

AFRICA RISK CONSULTING DRC Monthly Briefing July 2019

DRC Summary 22 July 2019

Martin Fayulu and other members of the opposition Lamuka coalition welcome opposition leader Jean-Pierre Bemba on his return to the Democratic Republic of the Congo (DRC). The DRC deploys its armed forces, Forces Armées de la République Démocratique du Congo (FARDC), to remove illegal miners from projects owned by Kamoto Copper Company (KCC), a subsidiary of Switzerland-based mining giant Glencore and China-based China Molybdenum Co Ltd. The World Health Organisation declares the Ebola outbreak in the DRC a public health emergency of international concern (PHEIC). Health minister Oly Ilunga Kalenga steps down after the president's office takes charge of DRC's Ebola epidemic.

Bemba returns to DRC

Opposition **Mouvement de Libération du Congo (MLC)** leader **Jean-Pierre Bemba** returned to the **Democratic Republic of the Congo (DRC)** on 23 June. He was welcomed by opposition party **Engagement pour la citoyenneté et le développement (ECIDE)** leader **Martin Fayulu** and other members of the **Lamuka** coalition upon landing.¹ Bemba will be looking to cement his position as the main contender for the 2023 presidential election. Government actions against Bemba, particularly from those aligned to former President **Joseph Kabila** (2001-2019), could signal Kabila's desire to run again for president in the next election.

This is Bemba's second visit to the DRC since the **International Criminal Court (ICC)** acquitted him of war crimes in June 2018 (see *ARC Briefing DRC July 2018*). Bemba is expected to meet with fellow Lamuka leaders – **Moïse Katumbi** (who returned to the DRC in May), **Adolphe Muzito** (DRC budget minister from 2007-2008 and prime minister from 2008-2012), and Fayulu – in **Lubumbashi** from 24-26 July to discuss the coalition's actions in the DRC's current political environment.² The leaders are also likely to discuss President **Felix Tshisekedi**'s (2019-present) reported attempts to dissolve the coalition, including Tshisekedi's nomination of Lamuka leader **Freddy Matungulu** to a top position in the **African Development Bank** in early July, leading Matungulu to say that he was now

"... keeping a distance from my [political] activism, including in Lamuka".³

The Lamuka coalition has also recently lost **Rassemblement congolais pour la démocratie/Mouvement de libération de la ville de Kisangani (RCD/K-ML)** party president and former rebel leader **Antipas Mbusa Nyamwisi**. Nyamwisi left on 17 June after consultations with Tshisekedi to help the government combat militias and tackle the **Ebola** crisis in eastern DRC.⁴

Lamuka is likely to appoint Bemba as its coordinating head for the next three months, succeeding Katumbi who has been in charge since June.⁵ Bemba will need to find a path between hard-line Fayulu, who is still angry over the disputed presidential electoral results and the loss of the presidency (*ARC Briefing DRC February 2019*), and Katumbi, who is more willing to work with the government prior to the next elections. A **Kinshasa**-based diplomat said that Bemba is reportedly "*a very different man*" from the former militia leader and DRC prime minister after more than a decade in jail:

¹ Region Week, 23 Jun 2019

² Media Congo, 17 Jul 2019

³ The East African, 12 Jul 2019

⁴ Media Congo, 15 Jul 2019

⁵ Media Congo, 17 Jul 2019

*"[Bemba is] more mature and relaxed. Let's say, now he is able to listen."*⁶

Bemba reportedly played an important mediating role between the leaders of Lamuka at its last meeting in **Belgium**:

*"Without him the coalition could have disappeared."*⁷

Bemba remains the most popular opposition figure in the DRC and will expect to run as the main challenger in the 2023 presidential elections. However, he will need to sort out his ICC conviction for bribing a witness, which the DRC constitutional court ruled as corruption and hence barred Bemba from running in the 2018 elections.⁸ Bemba's lawyers are working to have the ICC lift its conviction, seeing that as an easier obstacle than lifting the constitutional court ban, given that former President Kabila appointed all the current judges.⁹ Kabila will hope that the presidential aspirations of the remaining four Lamuka leaders will tear the coalition apart, forcing each of its constituent parties to contest the election and making it easier for Kabila either to run or ensure that a chosen successor, such as Tshisekedi, claims victory. However, a DRC-based analyst states that:

