemic approach can be achieved in practice. It shows how capacity building programs can be implemented at multiple levels, in multiple layers of society and in various sectors simultaneously, despite the fact that this is not yet happening on a larger scale.
6.7 Conclusion

This chapter has discussed the most important factors that influence external actors’ ability to compensate for weak domestic institutions in the DRC. Most of these had already been suggested in the academic literature and prove to be true in the case of the DRC as well. Others are more contextual issues that are specific to the case under scrutiny. These are equally important to mention here, as respondents found that these contextual issues distinguished the case of the DRC from other mineral-rich countries.

Weak domestic institutions in the DRC are seen as one of the reasons why the link between conflict and minerals is maintained. One way for external actors to compensate for those weak institutions is through capacity building on multiple levels: institutional, organisational and civil society. This has been discussed in detail in the previous chapter. However, the question remains as to what extent external actor capacity building is actually successful in substituting for weak domestic institutions and how they can be sustainable on the long term. There are several factors that influence the ability of external actors to do so. First, the institutional context of the country does not provide a solid basis for capacities to be built upon. Moreover, the substitution effect and the technocratic nature of capacity building programs are often associated with sustainability issues. The substitution effect is a problem that is inherent in external actor involvement in a weak state. On the one hand, external actors want to engage in capacity building of local actors. On the other hand, they do not want to entirely take away the tasks and responsibilities from the domestic states, as this will not benefit the sustainability of results of capacity building efforts. Similarly, capacity building is often associated with technical skills enhancement, which limits their potential to contribute to sustainable, large-scale change. Results can be seen at the scale of a specific mine site or project area, but beyond that, the results remain limited. Also the political leadership and some contextual issues that are specific to the case of the DRC pose a significant barrier to external actors’ ability to substitute for weak domestic institutions through capacity building initiatives.

The most important conclusion that appears from this chapter is that capacity building programs have to be implemented at the level of institutions, organisations and civil society, in multiple layers of society and multiple sectors simultaneously in order to be sustainable on the long term. Without a systemic approach, the results of capacity building efforts are likely to be offset by shortcomings somewhere else in the system. The implementation of traceability and certification schemes is not likely to make a significant change, if further down the system the political leadership is still corrupt. Corruption mitigation strategies within the government are not likely to be sustainable if civil society is not aware of their rights and obligations vis-a-vis their government and if they do not know how to hold her accountable. Awareness-raising campaigns on accountability and corruption issues among civil society are not likely to significantly contribute to change if the lack of national security forces in remote areas allow rebel groups to commit human rights violations and to siphon off mineral production and revenues.
7. Conclusion and discussion

This chapter will present a summary of the main findings and the answer to the main research question of this thesis as a conclusion. Subsequently, it will discuss some recommendations for further research into the subject of capacity building and the resource curse.

7.1 Summary and conclusion

This thesis has studied the role of external actors in the mitigation of the resource curse in the Democratic Republic of Congo (DRC). The DRC has, with its large endowments of precious natural resources, the potential to become one of the richest countries on the African continent. Instead, however, it is plagued by continuous violent conflict, instability and humanitarian disasters, and low levels of economic development. The correlation between these two facts has become known in the academic literature as the resource curse and is intensively debated among political scientists and political economists. In the academic literature, there is some consensus that the most important enabler of the resource curse are weak institutions (Mehlum, Moene & Torvik, 2006; Havro & Santiso, 2011). In order to mitigate the resource curse, therefore, external actors are predominantly focused on institution building. Although there have been some improvements regarding transparency and accountability in the extractives sector of resource-cursed countries attributed to, for example, the implementation of the Extractives Industries Transparency Initiative (EITI), the results are rather ambiguous and have not yet shown a proven track record in addressing problems that are key to the resource curse, namely corruption and rent-seeking behavior.

This research takes a broader perspective and investigates whether capacity building, which is often regarded as more comprehensive than sole institution building, can address these underlying issues. Capacity building exists on institutional, organizational and civil society level and can encompass a range of different capacities, among which technical, political, intellectual, and organizational capacities. This thesis aims to investigate whether external actors can, through capacity building, substitute for weak domestic institutions in the DRC in the mitigation of the resource curse. Therefore, the main research question of this thesis is as follows: To what extent can external actors achieve local capacity building and to what extent can this substitute for weak domestic institutions in mineral-rich countries?

