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President Joseph Kabila (2001-present) is increasingly isolated among key regional allies, including Angola, due to the ongoing political instability and suspected delays to the electoral process in the Democratic Republic of the Congo (DRC). Voters start registering for elections in DRC's capital Kinshasa, as the government slowly begins to implement the electoral process. Opposition candidate Moïse Katumbi applies to the United Nations Human Rights Council (UNHRC) for protection if he returns to the country to fight the election. The Banque Centrale du Congo (BCC), DRC's central bank, revises its growth forecast down to 3.1% and raises its key interest rate to 20% in an effort to curb the devaluation of the DRC franc.

Kabila looking increasingly isolated as regional players withdraw support

Angola, the primary regional supporter of **Democratic Republic of the Congo's (DRC)** president, **Joseph Kabila** (2001-present), appears to be withdrawing support. Kabila relies on the support of regional allies to retain power, and Angola withdrawing support would be a major blow for the regime's stability. During the **First Congo War** (1996-1997) and the **Second Congo War** (1998-2003) neighbouring countries played a major role in the unseating of DRC leaders **Mobutu Sese Seko** (1965-1997) and the current president's father, **Laurent Kabila** (1998-2001). Angolan president **Jose Eduardo dos Santos** (1970-present) is Joseph Kabila's longest standing ally, however it has begun to express frustration with the president.¹ Angolan foreign minister **Georges Chitoki** publicly questioned a statement by the DRC government on 30 May that the conflict in the **Kasai-Central** region, which borders Angola, had been resolved:

*"On one side, we are told that the question of the succession of the kingdom of Kasai has been resolved, on the other, we (still) see people who arrive (in Angola) having been treated badly."*²

Angola withdrew military training support for the DRC military in December 2016, and has backed calls for an international investigation into the Kasai conflict by the **United Nations (UN)**, which the DRC government openly opposes.³ The conflict has led to thousands of refugees fleeing to Angola. Angola still criticises sanctions by the **United States (US)** on senior figures in the Kabila administration, but has voted for harsher UN measures from its seat on the **UN Security Council (UNSC)**.⁴ Other senior figures within Angola are now speaking out against Kabila. **Sindike Dokolo**, the husband of **Isabel dos Santos**, the president's powerful daughter, and a DRC citizen told the media on 21 June that he urged the Catholic Church and student leaders to mobilise against Kabila.⁵ While he said he was commenting as a private DRC citizen, his proximity to the president means that the comments were sanctioned by the state. He justified his call, saying that:

"We underestimate Congo's capacity to destabilise the region...we are playing with matches on a barrel of explosives and that worries me a lot."

¹ Jeune Afrique, 21 Jun 2017.

² RFI, 30 May 2017.

³ Jeune Afrique, 21 Jun 2017.

⁴ RFI, 30 May 2017.

⁵ Jeune Afrique, 21 Jun 2017.

Other **African** countries are hesitant to publicly criticise DRC, as it sets a precedent for increased internal interference in African affairs. However, senior former African leaders issued a statement on 16 June calling on Kabila to organise elections within 2017.⁶ Nine former heads of state including former UN Secretary General **Kofi Annan**, former **South African** president **Thabo Mbeki** (1999-2007), former **Nigerian** president **Olusegun Obasanjo** (1999-2007) and former presidents of **Ghana**, **Benin**, **Tanzania**, **Botswana**, **Cabo Verde** and **Mauritius**.⁷ The statement said that the DRC political situation:

*“represents a threat to the stability, prosperity and peace of the **Great Lakes** region, and indeed for Africa as a whole.”⁸*

The wider international community continues to criticise the Kabila regime. The UN started an investigation into violence and alleged war crimes in Kasai-Central province perpetrated by both the **Kamuina Nsapu Militia** and the **Forces Armées de la République Démocratique du Congo (FARDC)** on 23 June.⁹ The DRC government opposed the investigation, but at the last minute told the **UN Human Rights Council (UNHRC)** that it would support it, provided the DRC justice system oversaw the outcomes of the investigation.¹⁰ The influential Roman Catholic leadership group, the **Conférence Épiscopale Nationale Congolaise (Cenco)**, released a report on 18 June claiming at least 3,500 people had died in the region since June 2016, and accusing both sides of committing war crimes including the mutilation of infants.¹¹

