

## AFRICA RISK CONSULTING

### DRC Monthly Briefing January 2016

---

#### DRC Summary 29 January 2016

*The Commission Electorale Nationale indépendante (CENI, independent national election commission) will re-register all voters in the Democratic Republic of the Congo (DRC) prior to the general election. Commentators believe that this pushes the date of the election well beyond the constitutional limit of November 2016. Opposition groups boycott a national dialogue and plan protests for February in response. The opposition sees the decision as President Joseph Kabila (2001-present) extending his time in office. A number of mining deals take place in January with Randgold Resources and state-owned Gécamines announcing new projects. The Mission de l'Organisation des Nations Unies pour la Stabilisation en RDCongo (MONUSCO) resumes cooperation with the Forces Armées de la RDC (FARDC) to carry out operations against the Forces démocratiques de libération du Rwanda (FDLR) in eastern DRC.*

---

#### CENI goes ahead with voter registration as electoral timetable slips beyond 2016

The **Commission nationale électorale indépendante (CENI)** (independent national election commission) announced on 28 January that it would renew the electoral register in the **Democratic Republic of the Congo (DRC)**.<sup>1</sup> The news follows a month of opposition activism against President **Joseph Kabila** (2001-present) to prevent him extending his mandate beyond the November 2016 election date.<sup>2</sup>

A leaked internal memo from CENI shows that a slippage in the electoral timetable is inevitable now this exercise is taking place.<sup>3</sup> A partial revision of the list will take 13 months and 10 days and will cost approximately \$123m.<sup>4</sup> A total revision of the list will take approximately 16 months and 1 day and will cost between \$202m and \$290m.<sup>5</sup> A CENI official told the media that the process could be quicker depending on CENI's resources:

*"If we have a higher number of [voter registration] kits and had more registration centres open then enrollment will take less time."<sup>6</sup>*

Politicians from across the political spectrum agree that the revamp of the electoral list needs to happen. The current list excludes an estimated 7 million young people who have reached voting age since the 2011 election. A revised list would also allow millions of other unregistered voters onto the list.<sup>7</sup> The present electoral list contains an unknown number of double registrations and false registrations.<sup>8</sup> CENI estimates that a partial revision would add 17 million people to the list, and a total revision could add as many as 40 million.<sup>9</sup> CENI has downplayed the leaked memo as *"only an internal discussion paper"*.<sup>10</sup> However, there are 10 months to go before the election in November,

---

<sup>1</sup> CENI press release, 28 Jan 2016.

<sup>2</sup> Congosiasa, 19 Jan 2016.

<sup>3</sup> Leaked CENI document 14 Jan 2016.

<sup>4</sup> Leaked CENI document 14 Jan 2016.

<sup>5</sup> Leaked CENI document 14 Jan 2016.

<sup>6</sup> CENI official in Jeune Afrique, 28 Jan 2016.

<sup>7</sup> Jeune Afrique, 28 Jan 2016.

<sup>8</sup> Jeune Afrique, 28 Jan 2016.

<sup>9</sup> Leaked CENI document 14 Jan 2016.

<sup>10</sup> CENI official in Jeune Afrique, 28 Jan 2016.

which is already a tight turnaround. Adding 13 months to this could delay the election by up to a year.<sup>11</sup> CENI director **Corneille Nangaa** told a press conference that the revision of the list was more important than sticking to the constitutional timetable:

*"The constitutional timeline ... depends on certain prior actions...the priority right now is the revision of the voter list."<sup>12</sup>*

The government has given CENI \$100m for the process, \$23m short of their lowest internal estimate for a partial revision.<sup>13</sup> The electoral body will open a tender to carry out the work in the next few weeks.<sup>14</sup>

### ...as opposition parties boycott national dialogue and plan major protests

Opposition parties believe that the registration of voters is a delaying tactic by Kabila to extend his mandate. Opposition parties were calling for the government to update the electoral register in 2014 when CENI could have stuck to the timetable. Major opposition figures are planning a series of protests over the move, and are refusing to sign up to the president's national dialogue. The presidency still claims it is organising a national dialogue over the voting timetable, which the **African Union (AU)** will moderate.<sup>15</sup> However, DRC's major opposition parties and figures are planning to boycott the dialogue. These include the **Front Citoyen (FC)** coalition of the **Union pour la Démocratie et le Progrès Social (UDPS)**, former **Katanga Province** governor and Kabila's likely electoral rival **Moise Katumbi** (who is not currently affiliated with any one party), the **Union pour la Nation Congolaise (UNC)**, **Mouvement de Libération du Congo (MLC)**; and **l'ECiDé (Engagement pour la Citoyenneté et le Développement)**.<sup>16</sup> **Etienne Tshesikedi**, the veteran leader of the UDPS, wrote an open letter to AU chair **Nkosozana Dlamini-Zuma** on 28 January explaining that the parties could not participate while Kabila continues to delay the electoral process.<sup>17</sup>