*"[Bemba may] be prepared to allow Fayulu to run again in 2023 and, if he wins, then either run the country via Fayulu or remove him as Lamuka president and install himself. Katumbi would obviously be unhappy with this situation, but Bemba remains the most popular opposition leader and definitely poses a threat to the Tshisekedi/Kabila alliance."*¹⁰

In anticipation of his electoral run and due to the possibility of a split in the Lamuka coalition, Bemba will work to revitalise his own political party, the Mouvement de libération du Congo (MLC). MLC secretary-general **Eve Bazaiba** and the four deputy secretary-generals agreed in July 2018 to restructure parts of the MLC; Bemba will work to fast-track any restructuring so the MLC can begin its re-entry into the political environment. Kabila is aware that Bemba will be his major opponent if Kabila decides to run again – any actions against Bemba and the MLC will thus signal that Kabila still has presidential ambitions for 2023.

DRC military removes artisanal miners

The DRC deployed its armed forces, **Forces Armées de la République Démocratique du Congo (FARDC)**, in late June and early July to remove illegal miners from projects owned by **Kamoto Copper Company (KCC)**, a subsidiary of **Switzerland**-based mining giant **Glencore** and **China**-based **China Molybdenum Co Ltd**.¹¹ The government's action will increase tensions between the artisanal miners and the government and highlights the need for companies operating in the DRC to be aware of the major security and reputation risks arising out of the potential for conflict, and to work with the government and artisanal miners to implement strategies to diminish future problems.

The government deployed the FARDC to remove the illegal miners after 43 artisanal miners were killed in a landslide at a KCC operation on 27 June.¹² Glencore stated that it expects the FARDC to *"exercise restraint and operate in accordance with ... international human rights standards"* during the removal.¹³ The artisanal miners protested on 4 July, demanding the right to mine cobalt and copper on a small-scale basis.¹⁴ Years of negotiations between the government and artisanal miners and programmes to address the issue have failed to resolve the problem. For the miners, artisanal mining is an opportunity to earn money in a country with few other employment opportunities. However, the mining companies have consistently told the government that illegal mining on their properties is one of their greatest challenges. There are reportedly 10,000 artisanal miners in and around China

⁶ Jeune Afrique, 30 Jun 2019

⁷ Jeune Afrique, 30 Jun 2019

⁸ Jeune Afrique, 30 Jun 2019

⁹ Jeune Afrique, 30 Jun 2019

¹⁰ Source, analyst, DRC

¹¹ Mining Technology, 5 Jul 2019

¹² Mining Technology, 5 Jul 2019

¹³ Mining Technology, 5 Jul 2019

¹⁴ France24, 4 Jul 2019

Molybdenum's **Tenke Fungurume** mine alone.¹⁵ The government appears to back the mining companies on this issue, aware of the significant contribution that they make to the DRC's treasury. Artisanal miners also contribute to the economy, with an estimated 20% of exported cobalt coming from artisanal miners.¹⁶

The major risk is that the efforts to remove the artisanal miners will result in conflict and potential human rights abuses, which would be a negative reputation concern for any mining company involved. Previous attempts to remove miners, such as in **Kilwa** in 2004, resulted in the deaths of many miners; nine FARDC soldiers and three employees of **Australia**-based **Anvil Mining** were tried for war crimes, although a military court acquitted them all in 2007.¹⁷