A shift in foreign policy by Angola towards DRC would represent a fundamental rebalancing of power within the region. Without the support of the Angolan administration, Kabila is highly vulnerable to other regional powers that are less friendly to his cause, notably **Rwanda** and **Uganda**. Angola appears to have run out of patience within Kabila to keep the country under control. The lack of support is weakening Kabila’s position already – hence the last minute support for the UN investigation into the Kasai conflict, that Angola backed. As the deadline for organising elections at the end of the year draws closer, Angola may apply further pressure for the president to step down. However, its primary concern is stability – not democracy – meaning that it could support a handover without an election. The other option is Angolan disinterest, meaning that Kabila could not count on support if, like in the 1990s, the FARDC turns against him and starts pillaging in the capital. This worsens the security outlook for businesses in DRC.

Voter registration starts as Katumbi seeks UN protection to return to DRC

Voters started registering for elections in DRC’s capital **Kinshasa** on 1 June, as the government slowly begins to implement the electoral process for 2017.¹² There is widespread cynicism in DRC that the elections will take place, but queues were reportedly long suggesting there is still appetite for democratic change. However, registration has only started in Kinshasa, which is an opposition stronghold and has some of the most efficient local government systems in the country.¹³ There are no reports of voter registration beginning anywhere else in the country of 77 million people.

*“People here (in Kinshasa) believe that the election will never happen but also believe that if they don’t register that it will give Kabila an excuse to cancel it...I haven’t heard of other registrations happening, but I suspect that **Lubumbashi (Katanga)** and **Goma (North Kivu)** will start soon.”¹⁴*

⁶ Kofi Annan Foundation, 16 Jun 2017.

⁷ Kofi Annan Foundation, 16 Jun 2017.

⁸ Kofi Annan Foundation, 16 Jun 2017.

⁹ Reuters, 23 Jun 2017.

¹⁰ Reuters, 23 Jun 2017.

¹¹ Radio Okapi, 18 Jun 2017.

¹² La Phare, 1 Jun 2017.

¹³ La Phare, 1 Jun 2017.

¹⁴ Source, ARC correspondent, Kinshasa

Kabila's primary opponent, former governor of Katanga Province, **Moïse Katumbi**, applied to the UNHRC on 2 June for protection in the event he returns to DRC to compete in an election.¹⁵ A poll by the **Congo Research Group (CRG)** in May put support for Katumbi at 38%, far ahead of Kabila at 12% (see *ARC Briefing DRC May 2017*). However, Katumbi faces charges for property fraud on his return to DRC after he left the country in June 2016 (see *ARC Briefing DRC June 2016*).¹⁶ The DRC government denies that Katumbi is in any danger if he returns, but Katumbi's filing details a number of complaints where he says his rights had been violated, and Katumbi's lawyer told the UNHRC assembly that returning to the country would mean Katumbi "*going to his death*".¹⁷

There is currently internal dissent in opposition bloc **Rassemblement** over the succession of **Felix Tshisekedi** to his father, the late **Etienne Tshisekedi**, as president of the movement (see *ARC Briefing DRC May 2017*). Katumbi now appears to be the opposition's only hope, if the government actually holds a vote. Katumbi told the media that:

*"For Kabila, he needs to keep Moïse Katumbi out of the country to organise elections. Because he knows very well, if we go into an election, I am sure and certain that I am going to win the election to bring change to my country."*¹⁸

In order to resolve the current political situation, Kabila either needs to step down via an election (or other means) or start a major offensive against his many enemies. The president's current tactic is to allow the situation to drag on until the international community loses interest and the population is so tired of instability it accepts his rule indefinitely. The growing instability in Kasai Central and the pressure from Angola could make this unsustainable. An election within 2017 is highly unlikely, but by registering to vote, the population will increase pressure on Kabila to call one eventually. The DRC administration will attempt to keep Moïse Katumbi away from any election, as he poses a genuine threat to Kabila or a chosen successor. However, Katumbi's declaration that he intends to return to stand means that if Kabila is forced to hold an election, he could lose.

