

## AFRICA RISK CONSULTING

### Country briefing – Democratic Republic of the Congo

25 November 2013

## Summary

*Forces armées de la République démocratique du Congo achieves total military victory over the Mouvement du 23 Mars (M23) insurrection. A lack of consensus about amnesties and integration raises risk of resumption of violence. The International Criminal Court says that it will deliver judgment in the case against Germain Katanga in February 2014. The government is to increase spending by 4.9% to 7.6 trillion francs (\$8.2 billion) in 2014.*

### 1.1 Army defeats M23 after rapid offensive

In a boost to Congolese president **Joseph Kabila**, the **Forces armées de la République démocratique du Congo (FARDC)** secured a total military victory over the **Mouvement du 23 Mars (M23)** insurrection.<sup>1</sup> While this is a key milestone towards obtaining stability in the east of the country, the presence of other armed militia and uncertainty about what to do with M23 members means that this will remain a long process subject to setbacks.

*"It's all very well to win the war, but now you have to win the peace. This involves dismantling the M23's networks of support and addressing spoilers, and addressing land and citizenship grievances. This will undoubtedly take time."*<sup>2</sup>

The military push started on 25 October, several days after peace talks in **Kampala** ended once more in an impasse. The talks stalled over two key issues: who gets amnesty and who is integrated into the Congolese army.<sup>3</sup> The Congolese government has agreed to allow M23 combatants to reintegrate into the army and accepted the need for an amnesty. Most of the rank and file are under **Ugandan** custody in the district of **Kasese**. The Congolese government has ruled out integration and amnesty for the group's senior leadership, which led to their refusal to sign an expected peace agreement on 11 November. Among those is **Sultani Makenga**, the M23 military leader, who has been under **United**

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<sup>1</sup> IRIN, 1 Nov 2013

<sup>2</sup> Source, post- conflict specialist

<sup>3</sup> Daily Monitor, 20 Oct 2013

**Nations (UN)** and **United States (US)** sanctions since late 2012. He surrendered on 7 November in Uganda.<sup>4</sup> While the International Criminal Court is yet to issue an arrest warrant for Makenga, if they did so, it would put Uganda in a difficult position. Ugandan president, **Yoweri Museveni** is supporting **Uhuru Kenyatta's** campaign against the ICC's case against the **Kenyan** president.

Several previous military campaigns in Congo's eastern provinces failed. This campaign succeeded for the following reasons:

- The changed mandate of the **Mission de l'Organisation des Nations Unies pour la stabilisation en République démocratique du Congo (MONUSCO)** and the newly formed **Foreign Intervention Brigade (FIB)**. Previously international forces were hamstrung by limited rules of engagement that made it impossible to constrain militant groups. **United Nations Security Council** resolution 2098 created the FIB with a more aggressive mandate to actively pursue and neutralise militant groups. Both MONUSCO and the FIB have interpreted their mandate under Resolution 2098 as broadly as possible.<sup>5</sup> The FIB, consisting of **South African, Malawian** and **Tanzanian** forces, has only been at full brigade strength since October 2013.<sup>6</sup>
- Effective coordination between domestic and international forces. During the offensive, the FIB were based in **Kiwanja, Munigi/ Kibati** and **Rutshuru** while FARDC infantry and heavy artillery battalions were concentrated near Kibati, Kiwanja and **Virunga**. The FARDC assault began on M23 positions on the strategic hill of **Kanyamahoro**, near **Kibumba**, which overlooks the main Route National 2 leading from **Goma**, the capital, to **Kibumba** province. This allowed the FARDC to encircle and dislodge the M23 from strongholds of Kibumba, **Rumangabo** and Rutshuru in **North Kivu**.<sup>7</sup> The operation forced the M23 to abandon its heavily fortified positions in North Kivu. M23 had only recently reinforced these positions after heavy fighting with Congolese forces resumed in August.
- **Belgian** special forces have supported efforts to reform and retrain the historically notoriously corrupt and underfunded FARDC.<sup>8</sup>

The FIB and MONUSCO are not letting up. In December, MONUSCO will deploy Falco unmanned aerial vehicles which will increase the number of South African Rooivalk attack helicopters in Goma from

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<sup>4</sup> AFP, 7 Nov 2013

<sup>5</sup> Source, post- conflict specialist

<sup>6</sup> MONUSCO dispatch, 21 Oct 2013

<sup>7</sup> IRIN, 1 Nov 2013

<sup>8</sup> Source, senior mining executive



two to three.<sup>9</sup> This aerial force is mainly to deter Rwanda and Uganda from resuming proxy support to militias.