Minor opposition parties within the FC are trying to organise a major opposition protest against Kabila's government on 16 February.<sup>18</sup> The UDPS, Katumbi and the **G7** group that left the ruling **Majorité Présidentielle (MP)** coalition in 2015 are not participating.<sup>19</sup> The UDPS issued a statement on 3 January saying that it would prefer to operate within the dialogue but has not released any further information since it withdrew from that process.<sup>20</sup> However, the UNC, MLC and l'ECiDé are all involved.<sup>21</sup> They announced a day of action on 8 January.<sup>22</sup> However the group has lost the support of the highly influential Roman Catholic church which claims the protest has become "too partisan".<sup>23</sup> The church originally planned a march on that date to ensure "respect for the constitution"<sup>24</sup> but the **Conférence Nationale Episcopale du Congo (CNEC, national episcopal conference)** withdrew its support on 13 January.<sup>25</sup>

The combination of pulling out of dialogue and organising protests moves the country further towards pre-election violence. According to analysts, the national dialogue is stalling. It may be protests that force the hand of the Kabila administration – as they did in January 2015 when

<sup>11</sup> Jeune Afrique, 28 Jan 2016.

<sup>12</sup> Nangaa in Reuters, 27 Jan 2016.

<sup>13</sup> Radio Okapi, 28 Jan 2016.

<sup>14</sup> Radio Okapi, 28 Jan 2016.

<sup>15</sup> La Phare, 15 Jan 2016.

<sup>16</sup> Radio Okapi, 18 Jan 2016.

<sup>17</sup> Tshesikedi letter, 28 Jan 2016.

<sup>18</sup> Reuters, 13 Jan 2016.

<sup>19</sup> La Phare, 8 Jan 2016.

<sup>20</sup> Radio Okapi, 3 Jan 2016.

<sup>21</sup> La Phare, 8 Jan 2016.

<sup>22</sup> La Phare, 8 Jan 2016.

<sup>23</sup> Reuters, 13 Jan 2016.

<sup>24</sup> Reuters, 13 Jan 2016.

<sup>25</sup> Reuters, 13 Jan 2016.

protestors prevented the government from extending the timetable (see *ARC Briefing DRC January 2016*).<sup>26</sup> According to a senior commentator on DRC:

*"The next round of bargaining may happen on the streets of Kinshasa."*<sup>27</sup>

Opposition parties are increasing their anti-government rhetoric. **Vital Kamhere**, the leader of the UNC who has a large popular following in the east of DRC, told the media:

*"There will only be two options. Either the government carries out massacres, or the government says to itself, no, the lesser evil – and that which is good for everyone – is to organise the elections."*<sup>28</sup>

## 2016 set to be good year for mining

A number of mining and metals companies announced new deals in DRC in January in the gold, copper and cobalt sectors. Despite the difficult conditions in commodities markets, the mineral reserves in DRC appear to continue to attract investment.

**South Africa**-based **Randgold Resources** signed three new joint ventures on 19 January to explore gold deposits in DRC, with three **Canada**-based **Toronto**-listed companies: **Kilo Goldmines**, **Deveron Resources** and **Loncor Resources**.<sup>29</sup> Randgold already operates the **Kibali** gold mine in **Orientale Province** with **Anglogold Ashanti** and state-owned **Société des Mines d'Or de Kilo-Moto (SOKIMO)**. The company announced on 13 January that the mine is likely to exceed its estimated production figures of 600,000 ounces of gold in 2016.<sup>30</sup> The new joint ventures more than double the size of Randgold's land holdings in DRC.<sup>31</sup> Randgold already operates a joint venture with Kilo to prospect for gold in Orientale.<sup>32</sup>

State-owned mining company **Générale des Carrières et des Mines (Gécamines)** and the **China Nonferrous Metal Mining Co (CNMC)** signed a memorandum of understanding (MoU) on 13 January to build two factories to increase copper production.<sup>33</sup> The factories will increase the production of refined copper in DRC from 15,000 tonnes per annum to 115,000 tonnes per annum. CNMC will build the factories by two existing Gécamines, copper mines **Kambove** and **Deziwa** mines in the Katanga region. The first would have an estimated output of 35,000 tonnes per annum and the second 80,000 tonnes per annum.<sup>34</sup>

Investors in cobalt are also looking to increase their production. **China**-based **Zhejiang Huayou Cobalt Co Ltd** announced a \$50m investment to expand production at its **COMMUS** cobalt mine in **Kolwezi, Eastern Katanga Province** on 15 January.<sup>35</sup>

## MONUSCO joins FARDC fight against FDLR

The **Mission de l'Organisation des Nations Unies pour la Stabilisation en RDCongo (MONUSCO)** agreed to join the operations of the **Forces Armées de la RDC (FARDC)** against the **Forces démocratiques de libération du Rwanda (FDLR)** on 28 January.<sup>36</sup> This is a major rapprochement between MONUSCO and the DRC government, which had poor relations across most of 2015. MONUSCO pulled out of operations with the FARDC a year ago as the **United Nations (UN)** alleges

<sup>26</sup> Source, senior DRC analyst, Nairobi

<sup>27</sup> Source, senior DRC analyst, Nairobi

<sup>28</sup> Kamhere in Reuters, 13 Jan 2016.

<sup>29</sup> Reuters, 19 Jan 2016.