In order to address this question, this thesis relies on observations and opinions from experts and stakeholders that are involved in capacity building programs in the DRC. This is one of the major shortcomings of this research and should be kept in mind when reading the conclusions of this research. Conducting fieldwork in the country itself to be able to interview miners and people within mining communities would have enhanced the quality of the data, since experts and stakeholders may have been biased in their assessment of the various programs that they are involved in. As the respondents mostly represented Northern organizations and ‘Western’ points of view, it would have been good to talk to people on the ground as well.

Nevertheless, the respondents that were interviewed were a valuable source of information. Based on interviews with key policymakers and experts working on capacity building in the
the DRC’s extractives sector, it can be concluded that capacity building on various levels has achieved some positive results. According to respondents, one of the most important results of capacity building on all levels is that it has enhanced awareness among local actors, ranging from local civil society to national government officials. It has made miners operating in the informal artisanal and small-scale mining (ASM) sector more aware of the economic advantages of selling through official selling points. It has also made local actors understand the need for traceability and transparency in the mineral value chain and it has made them more aware of their rights and obligations of the state vis-à-vis the population. In this sense, capacity building has the potential to indirectly curb corrupt practices and opacity that marks the sector, provided that this awareness will be turned into concrete mechanisms and systems that can enhance transparency and accountability. In addition, capacity building on all levels has contributed to mine conversion. This entails the transformation from illegal to legal extraction and illegal mine sites getting access to legal markets. However, there are a lot of barriers inherent to the institutional design of the DRC’s extractives sector that prevent mine conversion to be sustained and expanded.

However, according to respondents, external actor capacity building in the DRC’s extractives sector has also led to negative, unintended consequences, one of which is the so-called substitution effect. The substitution effect occurs when external actors take over tasks and responsibilities that are originally assigned to the state, thereby taking away this responsibility from the state. Another important negative consequence is that in some cases, capacity building has resulted in a disruption of traditional systems, which led to tensions, dissatisfactions and sometimes even an increase in violence.

When assessing whether and to what extent external actors can compensate for weak domestic institutions, it became clear that there are a lot of different aspects that limit the ability of external actors to do so. These are related to the institutional design of the DRC’s extractives sector, in which the legacy of the colonial period and past conflicts are highly visible. The DRC’s institutional framework is significantly flawed by state fragility, high levels of corruption, and a dysfunctional tax administration and security sector. Moreover, because capacity building projects tend to be rather technocratic, according to respondents, they fail to address underlying forces that maintain this institutional framework. And, the substitution effect may jeopardize the sustainability of results of capacity building projects. As already suggested in the state-building literature, high level political leadership and will are necessary conditions for capacity building programs to be able to flourish. According to several respondents, the political commitment in the DRC at this moment lacks, however. Finally, there are some important contextual issues that distinguish the case of the DRC from other mineral-rich countries, such as the size of the country, the deplorable state of its infrastructure and the lack of a long-term vision among political leaders and among the population.

These conclusions imply that external actors are significantly limited in their efforts to build the capacities of local actors and to compensate for weak institutions by domestic restraints. In other words, the notion that the DRC is internally disrupted impedes capacity building programs to flourish. On the short term and on a local level, capacity building programs can have positive
results and can improve the situation regarding transparency and traceability. Yet, the factors outlined above restrain programs to be scaled and to have an impact beyond the level of the mine site. For capacity building programs to have significant results on the long term, however, isolated implementation is not sufficient. The most important finding of this research is that capacity building has to be implemented at different levels, in multiple layers of society and in various sectors simultaneously. In other words, it needs a more systemic approach. If not, progress that is made through capacity building projects will be offset by faults further along the system, whether it is a corrupt police officer or a member of a rebel group imposing a road block. Respondents are positive that through a systemic approach, capacity building may cause a shift in norms and values regarding how society is designed, what is expected from the government vis-à-vis the population and vice versa, and how the government can be held accountable if they do not comply with these expectations.

7.2 Recommendations
The conclusion that capacity building cannot be done in isolation, but should have a more systemic, multi-level approach, implies that there might be a need for increased donor coordination with regards to capacity building in the extractives sector. The current situation does not allow for much cooperation and coordination between the various stakeholders and organizations involved. This might be difficult due to the contextual issues that were discussed before, but it is something that deserves more attention, both in praxis and in future research.

A recommendation for further research could be, for example, to look into the effectiveness of partnerships as opposed to singular organizations in addressing issues such as corruption, transparency and accountability. Based on the conclusion of this study, we would expect partnerships that adopt a more systemic approach to be more effective than organizations that engage in only one specific part of capacity building.