## 1.2 FARDC is an increasingly effective force

Following the loss of Goma in November 2012, Kabila replaced most of his regional commanders with a trusted cadre led by Major General **Bahuma Ambamba**, creating a more effective fighting force able to advance at speed. The reforms seem to have introduced a degree of professionalism into the FARDC whose loyalty to the president had been questioned. The lack of effective reform in the FARDC has left a disjointed and dysfunctional military.<sup>10</sup> This has not only been blamed for the original defections but has raised questions about whether the DRC is in a position to respond to the threat in the east. The integration of former rebel groups into the military has resulted in parallel command structures and factional conflicts along ethnic lines; soldiers often answer to their former commanders and political leaders rather than their formal superiors.<sup>11</sup> Largely unpaid, many soldiers turn to extortion, while corruption is equally prevalent in the upper echelons of the military.<sup>12</sup>

In February, a source warned that there was the very real risk of a coup should a young FARDC officer act as its figurehead.<sup>13</sup> Problems remain: the Congolese and the M23 do not yet have an agreement on the practicalities of integration. The M23 insurrection has its roots in a failed attempt in 2009 to integrate rebel group **Tutsi Congrès national pour la défense du peuple (CNDP)** into the FARDC.<sup>14</sup> In April 2012, the CNDP broke away from the FARDC forming the M23 under the leadership of **Rwandan** national **Bosco Ntaganda**.

## 1.3 Presence of other groups will provide continued risk of instability

The FIB and MONUSCO have said they will now try to counter the **Allied Democratic Forces (ADF)** and the **Forces démocratiques de libération du Rwanda (FDLR)**.<sup>15</sup> These may prove harder to dislodge. The M23 had previously been a well-structured and disciplined fighting force with clear chains of command thanks to the training received under the patronage of the Rwandan

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<sup>9</sup> <http://www.africandefence.net/drones-and-rooivalk-to-the-drc/>

<sup>10</sup> The Eastern Congo Initiative, 2012

<sup>11</sup> Open Society Initiative for Southern Africa, 2012

<sup>12</sup> BTI Country Report, 2012

<sup>13</sup> Source, senior mining executive

<sup>14</sup> *ibid*

<sup>15</sup> Reuters, 22 Nov 2013

government.<sup>16</sup> Its speedy defeat points out that **Rwanda** may have already withdrawn its military and logistical support. The **Hutu** extremist group FDLR composed of remnants of Rwandan *genocidaires* is well trained and well-armed, but has been hit by a series of defections since the Congolese and Rwandan military offensive in 2009.<sup>17</sup> A MONUSCO report into the ADF warns that group is armed with both ground to air weapons and artillery. The same report says that during a recent ADF attack in eastern DRC, each small group of ADF fighters included “*one bearded man who was speaking Arabic*”. The **Ugandan** government and the UN accuse the ADF of links with Islamist extremist terrorist group **al Shabaab**. There is also a plethora of smaller armed militias, many of which are splinters from the FDLR.

#### 1.4 Germain Katanga to hear judgment in February 2014

The ICC on 19 November said that it would deliver judgment in the case against **Germain Katanga** on 7 February 2014.<sup>18</sup> Should the ICC release the former commander of the **Force de résistance patriotique en Ituri (FRPI)**, it would increase tensions in the eastern DRC. Katanga retains influence in the region and, if able to return, would have political ambitions.<sup>19</sup> The ICC prosecution accuses Katanga of war crimes, including the use of child soldiers, and crimes against humanity, including murder and rape. The FRPI was drawn from the **Lendu** and **Ngiti** ethnic groups and is suspected of carrying out massacres against the **Hema**. In December 2004, the Congolese army integrated Katanga and other militia leaders to end the conflict but he was arrested the next year. His trial started in November 2009 but has been hit by a series of delays. In December 2012, the ICC acquitted his co-accused **Mathieu Ngudjolo Chui** after judges said that prosecutors had failed to prove his active involvement in the massacres.<sup>20</sup> It was the first time that the ICC acquitted a suspect.

