

AFRICA RISK CONSULTING

Monthly Briefing DRC 2024

DRC Summary 16 August 2024

The World Health Organisation (WHO) on 14 August declares a quickly spreading mpox health outbreak in Africa as a global health emergency in a bid to contain the spread of the potentially deadly virus that is overwhelming health services in the DRC. President Felix Tshisekedi (2019-present) claims on 6 August that former president Joseph Kabila (2001-2019) is supporting a sanctioned rebel group, the Alliance Fleuve Congo (AFC), to overthrow his administration. Primarily driven by the rapid expansion of its operations in the DRC, Chinese mining giant CMOG Group Limited solidifies its status as the world's top cobalt producer, producing more than three times as much as rival Switzerland-headquartered commodity mining and trading company Glencore after a significant output surge that has seen the battery metal's price plummet further.

WHO declares global health emergency as DRC mpox outbreak spreads

The **World Health Organisation (WHO)** on 14 August declared a quickly spreading **mpox** health outbreak in **Africa** as a global health emergency in a bid to contain the spread of the potentially deadly virus.¹ The decision came after a WHO panel convened to evaluate the outbreak and the recommendation was unanimous.² A public health emergency of international concern refers to an exceptional situation that poses a cross-border disease risk.³ WHO director-general **Tedros Adhanom Ghebreyesus** said in a briefing that the spread of a new strain of mpox in the DRC and its detection in neighbouring countries that had not previously reported it and the potential for its further spread within the continent and beyond “*is very worrying*”.⁴ Tedros last called mpox a public health emergency of global concern in May 2022 when cases of a milder strain exploded internationally.⁵ However, when the WHO lowered the risk level a year later, cases in Africa continued to rise.⁶ A mutated strain of the mpox virus that causes painful rashes and lesions has now erupted in at least six African countries, infecting about 15,000 people in the DRC and killing over 500 in the country this year alone.⁷ This variant was first reported in the DRC less than 12 months ago.

In a statement published on 12 August, global non-governmental organisation **Save the Children** said many hospitals in the DRC are struggling to treat babies as young as two weeks old who have been infected by the mutated strain spreading rapidly in the country.⁸ The organisation said that in some health centres, patient intake is 4,000% higher than their capacity.⁹ The WHO also said that the bulk of the DRC's almost 15,000 cases are in children under the age of 15, with 39% in children under five.¹⁰ Save the Children DRC country director **Greg Ramm** said health systems in the eastern DRC, where transmissions are highest, were extremely fragile even before this outbreak.¹¹ Outbreaks of **Covid-19** and **Ebola** in recent years, as well as a scarcity of medical supplies, have further complicated efforts to contain mpox.¹² Renewed fighting in the country has also increased the number of displaced people living in crowded camps, increasing the risk of transmission. Additionally, the

¹ World Health Organization, 14 Aug 2024

² Bloomberg, 14 Aug 2024

³ World Health Organization, 14 Aug 2024

⁴ World Health Organization, 14 Aug 2024

⁵ CNN, 14 Aug 2024

⁶ Bloomberg, 14 Aug 2024

⁷ CNN, 14 Aug 2024; Bloomberg, 14 Aug 2024

⁸ Save the Children, 12 Aug 2024

⁹ Save the Children, 12 Aug 2024

¹⁰ Bloomberg, 14 Aug 2024

¹¹ Save the Children, 12 Aug 2024

¹² Save the Children, 12 Aug 2024

country has a significant burden of **HIV**, which could lead to co-infection and lowering of immune responses.

The declaration of mpox as a global health emergency is a positive development for the DRC, as the move necessitates a coordinated global response.¹³ The designation can be used to promote international collaboration on actions such as vaccine procurement. The WHO has started drafting guidance for affected countries and developed a regional response plan requiring an initial \$15m, appealing to donors to fund the balance of the response plan.¹⁴ However, in the short term, the DRC remains severely under pressure from mpox and is heavily dependent on global organisations.

Tshisekedi claims ex-president Kabila backing sanctioned rebels

In an interview with **Kinshasa**-based broadcaster **Top Congo FM**, President **Felix Tshisekedi** (2019-present) said on 6 August that former president **Joseph Kabila** (2001-2019) is supporting a sanctioned rebel group, the **Alliance Fleuve Congo (AFC)** to overthrow his administration.¹⁵ Tshisekedi claimed in the interview, which took place in **Belgium** where he is undergoing medical treatment, that Kabila is “*preparing an insurrection – because, the AFC, that’s him*”.¹⁶ Tshisekedi’s office shared the interview with journalists on 7 August.

