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DRC Summary 11 July 2024

The International Monetary Fund (IMF) announces on 3 July that the DRC had completed an IMF loan programme for the first time in its history. Government and the United Nations (UN) peacekeeping mission, Mission de l'Organisation des Nations Unies pour la Stabilisation en République démocratique du Congo (MONUSCO), announce on 8 July that the mission will pause its withdrawal from the country. A UN report seen by international media on 8 July reveals that the Uganda Peoples' Defence Forces (UPDF) and Rwanda Defence Force (RDF) have provided support to M23 rebels fighting in eastern DRC. The report also notes that companies buying metals and minerals sourced from the DRC could be exposing themselves to UN sanctions for supporting conflict.

DRC completes first-ever high-level IMF loan programme...

The **International Monetary Fund (IMF)** announced on 3 July that the DRC had completed an IMF loan programme for the first time in its history, calling DRC's performance under the three-year \$1.5 billion **Extended Credit Facility (ECF)** "*generally positive*".¹ The IMF will disburse its final tranche of \$224.7m to support the country's foreign reserves.

IMF deputy managing director **Kenji Okamura** said that while the DRC's growth outlook is generally favourable, "*risks are tilted to the downside*" due to the ongoing conflict in the eastern region and additional inflationary pressure driven by oil and food price volatility.² Okamura also said that conflict has hampered DRC's development and caused the government to miss its fiscal balance target. However, that was the only performance criterion that the country missed in its final review, and the global lender noted that corrective actions are being implemented.³ The IMF also called for more improvements in governance and transparency to support private sector development and inclusive growth.⁴ The global lender also noted that the DRC's revenue performance in the first four months of this year is "*encouraging*", but "*security spending pressures remain high*".⁵

When the IMF staff completed their sixth and final review of DRC's ECF in May, they also conducted an **Article IV** mission. The Article IV mission recommended that the DRC draft a new budget law after renegotiating a minerals-for-infrastructure contract with **China**.⁶ The new contract will see the DRC receive \$324m per year in developmental financing backed by revenue from a cobalt and copper joint venture. The IMF recommended that mechanisms be put in place or reinforced to ensure proper use and governance of the funds.⁷ The lender cancelled its last loan programme with the DRC in 2012 after the country failed to publish controversial mining contracts.

Going forward, the IMF forecast that the DRC's growth will drop to 4.7% in 2024 after expanding by 8.3% in 2023 when the country officially became the world's second-largest producer of copper.⁸ The economy is also forecast to grow an average of 4.8% until 2028 through the expansion of major mines and the gradual development of non-extractive industries.⁹ The DRC is still expected to struggle with

¹ IMF, 3 Jul 2024

² IMF, 3 Jul 2024

³ IMF, 3 Jul 2024

⁴ IMF, 3 Jul 2024

⁵ IMF, 8 May 2024; Reuters, 8 May 2024; Bloomberg, 8 May 2024

⁶ IMF, 8 May 2024; Reuters, 8 May 2024; Bloomberg, 8 May 2024

⁷ IMF, 8 May 2024

⁸ IMF, 3 Jul 2024

⁹ IMF, 3 Jul 2024

high inflation, which is forecast to average 17.2% this year, down from the 24% reached at the end of 2023.¹⁰ The IMF also confirmed that the government will request a new ECF following the completion of the latest one.

UN peacekeepers pause pullout...

Government and **United Nations (UN)** peacekeeping mission, **Mission de l'Organisation des Nations Unies pour la Stabilisation en République démocratique du Congo (MONUSCO)**, confirmed on 8 July that the mission will pause its withdrawal from the country, with no timeline set for the next phase following the initial one in June.¹¹ President **Felix Tshisekedi** (2018-present) asked the mission in September 2023 to fast-track its withdrawal from the country where it was assisting in quelling insecurity and conflict caused by armed groups competing for minerals and territory.¹²