Central bank lowers growth forecast and raises rates

The **Banque Centrale du Congo (BCC)**, DRC's central bank, revised its growth forecast down and raised its key interest rate by 6% in an effort to curb the destabilisation of the franc.¹⁹ The political situation is feeding an economic slump in DRC, which adds to the potential for political instability. The BCC revised its growth forecasts from 3.5% to 3.1% for 2017, citing low receipts from the mining sector and a growing government deficit in the first quarter of the year.²⁰ This would be higher than the 2.4% growth the country recorded in 2016, but significantly lower than the average 8% growth it posted from 2010 to 2015.²¹

The low growth figures are part of a poor economic picture for DRC. The devaluation of the DRC franc (CDF) and spiralling inflation demonstrate how an international loss of confidence in the government is having a major impact on consumers. The DRC franc has lost over 50% of its value against the dollar across the past year from CDF934/\$ in November 2016 to CDF1480/\$ at time of writing.²² This has driven up inflation from 25.04% across 2016 to over 30% in 2017.²³ The BCC expects consumer price index (CPI) inflation to reach 33.12% across 2017.²⁴ In order to combat this, the BCC's monetary

¹⁵ Reuters, 2 Jun 2017.

¹⁶ Reuters, 2 Jun 2017.

¹⁷ Reuters, 2 Jun 2017.

¹⁸ Reuters, 2 Jun 2017.

¹⁹ Radio Okapi, 26 Jun 2017.

²⁰ Reuters, 19 Jun 2017.

²¹ Data.worldbank.org

²² XE.com

²³ Reuters, 19 Jun 2017.

²⁴ Reuters, 19 Jun 2017.

policy committee (MPC) raised its key interest rate to 20% from 14% on 26 June.²⁵ The BCC explained its actions in a statement:

"In the aim of confronting the rising exchange rate trend of the Congolese franc and reducing the pace of interior price increases, the Central Bank of Congo has just, once more, tightened its monetary policy."²⁶

The issues with DRC's economy go further than the growth and inflation statistics. The central government, notorious for its inefficiency and corruption has reportedly starved local administrations of finances.²⁷ DRC's **Chambre du Commerce et de l'Industrie (CCI)** (chamber of commerce and industry) complained to the government on 1 June that tax officials in the Katanga region, home to DRC's copper mining industry, had levied more than \$300m in illegal taxes.²⁸ Officials from the regional branch of the **Direction Générale des Douanes et Accises (DGDA)** (customs agency) have fined local mining companies for failing to declare electricity imports and for making false customs declarations.²⁹ The CCI claims this is despite the fact that the **Société nationale d'électricité (SNEL)** imported the electricity from neighbouring **Zambia**.³⁰ The CCI claims that the agents said that they had not received any money from the central government for several months and needed to make up state budgets.³¹ DGDA officials have reportedly withheld goods in order to extort further money:

"To force the companies to pay the unjustly demanded sums, the (customs agency) uses heavy-handed tactics, going as far as withholding the goods of the concerned companies so that they quickly give in and pay the high penalties."

DRC's formal economy, which largely relates to public finances and the operations of international companies, remains in poor condition. The low growth and devaluation of the franc is a knock-on effect from the poor state of the mining sector for the past three years. A better outlook for copper and cobalt will alleviate some of the pressure through 2017 to 2020. International mining firms will be able to ride out the poor rates, although if the government continues to levy questionably legal taxes and fines then some may lose appetite for the country. However, inflation and the devaluation of the franc will hit DRC's cities hard. There the economy is formalised enough that it cannot fall back on the barter and subsistence model that operates across much of rural DRC. People are reliant on imported, or least transported, goods and have to pay for electricity (when it works), cooking gas and oil. There will be a significant decrease in quality of life which, in the unstable political situation, could fuel further instability.

²⁵ Radio Okapi, 26 Jun 2017.

²⁶ Radio Okapi, 26 Jun 2017.

²⁷ Radio Okapi, 20 Jun 2017.

²⁸ Deutsche Welle, 1 Jun 2017.

²⁹ Deutsche Welle, 1 Jun 2017.

³⁰ Deutsche Welle, 1 Jun 2017.

³¹ Deutsche Welle, 1 Jun 2017.