The AFC is widely reported to be supporting **M23** rebels fighting government forces in the eastern Congo.¹⁷ The **United States (US)** and **European Union (EU)** on 25 July sanctioned the AFC and M23 for fuelling political instability, violent conflict and civilian displacement in the DRC.¹⁸ In response, Kabila’s long-time colleague and ex-ambassador, **Barnabe Kikaya Bin Karubi**, told US media house **Bloomberg** on 7 August that the former president “*does not respond to this kind of nonsense*”.¹⁹ Karubi emphasised that Kabila has never reacted to the president’s “*provocations*” in the past and will not “*start today*”.²⁰ Currently, there is no evidence to support Tshisekedi’s claims that Kabila is backing the AFC. A DRC resident told **Africa Risk Consulting and Briefing (ARC Briefing)** that without solid proof,

“No sensible Congolese can believe the wild allegations made by the president.”²¹

More than seven million Congolese have been displaced by violence in eastern DRC, one of Africa’s most volatile regions, and fears have been simmering of a heightened conflict. Tshisekedi has accused his **Rwandan** counterpart, **Paul Kagame** (2000-present), of supporting the M23. Kagame has strongly denied the allegation and countered that Tshisekedi’s inability to control developments in his own country poses a security risk to Rwanda. However, a **United Nations (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 (*see ARC Briefing DRC Jan 2024*).²² The UN’s group of experts sent their report to the **UN Security Council (UNSC) Sanctions Committee** at the end of April and then to members of the UNSC in June. UN experts note in the report 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.²³ The UN experts also said that the RDF’s support for the M23 is “*sanctionable*”.²⁴

The DRC and Rwanda agreed in July to a ceasefire agreement brokered by **Angola**, which was to go into effect in early August. However, it collapsed before taking effect, following an outbreak of

¹³ World Health Organization, 14 Aug 2024

¹⁴ World Health Organization, 14 Aug 2024

¹⁵ Top Congo FM, 6 Aug 2024

¹⁶ Top Congo FM, 6 Aug 2024

¹⁷ Top Congo FM, 6 Aug 2024

¹⁸ The East African, 27 Jul 2024

¹⁹ Bloomberg, 7 Aug 2024

²⁰ Bloomberg, 7 Aug 2024

²¹ ARC Source, DRC resident

²² Reuters, 8 Jul 2024; Bloomberg, 8 Jul 2024

²³ Reuters, 8 Jul 2024; Bloomberg, 8 Jul 2024

²⁴ Bloomberg, 8 Jul 2024

violence between the warring parties.²⁵ The Angolan presidency said on 12 August that President **João Lourenço** (2017-present) had presented a proposal for a “*lasting peace agreement*” between the DRC and Rwanda in a bid to end conflict in eastern DRC.²⁶

In his interview, Tshisekedi praised Lourenço and former **Kenyan** president **Uhuru Kenyatta** (2013-2022) for guiding ceasefire talks, stating that things are on “*the right track thanks to these partners*” and that they will find a solution.²⁷ However, Tshisekedi revealed that a parallel peace process through the government of Kenya had effectively stalled after being “*very, very badly managed*” by current president **William Ruto** (2022-present), who he said had been taking “*Kagame’s side*”.²⁸

The UNSC agreed on 6 August to offer logistical and technical support to the **Southern African Development Community (SADC) Mission in DRC (SAMIDRC)**.²⁹ The move will undoubtedly strengthen Tshisekedi’s hand in dealing with the AFC and M23.

DRC mines strengthen China’s CMOG position as cobalt king

Chinese mining giant **CMOG Group Limited** has solidified its status as the world’s top cobalt producer, primarily driven by the rapid expansion of its operations in the DRC. In the first six months of 2024, CMOG produced more than three times as much cobalt as **Switzerland**-headquartered commodity trading and mining company **Glencore** after a significant surge in output that has seen the battery metal’s price plummet further.³⁰ The Chinese company, valued at about \$22 billion, officially overtook Glencore last year as the top cobalt producer but the pair’s first-half output statistics expose a growing production gap between the two.³¹ According to the figures, Glencore’s production tumbled 27% to 15,900 tons, while CMOG’s more than doubled to 54,024 tons, which is not far off its guidance for the entire year.³² CMOG’s output guidance for this year was for 60,000 tons to 70,000 tons and appears to be on course to break the 100,000-ton mark.³³

Global cobalt prices have plummeted 70% since a peak around two years ago to their lowest since 2016 as a surge in new production overwhelms demand.³⁴ Benchmark prices for cobalt metal also plummeted from a peak above \$40 a pound in May 2022 to \$11.83 on 1 August.³⁵ CMOG has played a significant role in this as it ramps up production at its huge mines in the DRC, where it produces cobalt as a by-product of copper.³⁶ CMOG’s increase in output is largely attributed to surging production at its massive \$1.8 billion **Kisanfu mine**, which came online in 2023 and helped the company to officially surpass Glencore (*see ARC Briefing DRC Jan 2024*).³⁷ CMOG’s cobalt increase is also a result of the expansion of its other Congolese mine, the **Tenke Fungurume Mine (TFM)**, one of the world’s largest battery-metal mines.