With 110,000 regular artisanal miners, rising to 150,000 on a seasonal basis, the government and mining companies will need to do more than just remove the miners to solve the problem. The government will need to create mining allotments for artisanal mining, and international companies should support these programmes as part of their corporate social responsibility programmes. The continuing tension between artisanal miners and the government is a potential security and reputation risk for international mining companies and may cause demand for DRC cobalt to decrease if buyers such as electric automobile manufacturers **BMW** and **Tesla** move to other areas such as Australia and **Morocco** to source cobalt.¹⁸

WHO declares global health emergency

The declaration of the **World Health Organisation (WHO)** on 17 July that the Ebola outbreak in the DRC is a "*public health emergency of international concern*" (PHEIC) may attract more attention and funding to fight the outbreak. The PHEIC is a rare designation and has only been used four times in the past. The DRC government has struggled to contain the Ebola outbreak. The presidency announced on 21 July that it was assigning responsibility for the response to the outbreak to a multi-disciplinary team that would report directly to Tshisekedi.¹⁹ Health minister **Oly Ilunga Kalenga** resigned on 22 July in response to the announcement, decrying "*interference in the management of the response*" to the outbreak and the creation of "*parallel chains of authority*".²⁰

The DRC's Ebola outbreak is the second deadliest in history.²¹ It has infected over 2,500 people and two-thirds of those infected have died.²² The outbreak began in 2018 in the north-eastern city of **Butembo (North Kivu)**, and spread to North Kivu's capital, **Goma**, near the **Rwandan** border, increasing the risk that the virus could spread to neighbouring countries. **Uganda** has had three confirmed cases of Ebola in people who visited the DRC and returned to Uganda, but health officials have prevented a spread of the virus there.²³

Residents in affected villages have turned against the WHO and other health professionals who are trying to contain the outbreak, which has exacerbated the problem. There is also a high risk that countries will discriminate against DRC travelers and products over fears of Ebola. WHO spokesperson **Margaret Harris** advised that

*"...essentially for the rest of the world, the main recommendation is: support DRC and don't panic. Do not shut borders. Do not put on travel and trade restrictions. Do not panic."*²⁴

The WHO has continued its vaccination programme and advises neighbouring countries to keep borders open. Border closures would remove the ability to screen travelers and instead further the outbreak if potentially infected persons illegally cross the border between countries. The WHO

¹⁵ Reuters, 19 Jun 2019

¹⁶ Amnesty International, 1 Jul 2019

¹⁷ Reuters, 19 Jun 2019

¹⁸ Reuters, 19 Jun 2019

¹⁹ Al Jazeera, 22 Jul 2019.

²⁰ Al Jazeera, 22 Jul 2019.

²¹ Al Jazeera, 22 Jul 2019.

²² BBC, 17 Jul 2019

²³ Africanews, 1 Jul 2019

²⁴ Al Jazeera, 19 Jul 2019

recommended that companies operating in eastern DRC confirm that all employees are aware of the virus' symptoms and practise good hygiene to prevent its spread. It also recommends that companies limit travel to areas affected by Ebola except in extreme circumstances.

Planner

2023 (DRC) Scheduled presidential and parliamentary elections;

Chronology

22 Jul 2019 **Kinshasa (DRC)** *Mail & Guardian*. Authorities ban political rallies for this week due to tension between supporters of President **Felix Tshisekedi** and former President **Joseph Kabila** over the appointment of the senate president;

22 Jul 2019 **Kinshasa (DRC)** *Al Jazeera*. Health minister **Oly Ilunga Kalenga** steps down after the president's office takes charge of DRC's Ebola epidemic;

17 Jul 2019 **Beni (DRC)** *Al Jazeera*. The **World Health Organisation** declares the **Ebola** outbreak a global public health emergency after the epidemic spreads to **Goma**;

15 Jul 2019 **Goma (DRC)** *Al Jazeera*. The health ministry confirms a new **Ebola** case in **Goma**, near the **Rwandan** border, increasing fears the outbreak could spread;

8 Jul 2019 **Kinshasa (DRC)** *CNN*. The **International Criminal Courts** convicts former warlord **Bosco Ntaganda** of war crimes;