Moreover, the aspect of unintended negative consequences of external actor capacity building, that was only mentioned shortly in this study, deserves more attention. Research has already been conducted on the impact of formalization efforts, for example Section 1502 of the Dodd Frank Act, on local miners (Geenen: 2012; Seay, 2012). However, the notion that also small-scale civil society capacity building can have negative consequences remains underexposed. In chapter 5.3.4 it was mentioned that even small-scale changes can significantly impact people’s traditions and ways of life. Whereas training the local civil society and organisations on transparency issues and formalization practices often seems like a no-regret measure, it may just as well disrupt a traditional system as it fundamentally changes people’s lives. This may cause dissatisfaction among local civil society and hereby contributes to an increase in violence, rather than provide a solution to it. This is something that could be investigated more in-depth.

Related to the previous point, the results of these technical skills trainings and awareness-raising campaigns in terms of absolute numbers of people who take concrete action to hold the government accountable or of civil servants reporting more accurately on mining companies’ tax obligations remain unclear. It was mentioned by some respondents that these policies are
helpful, but that they can only have an effect if they are actually followed up by concrete practices. Future research could focus on the question how this develops.

Furthermore, and looking further ahead, it will be interesting to see the developments in the run up to the elections in the DRC that are scheduled for the end of 2018. As this research has concluded, the political environment is a great determinant of the success or failure of external actor capacity building and their efforts to reduce corruption and opacity in the sector. The question is whether the elections will give momentum to a reform candidate or whether newly elected president will continue the practices of his or her predecessors. Even then, the question remains whether a reform candidate can change the underlying norms and values that are so deeply embedded in the DRC’s society. In the years ahead, this is an important question for future researchers to consider.
Bibliography


Appendices

Appendix I: List of interviewees

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<thead>
<tr>
<th>Respondent #</th>
<th>Name</th>
<th>Organisation</th>
<th>Position</th>
<th>Date Interview</th>
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<tr>
<td>Respondent #1</td>
<td>Virginie Bahon</td>
<td>Valcambi (gold smelter)</td>
<td>Head of corporate affairs and communications</td>
<td>14/05</td>
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<td>Respondent #2</td>
<td>Holger Grundel</td>
<td>Levin Sources (consultancy)</td>
<td>Senior manager Good Governance</td>
<td>23/05</td>
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<td>Respondent #3</td>
<td>Lotte Hoex</td>
<td>IPIS Research (research institute)</td>
<td>Researcher</td>
<td>25/05</td>
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<td>Respondent #4</td>
<td>Louis Marechal</td>
<td>OECD</td>
<td>Policy advisor extractive industries</td>
<td>30/05</td>
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<tr>
<td>Respondent #5</td>
<td>Karen Hayes</td>
<td>Pact (NGO)</td>
<td>Vice president Mines to Markets program</td>
<td>31/05</td>
</tr>
<tr>
<td>Respondent #6</td>
<td>Victoria Reichel</td>
<td>IMPACT (NGO)</td>
<td>Project coordinator</td>
<td>6/06</td>
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<td>Respondent #7</td>
<td>Leopold von Carlowitz</td>
<td>Gesellschaft für Internationale Zusammenarbeit (GIZ)</td>
<td>Policy advisor extractive industries</td>
<td>6/06</td>
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<td>Respondent #8</td>
<td>Dirk Jan Koch</td>
<td>Dutch Ministry of Foreign Affairs</td>
<td>Former Special Envoy on Natural Resources</td>
<td>11/06</td>
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<td>Respondent #9</td>
<td>Inga Petersen</td>
<td>United Nations Environment Programme (UNEP)</td>
<td>Senior extractives advisor</td>
<td>26/06</td>
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<td>Respondent #10</td>
<td>Stefan Bauchowitz</td>
<td>Gesellschaft für Internationale Zusammenarbeit (GIZ)</td>
<td>Policy officer</td>
<td>27/06</td>
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<td>Respondent #11</td>
<td>Taylor Kennedy</td>
<td>RESOLV (NGO)</td>
<td>Program manager</td>
<td>3/07</td>
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<td>Respondent #12</td>
<td>Kady Seguin</td>
<td>IMPACT (NGO)</td>
<td>Interim technical director</td>
<td>5/07</td>
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<td>Respondent #13</td>
<td>Maarten Heetderks</td>
<td>Dutch Ministry of Foreign Affairs</td>
<td>Country coordinator DRC</td>
<td>9/07</td>
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<tr>
<td>Respondent #14</td>
<td>Catherine Picard</td>
<td>TetraTech (consulting and engineering firm)</td>
<td>Chief of Party, Capacity Building for a Responsible Minerals Trade (CBRMT)</td>
<td>11/07</td>
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<td>Respondent #15</td>
<td>Polycarpe Kumasamba</td>
<td>TetraTech (consulting and engineering firm)</td>
<td>Field training coordinator Capacity Building for a Responsible Minerals Trade (CBRMT)</td>
<td>12/07</td>
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<td>Respondent #16</td>
<td>Jan-Pieter Barendse</td>
<td>Dutch Ministry of Foreign Affairs</td>
<td>Head of Raw Materials Unit</td>
<td>16/07</td>
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<td>Respondent #17</td>
<td>Prosper Lu'undo</td>
<td>Dutch Ministry of Foreign Affairs</td>
<td>Policy officer economic and development affairs</td>
<td>28/07</td>
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<td>Respondent #18</td>
<td>Jimmy Munguriek</td>
<td>Secretary with 'Cadre de Concertation de la société civile de l'Ituri sur les Ressources Naturelles' (civil society organization)</td>
<td>Policy officer</td>
<td>15/08</td>
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<tr>
<td>Respondent #19</td>
<td>Fabien Mayani</td>
<td>Cordaid (NGO)</td>
<td>Coordinator Strategic Partnership Program Lobby and Advocacy DRC office</td>
<td>16/08</td>
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</table>
Appendix II: Interview questions

