

## AFRICA RISK CONSULTING

### DRC Monthly Briefing November 2019

---

#### DRC Summary 18 November 2019

*The International Monetary Fund says it will resume lending to the Democratic Republic of the Congo (DRC) for the first time since 2012, when it suspended a \$500m programme after the previous government failed to provide details on the sale of state mining assets to an offshore company. Senior military officers from the DRC, Rwanda, Tanzania, Uganda and Burundi meet in Goma (North Kivu Province) on 24 October to discuss the ongoing security issues in the region. President Felix Tshisekedi (2019-present) says the Ebola outbreak in eastern DRC should be eradicated by the end of 2019, ending an almost year-and-a-half outbreak which has killed nearly 2,200 people.*

---

#### IMF plans to resume lending to DRC

The **International Monetary Fund (IMF)** said on 15 November that it would resume lending to the **Democratic Republic of the Congo (DRC)** for the first time since 2012, when it suspended a \$500m programme after the previous government failed to provide details on the sale of state mining assets to an offshore company.<sup>1</sup> The DRC needs the IMF programme to help with its budget shortfall and to put forth programmes that will help its population. However, the IMF is likely to include conditions that many DRC elites, particularly those affiliated with the previous government, will find contrary to their plans to keep control of the DRC economy. President **Felix Tshisekedi** (2019-present) has worked to repair relations with the IMF, which were damaged during the reign of former President **Joseph Kabila** (2001-2019). The head of the IMF delegation, **Mauricio Villafuerte**, said the terms of the Rapid Credit Facility would be submitted to the IMF board in mid-December for final approval.<sup>2</sup>

In return for the loans, the government has reportedly agreed to reinforce macroeconomic stability and address the DRC's business environment.<sup>3</sup> However, it is not clear how large the loan will be and whether the conditions will include other government reforms. DRC **Banque Centrale du Congo (BCC)** (central bank) governor **Déogratias Mutombo Mwana Nyembo** has said he expects the loan to be around \$370m.<sup>4</sup>

The IMF has returned to the DRC just as the economy starts to slow after Tshisekedi's election. The DRC economy grew 5.8% in 2018, but growth is forecast to slow to 4.5% in 2019, followed by 3.2% growth in 2020, due to decreased mining production.<sup>5</sup> Aiming to turn the economy around, Tshisekedi presented a \$10 billion draft budget to the national assembly on 14 November, a 63.2% increase compared to 2018.<sup>6</sup> Although Tshisekedi will need all the financial help he can get from the international financial institutions in order to fund this budget, it remains to be seen whether the elites in Kabila's coalition will agree to IMF funding that restricts the government's use of funds from state-owned companies, such as the state mining company, **Gecamines**.

---

<sup>1</sup> Reuters, 15 Nov 2019

<sup>2</sup> Reuters, 15 Nov 2019

<sup>3</sup> Reuters, 15 Nov 2019

<sup>4</sup> Reuters, 15 Nov 2019

<sup>5</sup> Reuters, 15 Nov 2019

<sup>6</sup> Africanews, 14 Nov 2019

## Regional military chiefs plan to increase Great Lakes security despite EU objections

Senior military officers from the DRC, **Rwanda**, **Tanzania**, **Uganda** and **Burundi** met in **Goma (North Kivu Province)** on 24 October to discuss the ongoing security issues in the region, which, while centered in the DRC, affect the neighbouring countries.<sup>7</sup> The DRC has shown it is incapable of handling the issues on its own, so regional cooperation is needed. However, there is likely to be political opposition to some countries, notably Rwanda, operating militarily in the DRC. The border region is an area of conflict stemming from the two **Congo Wars** in the late 1990s and early 2000s, which have left militia groups in the area fighting for control of an area rich in natural resources. The DRC chief of staff, **Celestin Mbala**, suggested that the regional militaries should work together to eradicate the armed groups, and leaked memos show that staff members of the various militaries have been meeting since 13 September.<sup>8</sup>

However, it is not confirmed that the DRC will allow foreign militaries to enter its territory to help fight the insurgents, which include the Uganda-based Islamist rebel group, the **Allied Democratic Forces (ADF)**, which regularly attacks civilians in the DRC.<sup>9</sup> One of the main issues is that there is still significant distrust between the DRC and its neighbours over the Congo Wars, particularly with Rwanda and Uganda, which helped to topple previous DRC governments. Despite this, the DRC seems intent on working with the other regional militaries to help it defeat the insurgents.

The **United Nations** has, however, spoken out against this plan. **Leila Zerroughui**, head of the **Mission de l'Organisation des Nations Unies pour la stabilisation en République démocratique du Congo (MONUSCO)**, said on 25 October that the UN would not support any foreign militaries that intervene in the DRC:

*"We have no mandate to support foreign forces who enter the DRC. Our mandate is to support the Congolese army."<sup>10</sup>*

While the UN has reservations, the defence attaché for the **United States (US)** embassy in **Kinshasa** attended the meeting to understand how the regional militaries intend to provide peace and security in the region.<sup>11</sup> President Tshisekedi also met with **France's** President **Emmanuel Macron** (2017-present) at the **Paris Peace Forum** in November to discuss the situation. Macron spoke about

*"... the importance of intelligence cooperation and military cooperation in the east [DRC] and the possibility of a diplomatic operation to punish the leaders [of armed groups] within the framework of the UN".<sup>12</sup>*

The **Forces armées de la république démocratique du Congo (FARDC)** have been working with the UN to fight the insurgents, including the ADF and other rebel groups. FARDC forces killed **Hutu Forces Democratiques de Libération du Rwanda (FDLR)** rebel leader **Juvenal Musabimana** on 10 November as part of its offensive.<sup>13</sup> However, the ADF's ability to move across borders has hindered the FARDC's ability to engage with them effectively. The ADF also tends to increase attacks on civilians after FARDC attacks, such as on 15 November when the ADF killed 14 civilians in **Beni** region in revenge for a previous FARDC attack on 30 October.<sup>14</sup> These revenge attacks by the ADF decrease civilian support for the FARDC's actions, in the belief that the FARDC offensive is fuelling the counter-attacks.