<sup>30</sup> Reuters, 13 Jan 2016.

<sup>31</sup> Reuters, 19 Jan 2016.

<sup>32</sup> Reuters, 19 Jan 2016.

<sup>33</sup> Mining web, 18 Jan 2016.

<sup>34</sup> Mining web, 18 Jan 2016.

<sup>35</sup> Xinhua, 15 Jan 2016.

<sup>36</sup> MONUSCO press release, 28 Jan 2016.

that two of the FARDC commanders are guilty of war crimes.<sup>37</sup> The FARDC does not appear to have made any significant progress against the FDLR since it started operations in March 2015 (see *ARC Briefing DRC December 2015*). Defence minister **Crispin Atama Tabe** and MONUSCO's deputy mission chief **David Gressly** signed an agreement in Kinshasa for the two forces to work together.<sup>38</sup> This will take the form of assistance including support from MONUSCO's **Force Intervention Brigade (FIB)**, logistical aid, air support and munitions and supplies.<sup>39</sup> According to Gressly:

*"Where we jointly agree that there is a common objective, we will work in a coordinated way using whatever assets we determine, collectively, make the most sense."*<sup>40</sup>

According to Tabe:

*"We signed the cooperation agreement for the resumption of military cooperation in order to pacify the east, unstable for 20 years and where dozens of local and foreign armed groups run rampant for reasons of ethnic tensions, land control and economic gain...we are determined to end this phenomenon of armed groups this year, before June if possible."*<sup>41</sup>

The FDLR reportedly killed between 14 and 16 people in an attack on members of the **Nande** ethnic group in the town of **Lubero** in **North Kivu Province** on 7 January.<sup>42</sup> The Nande **Mai Mai** militias are historic rivals of the FDLR, and were fighting each other for control of the area around Lubero.<sup>43</sup> There are an unknown number of militia groups operating in North Kivu and **South Kivu Provinces**. NGO the **Congo Research Group** estimated in November there could be up to 69 currently operating there.<sup>44</sup>

Analysts believe that Tabe's claim that the MONUSCO and FDLR could eliminate all of these groups by June this year is ambitious.

*"There is simply no way this is possible, these groups are deeply embedded in local communities, are highly experienced in guerrilla warfare, and will take years to root out."*<sup>45</sup>

Local sources also say that FARDC and MONUSCO are a long way from defeating any militia groups:

*"The government and UN forces cannot even keep the towns safe...all of their efforts to chase down the FDLR so far have failed."*<sup>46</sup>

## Implications

Kabila has almost certainly managed to extend his mandate beyond the constitutional deadline of November 2016. To what extent it is by design or whether it is largely to do with the inefficiency of the system over which Kabila presides is hard to tell. However, the president will certainly benefit from an extended time in power. The silence and then a last minute decision is Kabila's preferred mode of operation. If the opposition parties cannot force the government to reverse the decision by taking to the streets then a general election will move to 2017 or perhaps beyond. The silver lining is that an updated electoral register will improve accountability and transparency in the electoral process. The risk of violence in the short term as opposition parties protest and government forces respond, has significantly increased. The church's decision to pull out of the February protests shows that opposition parties are more concerned with unseating Kabila than with upholding the constitution, no matter how much the two goals might appear to align.

<sup>37</sup> Jeune Afrique, 29 Jan 2016.

<sup>38</sup> Jeune Afrique, 29 Jan 2016.

<sup>39</sup> Jeune Afrique, 29 Jan 2016.

<sup>40</sup> Gressly in Reuters, 28 Jan 2016.

<sup>41</sup> Tabe in Jeune Afrique, 29 Jan 2016.

<sup>42</sup> Radio Okapi, 7 Jan 2016.

<sup>43</sup> Radio Okapi, 7 Jan 2016.

<sup>44</sup> CRG, 30 Nov 2015.

<sup>45</sup> Source, senior DRC analyst, Nairobi

<sup>46</sup> Source, think-tank director, Goma

Greater investment in mining is good news for DRC. The new AngloGold deals show that it is possible to operate major investments profitably in the complex market. More Chinese investment flows mean that their dominance of the market will continue, especially as other investors such as **Switzerland**-based **Glencore** have frozen some operations there. It appears that those companies in the commodities sector with capital to spend are taking advantage of the low point of the super-cycle to invest at a good price.

The only way to curb the militia groups in eastern DRC is through effective cooperation between MONUSCO and FARDC. The disagreement between MONUSCO and the defence ministry cost 10 months of progress against the FDLR who are now harder to root out. The two forces are not going to make significant progress by June, but now have some chance of stabilising parts of the region in the medium term. However, if the rumours that the government does not want the FDLR eliminated then this may not happen – it will need political will and military cooperation on all sides to succeed.

---

### 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](http://www.africariskconsulting.com)

### About ARC Briefing:

**ARC Briefing** is ARC's essential online 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 online 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.briefing.africariskconsulting.com](http://www.briefing.africariskconsulting.com)

### Getting in touch

Please contact us by email [info@africariskconsulting.com](mailto:info@africariskconsulting.com) or call + 44 (0) 20 7078 4080

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)