

AFRICA RISK CONSULTING

DRC Monthly Briefing May 2025

DRC Summary 20 May 2025

The DRC and Rwandan-backed M23 rebels resume peace talks in Doha (Qatar) on 3 May, as part of a diplomatic effort to end fighting in the country's war-torn east. The International Monetary Fund (IMF) reaches a staff-level agreement with authorities on the first review of the DRC's three-year economic and financial programme under its Extended Credit Facility (ECF), but flags that the escalation in fighting in the eastern DRC has strained the country's public finances. United States-based KoBold Metals on 7 May reaches a preliminary deal with the Australian miner, AVZ Minerals, to move forward with the development of one of the world's largest hard rock lithium deposits in the DRC.

Congo and M23 rebels resume peace talks in Doha...

DRC and **Rwandan**-backed **M23** rebels reportedly resumed peace talks in **Doha (Qatar)** on 3 May as part of a diplomatic effort to end the conflict in DRC's east.¹ Both parties last met in Qatar in April to negotiate a deal that would bring an end to fighting that has left more than 7,000 people dead, displaced at least 30,000 and given the rebels control of vast mineral-rich hubs of **Goma (North Kivu Province)** and **Bukavu (South Kivu Province)**. Media reports indicate talks are being "*held in positive atmosphere*" and both sides are optimistic about the dialogue.² However, two M23 sources have told the media that the rebels sent a lower-level delegation than in the earlier round last month and also complained that the government's delegation was not empowered to make any decisions in Doha.³ They further noted that authorities had not done enough on confidence-building measures, such as the release of suspected M23 members imprisoned in the DRC.⁴ A government source in President **Felix Tshisekedi's** (2019-present) office said the government's priority was peace and it was open to amnesty in certain cases.⁵

These developments come a day after **United States (US)** President **Donald Trump's** (2025-present) senior adviser for Africa, **Massad Boulos**, said that the DRC's and Rwanda's governments have submitted a draft peace proposal aimed at ending the conflict and unlocking significant **Western** investment.⁶ However, neither Congolese nor Rwandan officials have publicly confirmed doing so and Rwandan foreign minister, **Olivier Nduhungirehe**, announced on 3 May that the drafts have not yet been consolidated.⁷

Almost two weeks prior at a ceremony at the US **Department of State** on 25 April, the Rwanda and the DRC's governments committed to drafting a peace agreement aimed at ending the decades of conflict between the two neighbouring countries (*see ARC Briefing DRC Apr 2025*).⁸ DRC foreign minister **Thérèse Kayikwamba Wagner**, and Nduhungirehe signed the "*declaration of principles*" with US secretary of state **Marco Rubio** as a witness, committing the countries to drafting an initial peace agreement no later than 2 May.⁹

¹ Business Live, 7 May 2025

² Reuters, 6 May 2025

³ Business Live, 7 May 2025

⁴ Business Live, 7 May 2025

⁵ Reuters, 6 May 2025

⁶ Reuters, 5 May 2025

⁷ X, 3 May 2025

⁸ Bloomberg, 25 Apr 2025

⁹ Aljazeera, 25 Apr 2025

A final peace deal would be a major step in the right direction and US involvement, as well as its possible issuance of sanctions on illicit behaviour, could lead to further progress. However, fighting is still ongoing and delays in reaching a final peace agreement could result in further deaths and displacement, as well as deepening instability in the region. Should this agreement yield tangible results, these negotiations would be viewed as an important milestone in ending the conflict.

Tshisekedi is also reportedly negotiating with **Erik Prince**, founder of US private security contractor, **Blackwater**, and a prominent Trump ally to provide security and help the DRC collect taxes from mining operations M23 captured.¹⁰ DRC is also reportedly in the process of purchasing more **Chinese** drones, further signalling that a genuine plan to cease fighting will not arrive anytime soon.¹¹ These could be seen as contingency measures in case peace talks don't succeed and could also signal that the government expects the fighting to continue.

IMF says DRC conflict with M23 straining finances...

The **International Monetary Fund (IMF)** completed a visit to **Kinshasa** on 13 May, reporting it had reached a staff-level agreement with authorities on the first review of the DRC's three-year economic and financial programme under its **Extended Credit Facility (ECF)**, noting that the programme has been "*recalibrated to reflect the new realities following the intensification of the conflict*".¹²

In its statement, the IMF noted that the escalation in fighting in the eastern DRC has strained the country's public finances due to closure of revenue collection offices in M23-controlled regions, coupled with measures to ease living costs by exempting basic foodstuffs from value-added tax and custom duties, leading to a revenue shortfall.¹³ However, the IMF believes the ECF programme will help the DRC safeguard fiscal sustainability while concurrently providing adequate fiscal space for pressing security and humanitarian needs.¹⁴

The global lender also said that increased spending has also added pressure to the budget – in March, the government doubled the salaries of soldiers and police in a bid to boost morale as M23 rebels advanced in the east.¹⁵ M23 is currently managing a parallel proxy government across the vast territories that it has captured, where it collects taxes from mining operations.¹⁶

Despite the IMF agreement, ever-increasing spending on defence is taking away much-needed funds from developmental programmes. Equally worrying is that despite a major increase in defence spending, the M23 is still more formidable and better armed than the **Forces Armées de la République démocratique du Congo (FARDC)** (DRC's armed forces).