<sup>7</sup> The East African, 24 Oct 2019

<sup>8</sup> The East African, 24 Oct 2019

<sup>9</sup> The East African, 24 Oct 2019

<sup>10</sup> The Defence Post, 25 Oct 2019

<sup>11</sup> The Defence Post, 25 Oct 2019

<sup>12</sup> Jeune Afrique, 12 Nov 2019

<sup>13</sup> Al Jazeera, 11 Nov 2019

<sup>14</sup> RFI Afrique, 16 Nov 2019

## Tshisekedi says Ebola outbreak should be over by 2020

President Tshisekedi said on 15 November that the **Ebola** outbreak in eastern DRC should be eradicated by the end of 2019, ending an almost year-and-a-half outbreak that has killed nearly 2,200 people.<sup>15</sup> While the Ebola outbreak is yet to be contained, it does appear to be diminishing and becoming more manageable. The government will need to work closely with international health officials to ensure that any future infected people are not able to leave the area and risk a further Ebola outbreak into other regions of the DRC. Tshisekedi made the comments during a news conference in **Berlin (Germany)** with German Chancellor **Angela Merkel** (2005-present), commenting that

*“...there are still a few isolated cases in **Ituri Province** but we think that by the end of the year we can completely stop that.”<sup>16</sup>*

The announcement came as US-based medical company **Johnson & Johnson** introduced a new Ebola vaccine on 14 November that is hoped will help to combat the outbreak.<sup>17</sup> The new vaccine, which has yet to be tested, will be administered to 50,000 people in Goma and is rolled out alongside another vaccine by US-based pharmaceutical company **Merck**, which has already been administered to over 250,000 people.<sup>18</sup> The vaccines will target the at-risk populations in an effort contain the outbreak and appears to be working, as only four new cases have been reported in Goma since August.<sup>19</sup>

### Planner

22 Nov 2019 **Johannesburg (South Africa)** InvestDRC Forum;  
 10-12 Dec 2019 **Kinshasa (DRC)** DRC Power, Oil and Gas Conference and Exhibition;  
 16 Jan 2020 **(DRC)** Heroes' Day (Laurent Kabila);  
 17 Jan 2020 **(DRC)** Heroes' Day (Patrice Lumumba);  
 30 Jun 2020 **(DRC)** Independence Day;  
 2023 **(DRC)** Scheduled presidential and parliamentary elections;

### Chronology

11 Nov 2019 **Goma (DRC)** *The East African*. Congolese forces kill **Juvenal Musabimana**, the leader of an offshoot of a **Hutu** militia, the **Forces Democratiques de Libération du Rwanda (FDLR)**;  
 11 Nov 2019 **Kinshasa (DRC)** *Reuters*. President **Felix Tshisekedi** says government wants to boost the country's budget for next year by almost 60% to \$10 billion;  
 4 Nov 2019 **Kinshasa (DRC)** *Bloomberg*. **World Bank** country director for the **DRC**, **Jean-Christophe Carret**, says the lending agency could provide as much as \$5 billion to the DRC over the next five years but the country will need to increase revenue and improve governance;  
 4 Nov 2019 **Kinshasa (DRC)** *New Europe*. **European Commission** announces €6m (\$6.68m) support to a vaccination trial in the DRC under the EU's research and innovation programme, **Horizon 2020**;  
 31 Oct 2019 **Goma (DRC)** *BBC*. The **Forces armées de la république démocratique du Congo**

<sup>15</sup> Reuters, 15 Nov 2019

<sup>16</sup> Reuters, 15 Nov 2019

<sup>17</sup> Reuters, 14 Nov 2019

<sup>18</sup> Reuters, 14 Nov 2019

<sup>19</sup> Reuters, 14 Nov 2019

launches an offensive against militia groups in the east, particularly against rebel group **Allied Democratic Forces**;

31 Oct 2019 **Kinshasa (DRC)** *Jeune Afrique*. Parliament elects **Jaynet Kabila**, twin sister of former President **Joseph Kabila**, as head of the defence and security committee;

25 Oct 2019 **Kinshasa (DRC)** *The Defence Post*. The **United Nations** says it will not support neighbouring countries intervening militarily in the **Democratic Republic of the Congo** after senior military officials from five **Great Lakes** nations discuss the idea;

24 Oct 2019 **Goma (DRC)** *The East African*. Senior military officers from the **Democratic Republic of the Congo, Burundi, Rwanda, Tanzania, and Uganda** discuss regional security in the **Great Lakes** region;

24 Oct 2019 **Kinshasa (DRC)** *FT*. **Switzerland**-based mining giant **Glencore** says production at the **Katanga** mine hit 60,000 tonnes of copper in the third quarter, up from 52,500 tonnes the second quarter;

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