

AFRICA RISK CONSULTING

Country briefing – DRC

20 December 2013

1. Summary

The government and M23 rebels agree on terms and sign an 11-point peace deal. The international community is concerned that other armed factions will increase activity following the M23's defeat. The International Committee of the Red Cross (ICRC) oversees the return of displaced people in Eastern DRC. Underfunding of the UN's World Food Program affects 300,000 people. Government grinds to a halt as President Joseph Kabila suspends all decision making in October pending a reshuffle and fires his education minister for attempting to introduce policy. The United States considers funding the \$12 billion Inga III hydropower project.

1.1. *The government and M23 rebels sign peace deal*

After weeks of negotiation following the surrender of the **M23** rebels last month (see *ARC DRC November 2013 Briefing*) the government signed a peace deal on 12 December with M23 rebels at State House in **Nairobi, Kenya**. The two parties had disagreed over the terms of the agreement, including its nomenclature - DRC negotiators wanted to call it a declaration and not a peace agreement to reflect the rebels' defeat.¹ Another point of contention was whether the government would grant a blanket amnesty to M23 leaders and fighters.² **Ugandan** President **Yoweri Museveni** and President **Joyce Banda** of **Malawi** signed the landmark deal in which both parties agreed on 11 points contained within two declarations.³ The government committed itself to granting amnesty to M23 members for acts of war and insurrection. However, it will not grant amnesty to those who committed “*war crimes, crimes of genocide and crimes against humanity, including sexual violence, recruitment of child soldiers and other massive violations of human rights.*”⁴ It also committed to giving favourable consideration to a request from the M23 to form a political party. Both parties have

¹ Reuters, 12 Dec 2013

² TheEastAfrican, 14 Dec 2013

³ Reuters, 12 Dec 2013

⁴ Declaration at the end of Kampala talks, 12 Dec 2013



committed to implementing transitional security arrangements, predominantly in the “*disarmament, demobilization and social reintegration of the M23 combatants.*”⁵

Both parties will be involved in the return and resettlement of refugees and internally displaced persons but the logistics of implementing this point are difficult. The government has committed to allocating 40% of national revenue to the implementation of socio-economic structural and institutional reforms.⁶ However, conflict and aid financing agendas frequently cause these figures to be inaccurate. An estimated 2.6 million people are internally displaced in the DRC, while 290,000 refugees have fled the country since the start of last year.⁷ Decrease in aid in tandem with DRC and M23’s future attempts to return and resettle refugees will put strain on successful reintegration of displaced people and refugees in the area. The **World Food Program (WFP)** says its \$478 million plan to feed 4.2 million people in Congo through December 2015 is only 25% funded. Without more money it will be unable to help 300,000 internally displaced people in **North Kivu** province.⁸ The WFP has been providing food to 500,000 people in North Kivu but they have been forced to cut rations by half for residents in the past six months and also scale down activities in the provinces of **South Kivu, Equateur, Kasai and Orientale**. WFP food stocks in Goma will be near exhaustion in January and the next delivery of food will not be until March or April 2014.⁹

In **Rutshuru** members of the M23 have turned themselves in and displaced people are returning to their homes. In order to ensure they follow applicable rules and regulations the **International Committee of the Red Cross (ICRC)** is monitoring conditions as people try to get back to living normal lives.

Although several heads of state and government have welcomed the deal, analysts believe the declaration is not a thorough solution to conflict in the region.¹⁰ The deal’s symbolic value outweighs its practical and political implications: the declarations only superficially address important questions such as amnesty, reintegration, return of refugees, political reforms and the role of neighboring

⁵ Reuters, 12 Dec 2013

⁵ Declaration at the end of Kampala talks, 12 Dec 2013.

⁶ Reuters, 12 Dec 2013

⁶ Declaration at the end of Kampala talks, 12 Dec 2013.

⁷ UNHCR, 20 Sep 2013

⁸ The Associated Press, 3 Dec 2013

⁹ The Associated Press, 3 Dec 2013

¹⁰ IRIN, 17 Dec 2013

states.¹¹ Further, the peace deal ignores the root of the conflict and contains no commitment or mechanism to address Congolese multiple identity, ownership, belonging and resource questions.¹²

There is also concern in the international community that armed groups could fill the vacuum created by the defeat of M23. Head of **Mai Mai** militia **Kakule Muhina** in North Kivu was arrested “*after looting money, telephones and other items of value from five houses.*”¹³ UN peacekeepers uncovered evidence on 17 December of a slaughter in North Kivu province. Reports point towards **the National Army for the Liberation of Uganda** (NALU) and the **Allied Democratic Forces** (ADF) as potential perpetrators.¹⁴

Information minister **Lambert Mende** rejected concerns of other rebel groups filling the void.¹⁵ The government has urged armed groups to lay down their arms or face the same fate as the M23.¹⁶ Head of **United Nations (UN)** peacekeeping operations **Herve Ladsous** said the UN would go after other armed groups.¹⁷ Several thousand fighters have already complied with the order to lay down arms.¹⁸ However, according to a confidential UN report M23 rebels are continuing to recruit in Rwanda.¹⁹

1.2. *Political gridlock follows deal*

President **Joseph Kabila’s** (2001-present) delay in forming a new government has caused political gridlock and brought the country’s administration to a virtual standstill. “*The president’s complacency is due to his military victory over the M23....and he no longer feels pressure to make changes.*”²⁰ Kabila promised to designate a unity government at the conclusion of the **National Dialogue** which led to the peace deal. Following the announcement he told all ministers not to undertake any new decisions. Education minister **Bonaventure Tchelo** was fired when he tried to take new measures for his ministry. To avoid the same fate as Tchelo, no one in the government or any other institutions is