Major US company signs deal to advance DRC lithium mine

US-based **KoBold Metals** has reached a preliminary deal with the **Australian** miner, **AVZ Minerals**, to move forward with the development of one of the world's largest hard rock lithium deposits in the DRC. KoBold, backed by US billionaires **Jeff Bezos**, **Bill Gates** and **Michael Bloomberg**, reached a framework agreement with AVZ on 7 May to buy its stake in the **Manono** deposit project which enable the US company to "*rapidly*" deploy over \$1 billion to bring Manono's lithium deposits to Western markets.¹⁷ The deal was signed by KoBold Chief Executive Officer (CEO) **Kurt House** and his AVZ counterpart, **Nigel Ferguson**.

However, the deal is subject to the resolution of multiple arbitration cases surrounding the lithium deposits, located around the southeastern town of Manono. AVZ was about to break ground on the Manono mine construction in 2023 when authorities cancelled its rights and split the permit, handing

¹⁰ Wall Street Journal, 19 Mar 2025

¹¹ Foreign Policy, 30 Apr 2025

¹² IMF, 13 May 2025

¹³ IMF, 13 May 2025

¹⁴ IMF, 13 May 2025

¹⁵ Reuters, 13 May 2025

¹⁶ Foreign Policy, 30 Apr 2025

¹⁷ Mining Weekly, 8 May 2025

part of it to China's mining giant, **Zijin Mining Group**.¹⁸ AVZ said in 2020 that it planned to build a mine capable of producing about 700,000 tonnes of lithium concentrate a year for two decades, making it the largest operation of its kind outside Australia.¹⁹

Ferguson and House said in their letter that AVZ is willing to suspend arbitration proceedings to “*facilitate discussions*” between the parties.²⁰ DRC will also need to return the mining license containing the southern section of the Manono project to KoBold for the development to proceed.²¹ KoBold also proposed a plan that will see AVZ receive compensation, while Zijin continues developing a mine in the northern portion of the Manono deposit.²² It is understood that KoBold and AVZ are reportedly working on the arrangement with US and Congolese governments.²³

The KoBold-AVZ deal comes after Tshisekedi met on 3 April with Boulos to discuss potential US investment and security assistance in the DRC's fight against Rwanda-backed M23 (see above). The development also comes roughly three months after Tshisekedi requested an urgent meeting with Trump to offer the US exclusive access to critical mineral and infrastructure projects in exchange for security assistance (see *ARC Briefing DRC Mar 2025*). While talks between the two countries are ongoing, Boulos said on 17 April that he and Tshisekedi had “*chartered a path forward*” for a minerals pact.²⁴ Boulos also said that the US intends to support the DRC by encouraging private-sector investment as well as by using government agencies, including the US **International Development Finance Corporation (DFC)** and US **Export-Import (EXIM) Bank**,

*“These institutions are fully prepared to support the private sector in Africa, whether in mining or other sectors, but especially in infrastructure”.*²⁵

Although US mining companies last operated in the DRC in 2016, KoBold's deal with AVZ signals that Tshisekedi's push for greater US involvement in the DRC is beginning to pan out. The DRC is vital to the US' strategy to compete in the critical minerals race with China, which dominates the Congo's mining sector and operate the majority of DRC's mines, a key component in China's dominance in critical minerals. Besides lithium, the DRC produces more than 70% of the world's cobalt, which is used for batteries in electric vehicles and phones. The country also has significant reserves of elements such as germanium, used in semiconductors.