Introduction research

I will first introduce myself. My name is Manon Dees and I am a master student at the Radboud University in Nijmegen. For my master thesis, I am conducting a research on capacity building initiatives in mineral-rich countries and in the DRC in particular. This interview is part of the data collection.

Before we start, would you mind if I record this interview for the purpose of this research? This is entirely optional. It is also possible for you to turn off the recorder at any point, if you would like to speak about something off the record.

Introduction questions

- Could you tell me about your professional background and the responsibilities in your current role?

Context and background resource curse

One central concept in my research is the ‘resource curse’. This entails the idea that some countries that are rich of natural resources stay behind in their economic development and that they are more prone to civil war and authoritarianism.

- What, in your opinion, would be required to mitigate the resource curse?

Context and background DRC

My research is a case study on the role of minerals in the situation in the DRC. The role of so-called ‘conflict minerals’ is a focal point in the foreign and development policy that is aimed at the DRC.

- What, in your opinion, are the main reasons for this conflict?
- To what extent do you think minerals are a great determinant of the conflict in the DRC?

Role of external actors

The international community is working to mitigate the conflict in the DRC and specifically the role of natural resources in this.

- What should the role of external actors look like in the mitigation of this conflict?

Role of institutions

One way in which external actors are involved in the mitigation of the resource curse is through institution building. A famous example is the EITI.

- Could you reflect on institution building programs in the context of the resource curse?
  - Do they seem to be effective?
  - What are their advantages and disadvantages?
Role of capacity building programs
Another way in which external actors engage in the mitigation of the resource curse is through capacity building activities.

- What, according to you, does capacity building entail?
- In what does capacity building differ from institution building?
- Could you reflect on individual, organisational and institutional capacity building programs in the context of the resource curse?
  - Do they seem to be effective?
  - What are their advantages and disadvantages?
- To what extent have individual, organisational and institutional capacity building programs contributed to the following points:
  - The creation of partnerships for improved regulations, technical provision, access to markets and financial support;
  - The creation of coalitions of downstream, midstream and upstream actors;
  - The pooling of financial and technical resources;
  - Communities and (local) governments supporting better regulations and the adoption of good mining practices;
  - Mines having access to legal markets as well as the ability to produce responsibly?

Specific characteristics of capacity building initiatives
One thing that is often referred to when speaking about capacity building initiatives, is their rather technocratic character.

- To what extent do you agree with that?
- Do you think this is a good or a bad thing and why?

I am interested in whether capacity building initiatives can have a sustainable and effective impact when domestic state institutions are unable to function.

- To what can extent capacity building organizations, in your opinion, be regarded as legitimate political actors?
- To what extent are capacity building organizations able to provide essential services and goods to the population that would have otherwise been provided by the government?
- Are there certain prerequisites that need to be fulfilled before capacity building programs are able to work effectively?
- Is there a certain political, socio-economic or institutional environment needed for capacity building programs to be able to work effectively?
- Should capacity building programs be seen as programs on themselves or can they only function if they are accompanied by more institutional changes?
- One critique of capacity building initiatives is that they have difficulty addressing the underlying socio-political issues that are key to the resource curse
- To what extent do you think capacity building initiatives can address corruption and rent-seeking behaviour?
- To what extent do you think capacity building initiatives can address patronage?

That was my last question. Are there things that you would like to add or that you felt were missing in the questions?

- Would you like to receive the results of this research?
- Do you have suggestions on people that I could interview as well?