#### 1.5 Government says it will increase spending in 2014

In a cabinet statement on 20 November, the government said it was to increase spending by 4.9% to 7.6 trillion francs (\$8.2 billion) in 2014.<sup>21</sup> The budget reflects prime minister **Augustin Matata Ponyo's** relatively tight fiscal policy. The **International Monetary Fund (IMF)** has praised his efforts to streamline government, reform the economy and harness the growth of the mining sector.<sup>22</sup> The budgetary statement said that the decision was taken on the back of forecast economic growth of

<sup>16</sup> Source, senior mining executive

<sup>17</sup> <http://www.enoughproject.org/files/TakingBackEasternCongo-report.pdf>

<sup>18</sup> ICC press release, 19 Nov 2013

<sup>19</sup> Source, senior mining executive

<sup>20</sup> ICC press release, 18 Dec 2012.

<sup>21</sup> IOL, 20 Nov 2013

<sup>22</sup> BBC, 19 Apr 2013

8.7% and estimated inflation of 3.7%. The growth forecast is more conservative than an IMF prediction of 10.5% made in October.<sup>23</sup> It is, however, higher than average economic growth for the past three years which stands at 7.3% and the IMF estimate for the period 2014- 2018 which is 6.12%. Ponyo's inflation figures are ambitious, and considerably higher than IMF projections. The DRC has reined in its inflation from 15.5% in 2011 to 9.34% in 2012 and 6.83% in 2013. However, the IMF forecasts inflation of 8% in 2014 and an average inflationary rate of 7.6% for 2014-2018. Whether or not these forecasts are met will depend on the government overcoming inadequate power supplies and other infrastructure deficits that have dampened growth in output from the mining sector. The budget said that funds would be channelled into the mining and oil sectors, without providing further information. In a long awaited move, the Senate on 15 November 2013 voted to end the monopoly of the state owned **Société Nationale d'Électricité (SNEL)**, after the *assemblée nationale* passed the electricity sector liberalisation bill.<sup>24</sup> The legislation allows for the entry of private generation and distribution companies into the sector and should attract much needed investment. The bill comes one month after the prime minister announced plans to invest about \$50 billion in power generation for domestic consumption and regional export. This is a bid to reverse the disinvestment that has taken place in the power sector. President Joseph Kabila's second term inertia and indecision has seen international companies mothball or disinvest from power generation projects. A number of projects like the \$80 billion **Inga** dams have failed to materialise.

## 2 Implications

The international, regional and domestic forces' victory over the M23 and planned action against other militia groups in eastern DRC is a cause for nationwide optimism. Renegade military and militia groups have committed human rights abuses on a grand scale and have rendered these eastern provinces zones of lawlessness. They have prevented the DRC from normalising politically even after the country's first two presidential and legislative elections after 40 years of dictatorship between 1960 and 2003.

International rating agencies have maintained the DRC's national political and security risk ratings at High because of this near-continuous conflict in the North and South Kivu Provinces. These risk ratings have made it difficult for foreign business to raise capital and have acted as a disincentive to foreign investment. Most affected is the vast country's west and south that are largely unaffected by

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<sup>23</sup> World Economic Outlook

<sup>24</sup> Radio Okapi, 16 Nov 2013



conflict in the east. This is most notably true of the comparatively stable, mining-rich southern Katanga province.

Further, in response to the illicit mining and other business sidelines of these renegade military and militia leaders, the US has already imposed regulations on mineral exports from nine countries surrounding the DRC, while the **European Commission** is considering similar measures. The US **Dodd Frank Act** requires all mineral export companies operating in any of these nine countries to certify that none of the minerals they sell benefit eastern DRC warlords. This adds to the regulatory burden and cost of mineral exports in a time of price uncertainty.

However, it is too early to claim the insurgency is over for good; this will require a political solution. Although the M23 defeat will increase domestic confidence in the FIB and their success may prompt other armed groups to enter a negotiated settlement, until a permanent agreement is reached, these bands of fighters may attempt to regroup. The FIB and the FARDC should now have capacity to prevent the resumption of widespread violence. But the risk of sporadic attacks on FARDC, UN and commercial assets in the eastern DRC will remain high. Should the ICC release Katanga, the risks of renewed political violence will increase further.