However, major doubts remain about whether a minerals deal with the US and greater US involvement in the DRC will easily resolve hostilities in country. Lasting peace will require a comprehensive approach that addresses the root causes of conflict, including political, economic, and ethnic tensions, as well as improved governance and security. Without such systemic changes, the cycle of violence and unrest may continue despite the minerals deal.²⁶

Planner

2025 (DRC) Constitution review process to start;

2025 Kinshasa (DRC) Withdrawal of the **Southern African Development Community (SADC) Mission in the Democratic Republic of Congo (SAMIDRC)** peacekeeping forces from DRC;

Chronology

¹⁸ Mining Weekly, 8 May 2025

¹⁹ Bloomberg, 7 May 2025

²⁰ Mining Weekly, 8 May 2025

²¹ Bloomberg, 7 May 2025

²² Bloomberg, 7 May 2025

²³ Mining Weekly, 8 May 2025

²⁴ Financial Times, 27 Apr 2025

²⁵ Capital FM Kenya, 17 Apr 2025

²⁶ ARC source, local resident, Kinshasa

19 May 2025 **Kinshasa (DRC)** *IOL*. The **South African National Defence Force (SANDF)** confirms that the withdrawal of the **Southern African Development Community Mission in the Democratic Republic of Congo (SAMIDRC)** contingent from the DRC is underway;

18 May 2025 **Goma (DRC)** *News24*. **South African** soldiers are reportedly still stranded in Goma as their transport has still not arrived, with the blame partly blamed on a lack of funds;

16 May 2025 **Kinshasa (DRC)** *TimesLive*. **United States** President **Donald Trump's** senior adviser for Africa, **Massad Boulos**, says he spoke with the presidents of **Rwanda** and the DRC about a draft peace deal this week, and Washington is awaiting final feedback on the draft agreement;

14 May 2025 **Kinshasa (DRC)** *Africa News*. **Autorité de Régulation et de Contrôle des Substances Minérales Stratégiques** (strategic minerals regulation agency) head **Patrick Luabeya** says the DRC may impose limits on cobalt exports after its current four-month ban, aimed at addressing global oversupply and falling prices, ends;

11 May 2025 **Kasaba (DRC)** *Reuters*. Flooding in the village of Kasaba (**South Kivu Province**) kills at least 100 people;

11 May 2025 **Kinshasa (DRC)** *Business Live*. **M23** rebels, operating as the new administration of **South Kivu Province**, order gold mining company **Twangiza Mining** to suspend operations immediately following a tax dispute;

8 May 2025 **Kinshasa (DRC)** *Bloomberg*. **International Conference on the Great Lakes Region** says it will investigate a formal claim by the DRC that **Rwanda** is pillaging its minerals and fuelling a conflict that has killed thousands of people and displaced more than a million others;

6 May 2025 **Kinshasa (DRC)** *Bloomberg*. **Zambia** approves the construction of a \$270m high-voltage transmission line to link its copper rich North-Western province to the DRC;

5 May 2025 **Kinshasa (DRC)** *Reuters*. **United States (US)** president **Donald Trump's** senior adviser for Africa, **Massad Boulos**, says DRC's and **Rwanda's** governments have submitted a draft peace proposal aimed at ending conflict in eastern DRC and unlocking significant Western investment but Rwandan officials note the drafts have not yet been consolidated;

3 May 2025 **Kinshasa (DRC)** *Bloomberg*. The DRC will allow **United States (US)**-based satellite internet service company **Starlink** to operate in the country, a change in policy amid talks with the US about a minerals-for-security partnership;

2 May 2025 **Kinshasa (DRC)** *Bloomberg*. **Zambia** and **Zimbabwe** are ramping up efforts to secure investment for the long-delayed \$5 billion **Batoka Gorge** hydropower project, as they revive a controversial plan to potentially source water from the DRC;

1 May 2025 **Kinshasa (DRC)** *BBC*. DRC's military prosecutor is seeking to lift former President **Joseph Kabila's** immunity from prosecution after accusing him of backing **M23** rebels in the east;

1 May 2025 **Kinshasa (DRC)** *Reuters*. **United States (US)** President **Donald Trump's** senior advisor for Africa, **Massad Boulos** says the US is pushing DRC and **Rwanda** to sign a peace accord in about two months, accompanied by a bilateral minerals deal that would bring billions of dollars of Western investment to the region;

29 Apr 2025 **Kinshasa (DRC)** *Daily Maverick*. **South African, Tanzanian** and **Malawian** troops began withdrawing from their bases in eastern DRC after being trapped for three months, with the hope of a complete withdrawal by the end of June;

29 Apr 2025 **Kigali (Rwanda) Reuters. Rwanda** escorts troops of a **Southern African** force through Rwandan territory to **Tanzania** as it pulls out of eastern DRC, as the **Southern African Development Community (SADC)** begins a phased withdrawal;

29 Apr 2025 **Kigali (Rwanda) Reuters. Belgium** is open to deeper involvement in the DRC's minerals sector as it seeks to diversify its investment partners;

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

ARC's core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

www.africariskconsulting.com

About ARC Briefing:

ARC Briefing is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

ARC Briefing is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

www.africariskconsulting.com

Getting in touch

Please contact us by email info@africariskconsulting.com

Africa Risk Consulting (ARC) Pty Ltd expressly forbids the collection of information and content from ARC Briefing as data to train generative artificial intelligence models.

© Africa Risk Consulting (ARC)