¹¹ IRIN, 17 Dec 2013

¹² *ibid*

¹³ Agence France Presse, 24 Dec 2013

¹⁴ UPI, 17 Dec 2013

¹⁵ Voice of America, 15 Dec 2013

¹⁶ Agence France Presse, 24 Dec 2013

¹⁷ New Vision, 4 Dec 2013

¹⁸ Agence France Presse, 24 Dec 2013

¹⁹ Reuters, 17 Dec 2013

²⁰ Source, political analyst, Kinshasa

taking any major decisions. The government is limited to running routine business.²¹ *“It is a shame that the president is not taking into account the manner in which businesses have been crippled since his lingering promise to set the country on a new course.”*²²

The president’s inner circle seems equally oblivious about the implementation Kabila’s decision. *“It is like waiting for the return of Jesus, we have all been told that Jesus will return soon, but we do not know when, if ever.”*²³ Another of his advisors claims the president has been working on the list of the new government and will reveal it at the appropriate time.²⁴ A provincial governor close to Kabila claims the president wants to help the defeated M23 save face. *“President Kabila wants an inclusive government and this calls for giving some responsibilities in the new government to some M23 who were not involved in any kind of human rights abuses.”*²⁵

Kabila has been known to promise major overhauls which never happen.²⁶

*“He made an inaugural promise in 2006 that Congolese prisons were open to all corrupt people, which never materialised. The president announced changes without a clear line of action as to how these will be implemented. What will probably happen is President Kabila will make some minor changes to appease some people, but do not expect anything important to happen.”*²⁷

2.3 United States considers funding \$12 billion hydropower project

The **United States (US)** announced in December that it is considering funding the \$12 billion **Inga III** hydropower project.²⁸ The project would be part of President **Barack Obama’s** ‘Power Africa’ initiative. The 4,800 MW²⁹ project has been in the planning stages for over 3 years in its current form and has deterred as many potential investors as it has attracted. It is expected to begin generating power by 2017/18.³⁰ The government has been seeking potential financiers since May.³¹

²¹ Radio Okapi, 20 Dec 2013

²² Source, politician

²³ *ibid*

²⁴ *ibid.*

²⁵ Source, Researcher

²⁶ Source, former diplomat

²⁷ *ibid*

²⁸ Boston Herald, 17 Dec 2013

²⁹ ESI Africa, 13 Sep 2013

³⁰ Reuters, 11 Mar 2011



South Africa committed to buying 2,500 MW of power in June but no lenders have committed to investing in the project.³² Copper mines in the **Katanga** province will take 1,300 MW and the remaining 1,000 MW will be for domestic use.

Analysts speculate that increased insecurity from the conflict in the DRC and delayed rehabilitation of **Inga I** and **Inga II** will cause the project to fail.³³ The Inga I and Inga II rehabilitation projects were originally planned to be launched in 2003 and finished by 2009. However, the rehabilitation of Inga I is only nearing completion this year and Inga II will only be completely refurbished in 2015.³⁴

The energy ministry announced in October that they wanted to choose a development group by July next year, in line with the proposed 2015 start to construction. Groups bidding for Inga III are made up of **China Three Gorges** and **Sinohydro, Posco** and **Daewoo** of **South Korea** in partnership with **Canada's SNC-Lavalin Group** and **Spain's Actividades de Construccion y Servicios** and **Eurofinsa Group**.³⁵

The US is working with **General Electric Co.** along with other companies to add 10,000 MW of power in **sub-Saharan Africa**. The DRC was not originally included in the Power Africa list of sub-Saharan countries.³⁶ The plan's budget is currently \$9 billion.³⁷ **US Development Agency** administrator **Rajiv Shah** did not specify how much the US plans to contribute.³⁸

3 Implications

The signing of a deal between the DRC government and the M23 rebels is a remarkable achievement and a major milestone in stabilising the east of the country. It significantly reduces the risk of disintegration of the country. However coordination between the two parties in implementing the points held in the declarations is crucial. If procedures are not correctly applied the symbolic value of the agreement will be tarnished. In particular, the fair implementation of humanitarian law upon

³¹ ESI Africa, 13 Sep 2013

³² *ibid.*

³³ *ibid.*

³⁴ International Rivers.

³⁵ Bloomberg, 16 Dec 2013

³⁶ *ibid.*

³⁷ *ibid.*

³⁸ Boston Herald, 17 Dec 2013

those M23 members who have been taken into custody is essential to a long term resolution. Due to the M23's desired blanket amnesty not being granted, if there is a view that the DRC government is unfairly judging M23 members the agreement would be put under strain. Efforts by the ICRC in monitoring the conditions M23 members in custody go some way to alleviating these concerns. In addition the lack of a thorough logistical plan in applying the 11 points could lead to disagreements in the coming month, fueling tension between the two parties. President Kabila's potential incorporation of M23 members into the government could aid amity. However the halt to internal government activity from the announced changes is negatively affecting business and operations. The decrease in aid in tandem with DRC and M23's future attempts to return and resettle refugees will put strain on successful reintegration of displaced people and refugees in the area.

The United States consideration in funding the Inga III project is likely due to increased Chinese involvement in African development. The US has traditionally supported the DRC and they want to solidify that position. If the funding goes through there will be an improvement in the view of investment risk in the project, causing more investors to likely follow. The construction of the project would also be a boost to the DRC's economy and future infrastructure. Power exportation to South Africa will bring in revenue and domestically allocated capacity will provide power to DRC citizens. However, given the government's inertia, previous history with regards to foreign financing of Inga III, and recent duplicity in decision-making, the 2017/2018 deadline is as unlikely to be met as previous deadlines.