DRC's ambassador to the UN, **Zenon Mukongo Ngay**, said at the **UN Security Council (UNSC)** on 8 July that the first phase of the withdrawal, which took place in **South Kivu** province, was completed on 25 June after having been scheduled for completion by April.¹³ Ngay revealed that the conditions for the next phase of withdrawal from **North Kivu** province had not been met, blaming neighbouring **Rwanda** for an escalation of clashes in the volatile eastern region.¹⁴ Ngay noted that the withdrawal will be undertaken when conditions allow. MONUSCO head **Bintou Keita** also confirmed that there is "no timeline" for the withdrawal of UN troops from North Kivu or **Ituri** province:

*"Don't ask me what's next. What's next, as we said, [is] we pause, we prepare, and we see what comes next based on the reality on the ground."*¹⁵

The delayed withdrawal of the UN's 13,500-strong peacekeeping force from the DRC will undoubtedly cause major frustration for Tshisekedi, who is under severe pressure from the public. Many Congolese feel that the deployment of the MONUSCO has done little to benefit them and its announced exit from the country was widely celebrated.¹⁶ Regular protests against UN forces in the DRC have also become common in recent years.

The Congolese government thinks that the 16-country **Southern African Development Community (SADC) Mission in the Democratic Republic of Congo (SAMIDRC)** will be more effective in restoring stability in the country. However, UN forces may still prove effective in dealing with the escalation of violence. The **United States (US)** brokered a two-week ceasefire in North Kivu, starting on 5 July, to allow relief supplies to enter the province but breaches of this were reported on 10 July and violence is largely expected to escalate again.

UN report says Uganda and Rwanda provided support to M23 rebels...

A UN report seen by international media on 8 July revealed that the **Uganda Peoples' Defence Forces (UPDF)** and **Rwanda Defence Force (RDF)** have provided support to M23 rebels.¹⁷ The UN's group of experts sent their report to the **UNSC Sanctions Committee** at the end of April and then to members of the UNSC in June. In the report, the UN experts note that they had "unequivocal" proof of Rwandan support for the M23 rebels, including video and drone surveillance of RDF forces and evidence of the rebels using advanced weapons systems.¹⁸

¹⁰ IMF, 3 Jul 2024

¹¹ Reuters, 9 Jul 2024; FirstPost, 9 Jul 2024

¹² Reuters, 9 Jul 2024; FirstPost, 9 Jul 2024

¹³ FirstPost, 9 Jul 2024; Reuters, 9 Jul 2024

¹⁴ Reuters, 9 Jul 2024; FirstPost, 9 Jul 2024

¹⁵ Reuters, 9 Jul 2024; FirstPost, 9 Jul 2024

¹⁶ The East Africa, 27 Nov 2023

¹⁷ Reuters, 8 Jul 2024; Bloomberg, 8 Jul 2024

¹⁸ Reuters, 8 Jul 2024; Bloomberg, 8 Jul 2024

The experts also said that according to their “*conservative estimate*”, between 3,000 and 4,000 RDF forces were operating in the DRC when they finished compiling their report in April.¹⁹ The UN experts also said that the RDF’s support for the M23 is “*sanctionable*”, adding:

*“RDF’s de facto control and direction over M23 operations also renders Rwanda liable for the actions of M23”.*²⁰

Uganda was a part of the **East African Community Regional Force (EACRF)** that deployed in November 2022 to monitor a ceasefire with the M23 and officially exited on 31 December 2023 following tensions with Tshisekedi after he called them ineffective. However, UN experts note in their report:

*“Uganda has not prevented the presence of M23 and Rwanda Defence Forces (RDF) troops on its territory or passage through it”.*²¹

The UN experts also revealed that they obtained evidence confirming active Ugandan support for the M23 from the military and military intelligence, with M23 leaders, including the sanctioned **Sultani Makenga** travelling to Uganda for meetings.²² Speaking on the report on 8 July, UPDF deputy spokesman **Deo Akiiki** said that such reports falsely accuse Uganda when its relationship with the FARDC is at its best.²³ Akiiki also said that “*it would be mad*” for the UPDF to destabilise the DRC when it is “*sacrificing it all to have it stable*”.²⁴ The Rwandese government spokesperson **Yolande Makolo** on 8 July accused Tshisekedi of destabilising the region by consistently threatening to declare conflict and calling Rwandan president **Paul Kagame** (2000-present) “*his enemy*”.²⁵