CMOG’s overproduction has contributed to a large mismatch between demand and supply that has become so severe that Glencore has cut its output in the DRC as a response to weak cobalt prices. CMOG’s output figures almost ensure that it is a “*case of later rather than sooner*” for global markets to come back into balance.³⁸ CMOG’s control of two of the world’s largest mines that produce cobalt and copper also gives it massive leverage in controlling global supply and prices. This has led to major concerns among US officials who are seeking to weaken China’s dominance of global supply chains by introducing new legislation to counter Chinese dominance. If the proposed legislation to restrict the

²⁵ The Nation, 7 Aug 2024

²⁶ Lusa, 12 Aug 2024

²⁷ Top Congo FM, 6 Aug 2024

²⁸ Top Congo FM, 6 Aug 2024; Bloomberg, 7 Aug 2024

²⁹ News24, 7 Aug 2024

³⁰ Bloomberg, 1 Aug 2024; Engineering News, 2 Aug 2024

³¹ Engineering News, 2 Aug 2024; Mining News, 2 Aug 2024

³² Bloomberg, 1 Aug 2024; Mining News, 2 Aug 2024

³³ Mining News, 2 Aug 2024; Engineering News, 2 Aug 2024

³⁴ Engineering News, 2 Aug 2024

³⁵ Bloomberg, 1 Aug 2024

³⁶ Mining News, 2 Aug 2024; Engineering News, 2 Aug 2024

³⁷ Mining News, 2 Aug 2024; Engineering News, 2 Aug 2024

³⁸ Bloomberg, 1 Aug 2024; Engineering News, 2 Aug 2024

import of Chinese mined and refined cobalt becomes law in the US, it will push up prices of electronics for consumers in the country.³⁹ For the DRC, CMOC's mines employ thousands of citizens and the treasury benefits from billions in increased royalty payments from the mines' activities.

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

13 Aug 2024 **Lusaka (Zambia)** *Reuters*. **Democratic Republic of Congo's (DRC)** trade ministry confirms that Zambia will reopen its recently closed border with DRC today;

11 Aug 2024 **Lusaka (Zambia)** *Diggers*. Commerce, trade and industry minister **Chipoka Mulenga** announces the temporary closure of all three of Zambia's functional border gates with the **Democratic Republic of Congo (DRC)** due to protests taking place in DRC;

9 Aug 2024 **Lubumbashi (DRC)** *Bloomberg*. An investigation suggests that over \$20m intended to create ID cards in **Lubumbashi (Haut-Katanga)** was leveraged via shell companies to benefit a handful of the country's elites;

8 Aug 2024 **Kinshasa (DRC)** *APA News*. **United States** grants DRC \$424m in humanitarian aid;

7 Aug 2024 **Kinshasa (DRC)** *Nation*. The ceasefire negotiated in **Luanda (Angola)** between **Rwanda** and the DRC appears to have collapsed before it could take effect, following an outbreak of violence between the warring parties;

4 Aug 2024 **Kinshasa (DRC)** *VOA*. Local sources report that **M23** rebels captured **Ishasha** town on the border with **Uganda**;

2 Aug 2024 **Bujumbura (Burundi)** *Anadolu Agency*. President **Evariste Ndayishimiye** calls for regional coordination in **sub-Saharan Africa** to help restore peace in the conflict-torn **DRC**;

1 Aug 2024 **Kinshasa (DRC)** *Bloomberg*. **M23** rebels said they are not bound by a cease-fire agreement signed this week between **Rwanda** and the DRC, although they are ready to respect it;

31 Jul 2024 **Kinshasa (DRC)** *AFP*. **European Union (EU)** welcomes the ceasefire agreed on between **Rwanda** and the **Democratic Republic of Congo (DRC)** in eastern DRC, and asks all sides to respect the terms;

29 Jul 2024 **Kinshasa (DRC)** *Reuters*. Government accuses the **M23** rebels and **Rwandan** forces backing them of sending false navigation signals to disrupt air traffic over **North Kivu** province;

27 Jul 2024 **Kinshasa (DRC)** *The East African*. **United States (US)** and **European Union (EU)** sanction the **Alliance Fleuve Congo (AFC)**, a coalition of armed groups, including the **M23**, accused of fuelling violent conflict and civilian displacement in DRC;

24 Jul 2024 **Oicha (DRC)** *Reuters*. Suspected **Allied Democratic Forces (ADF)** rebels, an **Islamic State**-linked group originally from neighbouring **Uganda**, kill at least 17 people in an attack on civilians working fields;

22 Jul 2024 **Kinshasa (DRC)** *Medafrika Times*. **African Development Bank (AfDB)** grants a \$260m loan to DRC to help strengthen its agricultural sector;

19 Jul 2024 **Kinshasa (DRC)** *VOANews*. **Uganda's** charge d'affaires, **Matata Twaha Magara**, denies **United Nations** allegations that Uganda is backing **M23** rebels in neighbouring

³⁹ China Global South Project, 15 Nov 2023

Democratic Republic of Congo (DRC) after DRC deputy foreign minister **Gracia Yamba Kazadi** summoned him over the issue;

18 Jul 2024 **Kinshasa (DRC)** *Africanews*. **United States (US)** announces a 15-day extension of a humanitarian ceasefire it brokered in eastern DRC;

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)

Africa Risk Consulting (ARC) Pty Ltd expressly forbids the collection of information and content from ARC Briefing as data to train generative artificial intelligence models.

© Africa Risk Consulting (ARC)