4 Jul 2019 **Kinshasa (DRC)** *MiningMX*. The **Forces Armées de la République Démocratique du Congo (FARDC)** (DRC armed forces) begin shutting down illegal mining at **Glencore's Kamoto Copper Company** site;

3 Jul 2019 **Kinshasa (DRC)** *Africanews*. President **Felix Tshisekedi** says an "attempted genocide" is happening in north-eastern DRC following a wave of violence against civilians;

1 Jul 2019 **Kinshasa (DRC)**. *Bloomberg*. The **Forces Armées de la République Démocratique du Congo (FARDC)** (DRC armed forces) deploys hundreds of soldiers to forcibly remove illegal miners from **Switzerland**-headquartered **Glencore's Tenke Fungurume** mines in **Lualaba Province**;

25 Jun 2019 **Kinshasa (DRC)** *Afrik21*. **African Development Bank** president **Akinwumi Adesina** agrees to lend \$73m for a feasibility study for the **Grand Inga Mega Hydroelectric Project**;

24 Jun 2019 **Beni (DRC)** *TRT World*. The health ministry says the **Ebola** death toll reached over 1,500 people out of just over 2,200 recorded cases;

24 Jun 2019 **Kinshasa (DRC)** *africanews*. The **International Criminal Court** will deliver its judgement on **Bosco Ntaganda**, accused of recruiting child soldiers and rape in the DRC in 2002-2003, on 8 July;

23 Jun 2019 **Kinshasa (DRC)** *africanews*. Opposition leader **Jean-Pierre Bemba** returns to the **Democratic Republic of the Congo (DRC)** for the second time in one year and is welcomed by **Martin Fayulu** upon landing;

22 Jun 2019 **Kinshasa (DRC)** *Reuters*. **United Kingdom (UK)**-based mobile telecommunications company **Vodacom Group** reaches an agreement with the government over the suspension of its 2G licence;

19 Jun 2019 **Lubumbashi (DRC)** *Mining Review*. The **DRC Mining Week** conference begins;

18 Jun 2019 **Bunia (DRC)** *The East African*. The government sends military members to **China-owned Tenke Fungurume Mine** in **Luabala Province** to remove more than 10,000 illegal artisanal miners;

17 Jun 2019 **Beni (DRC)** *Cidrap*. The health ministry says that there were 28 new cases of Ebola over the weekend and another 20 new confirmed cases;

17 Jun 2019 **Kinshasa (DRC)** *Reuters*. The council of state court upholds the government's suspension of a 2G telecommunications licence of **Vodacom Group's** local unit;

14 Jun 2019 **Kinshasa (DRC)** *MiningMX*. **Erik Prince**, the founder of controversial security firm **Blackwater**, registers a mining company subsidiary in the DRC;

13 Jun 2019 **Kinshasa (DRC)** *Jeune Afrique*. President **Felix Tshisekedi** asks **Rwandan** President **Paul Kagame** to allow the DRC to join the **East African Community**;

12 Jun 2019 **Kinshasa (DRC)** *North Africa Post*. An **Israel**-based television show reports that former President **Joseph Kabila** employed two ex-**Mossad** agents to spy on his opponents;

12 Jun 2019 **Cabo Delgado (Mozambique)** *Journal du Cameroun*. Police chief **Bernardino Rafael** says that **Democratic Republic of the Congo (DRC)** security forces arrested 12 **Mozambique** nationals who were undergoing training to commit attacks in northern Mozambique;

11 Jun 2019 **Kinshasa (DRC)** *Al Jazeera*. Health minister **Oly Ilunga** declares a measles epidemic as cases have increased by 700% since January 2019;

6 Jun 2019 **Beni (DRC)** *Devex*. **Centers for Disease Control and Prevention** director **Robert Redfield** says that responders will run out of **Ebola** vaccine before more can be produced.



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 or call + 44 (0) 20 7078 4080

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