The UN has long accused Rwanda and Uganda of backing M23 rebels and seizing control over large swathes of territory in the mineral-rich eastern DRC. A local expert told **Africa Risk Consulting Briefing (ARC Briefing)** that the latest UN report “*confirms what we already knew but what will the UN do about it? Because until now we have never seen any punitive actions on Rwanda*”.²⁶

... and that the conflict threatens trade in key metals

The UN report also noted that companies buying metals and minerals sourced from DRC could be exposing themselves to UN sanctions for supporting conflict in the eastern region of the country.²⁷ The experts noted that gold, tin and tantalum, a critical metal used to make portable electronics, are directly supporting the armed groups.²⁸

Last year, several armed groups took control of one of the world’s largest tantalum ore sites in **Rubaya** (North Kivu), which UN experts say makes it “*ineligible for trade*” according to their due diligence guidelines.²⁹ They also said that the Rubaya mine’s takeover presented a serious risk in that its tantalum or tin ore could “*contaminate*” the supply chain of the region.³⁰ The UN group of experts in 2010 created its due diligence guidelines for companies as part of a global movement to halt the purchase of minerals that fund conflict in the DRC.³¹

Large quantities of the DRC’s minerals illicitly cross the border into Rwanda, Uganda and **Burundi**, where they are sold into major global markets and end up in consumer goods.³² According to experts, the regional trade in gold in particular, which is easily smuggled in small quantities due to its high

¹⁹ Bloomberg, 8 Jul 2024

²⁰ Bloomberg, 8 Jul 2024

²¹ Reuters, 8 Jul 2024

²² Independent Nigeria, 10 Jul 2024; Reuters, 8 Jul 2024

²³ Reuters, 8 Jul 2024

²⁴ Reuters, 8 Jul 2024

²⁵ Independent Nigeria, 10 Jul 2024; Reuters, 8 Jul 2024

²⁶ ARC Source, Local Expert

²⁷ Bloomberg, 9 Jul 2024; United Nations, 9 Jul 2024

²⁸ United Nations, 9 Jul 2024

²⁹ United Nations, 9 Jul 2024

³⁰ Bloomberg, 9 Jul 2024; United Nations, 9 Jul 2024

³¹ Bloomberg, 9 Jul 2024

³² Bloomberg, 9 Jul 2024

value, is worth several billion dollars and has become a crucial source of funding for armed groups and members of FARDC.³³ Armed groups controlled most of the gold trade in South Kivu, while both armed groups and FARDC members did the same in Ituri.

In May, the government called for an international embargo on metal exports from Rwanda (*see ARC Briefing DRC Jun 2024*). Former mines minister **Antoinette N'Samba Kalambayi** said in a statement on 8 May that all mining products from Rwanda should be considered “*blood minerals*” because their sale supports the conflict.³⁴ Kalambayi stressed that all global stakeholders including end consumers of mining products should commit to a responsible supply chain and an embargo be decreed against Rwanda.³⁵ The government is certain that if a boycott is implemented against minerals from Rwanda, Rwanda will no longer profit from its support of armed rebel groups, making it significantly less incentive to fund the violence there.³⁶ The DRC will certainly feel justified in its demands given the recent report by the UN and will remain hopeful that concrete actions will be taken to sanction violators of the regulations.

Planner

Mar 2025 Kinshasa (DRC) End date of the Southern African Development Community (SADC) Mission in the Democratic Republic of Congo (SAMIDRC) peacekeeping mission;

Chronology

10 Jul 2024 **Kampala (Uganda) Reuters**. Officials say that a **South African** soldier, who was part of a **United Nations** peacekeeping force in the eastern DRC, died on 8 July when a hand grenade exploded close to his sleeping quarters;

6 Jul 2024 **Kinshasa (DRC) The East African**. **The United States** brokers a two-week ceasefire in **North Kivu Province** to allow relief supplies to enter the province;

5 Jul 2024 **Kampala (Uganda) Reuters**. Two **United States** citizens on trial over their role in an attempted coup in May tell a court that they were threatened by the coup leader, **Christian Malanga**, to either join or be killed;

4 Jul 2024 **Kinshasa (DRC) AFP**. **Djugu** administrator **Ruphin Mapela** says the rebel group, **CODECO**, attacked a **Chinese**-linked mining site in the area, killing six Chinese nationals and two Congolese soldiers;

4 Jul 2024 **Kinshasa (DRC) France24**. Lawyers of 25 soldiers confirm a court sentenced their clients to death for fleeing the enemy while fighting **M23** rebels in eastern DRC;

2 Jul 2024 **Kinshasa (DRC) Bloomberg**. State-owned miner **Gecamines** has started selling its share of copper from joint-venture projects for the first time as the country seeks greater control over a metal key to the energy transition;

2 Jul 2024 **Kinshasa (DRC) Reuters**. Local officials say that the M23 rebel's advance into the strategically important town of **Kanyabayonga (North Kivu Province)** has led to fresh clashes and food price rises as people flee;

2 Jul 2024 **Kinshasa (DRC) Bloomberg**. **Canadian** miner **Ivanhoe Mines** says it will sell the zinc it produces from a large new mine in the DRC to **Singapore's Trafigura Group** and **China's Citic Metal Co**;

³³ United Nations, 9 Jul 2024

³⁴ Mining, 15 May 2024; GZero Media, 16 May 2024

³⁵ Mining, 15 May 2024; GZero Media, 16 May 2024

³⁶ GZero Media, 16 May 2024

2 Jul 2024 **Kinshasa (DRC)** *Bloomberg*. Local banks are urging authorities to rethink requirements for lenders to diversify their shareholdings by as much as 45%, saying the regulation is impractical;

1 Jul 2024 **Kinshasa (DRC)** *Reuters*. Two employees of **United Kingdom**-based aid agency **Tearfund** are killed in an attack on their convoy in eastern DRC;

1 Jul 2024 **Kinshasa (DRC)** *Mining Weekly*. State-owned miner **Gecamines** says it has rejected the sale of cobalt miner **Chemaf** and its Congolese assets, which it leases from Gecamines to **China's Norin Mining**;

29 Jun 2024 **Kanyabayonga (DRC)** *Jeune Afrique*. Administrative officials confirm **M23** rebels seized Kanyabayonga town, located approximately 100km from **North Kivu** provincial capital – **Goma**;

27 Jun 2024 **Kinshasa (DRC)** *AFP*. **Angola** says President **Felix Tshisekedi** and his **Rwandan** counterpart, **Paul Kagame**, may meet “*very soon*” for talks amid increased unrest in eastern DRC;

26 Jun 2024 **Kinshasa (DRC)** *Reuters*. **South Africa's** military says that a mortar attack on one of its bases in eastern DRC had killed two people and injured 20 others;

25 Jun 2024 **Kinshasa (DRC)** *AFP*. **United Nations** peacekeeping mission closes its main office in **South Kivu** province as it continues to withdraw its peacekeepers;

25 Jun 2024 **Kinshasa (DRC)** *Bloomberg*. Local bank **Sofibanque SA** is reportedly considering expanding outside of DRC encouraged by soaring profits last year;

22 Jun 2024 **Kinshasa (DRC)** *Reuters*. Local authorities say armed rebel group, the **Cooperative for the Development of Congo (CODECO)**, killed at least 23 people in attacks on several villages across **Ituri** province in two days;

18 Jun 2024 **Kinshasa (DRC)** *Barron's*. A lawyer for **Taylor Christian Thomson**, a **United States (US)** citizen on trial in DRC over the coup attempt in May, says Thomson suffered torture during his arrest;

17 Jun 2024 **Kinshasa (DRC)** *iAfrica*. **African Union (AU)** denounces the recent “*massacres*” in eastern DRC, expressing concern over the rising levels of violence in the region;

About Africa Risk Consulting:

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