



RECOMMENDATIONS

- Simple and affordable governance solutions to establish state authority in conflict zones have to be developed. The impact of the STAREC programme should be studied in greater detail to understand the policy implications it holds for multilateral and national government interventions for peace consolidation and institutional capacity development.
- Policymakers in the DRC note that human resources are available to monitor the illegal trade in minerals in eastern DRC. However, the lack of communication links between Kinshasa and the eastern DRC complicate efforts to curtail such trade. For this reason it is necessary to implement cost-effective communication, monitoring and reporting mechanisms to bring resource governance solutions to places where they are most needed.
- Corporations that desire to enter the DRC's resource sectors should be aware of the complications that may arise when negotiating contracts and licences to operate. Corporations should be prepared to engage in lengthy administrative processes and complicated government policy and legal environments, while also being mindful of the fact that political interests may interfere in the awarding of contracts.
- The National Assembly's Commission on Natural Resources & Tourism should be capacitated through the provision of research support. Such interventions will strengthen its oversight role and its capacity to hold executive authorities and corporations accountable for decisions regarding access to mining, oil and forestry resources.

The DRC at 50: Confronting the Challenges of Peace and Territorial Consolidation

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EXECUTIVE SUMMARY

On 30 June 2010 the Democratic Republic of Congo (DRC) celebrated 50 years of independence from colonial rule. At 50, the country is torn between competing and contradictory internal forces as it tries to negotiate a path towards self understanding, internal cohesion and responsible behaviour. At this landmark point in its post-colonial trajectory, the DRC needs to confront the old wounds that are continuing to create new policy challenges in its complex political-economic environment. This briefing addresses some of the salient domestic and foreign policy issues facing the country at this stage, namely the consolidation of borders, the pursuit of territorial integrity, the need to develop governance structures in areas where the state remains weak, and the continuing conflict that is impacting on resource extraction.

TO CENTRALISE OR TO DECENTRALISE, THAT IS THE QUESTION?

At a national level, significant attention is being directed towards the DRC's policy of decentralisation and the constitutionally accepted principle of increasing the number of provinces in the country. Currently, the DRC is divided into 11 provinces, with the constitution indicating

that this number should be increased to 26, while relevant powers and government functions, such as financial management and tax collection, are to be decentralised.

The constitution, adopted on 18 February 2006, stipulated a period of three years for the implementation of the new provincial governance structures. However, no progress has been made on this front to date. The Ituri province, in the north-eastern part of the DRC, has lost patience with Kinshasa's apparent unwillingness to move the process forward and, on 15 May 2010, a memo was dispatched from Ituri to the president and prime minister indicating that the province will 'unilaterally' move forward with the implementation of its own 'new' provincial demarcation.

However, questions exist over whether the DRC's national political governance structures, policies, and financial systems are sufficiently developed to accommodate 15 new provinces. Not only will the expanded number of provinces add a significant cost burden to the national budget, but the potential pitfalls hidden in the demarcation of provincial boundaries are creating some concern within the country's policy establishment. In addition, existing disputes regarding income distribution between national and provincial administrations may complicate the establishment of the new provincial structures. This issue will be a central feature of political and policy debates in the country in the run-up to the 2011 elections.

A FOREIGN POLICY OF BORDER DISPUTES

While the internal debate over decentralisation rages on, it is becoming clear that the significant oil and natural gas deposits located in territories where the DRC shares borders with Uganda, Rwanda, Burundi and Tanzania (especially in the Lake Albert, Lake Kivu and Lake Tanganyika areas) are causing these locations to fast become potential flashpoints in regional relations.

In the west, where the DRC occupies a thin slice of territory nestled up against Angola, tensions are mounting due to claims that

companies active in Angola's oil sector may have been illegally drilling and exploiting oil reserves in DRC territory. In this regard, some policymakers are asking whether the DRC's oil extraction rate – a paltry 25 000 barrels per day – is accurate. Currently, the government has neither the capacity nor the technology to monitor the flow of crude oil from its territory. In terms of future policy development in the DRC, therefore, it is necessary to find cost-effective communication systems, linked to effective governance structures, that can monitor the flow of oil and minerals exported from the country.

In eastern DRC, the lack of capacity to govern the extraction of critical resources, such as oil, could combine with border disputes in an explosive mix that may yet hold disastrous consequences, especially in the Lake Albert territory, in the Ituri province. Not only do rumours of groups promulgating the idea of an independent state of Vulcania (broadly located within the territory of North Kivu) persist, but the ongoing insurgency, led by actors such as the Forces Democratiques de Liberation du Rwanda (FDLR), in the Kivu provinces continues to complicate both resource governance and humanitarian conditions.

Tensions exist between the DRC and Uganda regarding the exact location of the border between the countries in Lake Albert, and Uganda's progress towards extracting oil from the lake is further souring relations between the countries. In addition to this dispute, the ongoing insurgency of the Front for Patriotic Resistance in Ituri/Popular Front for Justice in Congo could serve to complicate any plans the government of the DRC has to bring investment into the region to exploit the Lake Albert oil reserves.

Meanwhile, reports from the Equateur province indicate that there are local forces ready to proverbially pick a fight with government forces.

This combination of internal fragility and tensions with neighbouring states in crucial areas points to the fact that the DRC's internal and foreign policy environments are, to a large extent, shaped by historically unresolved conflicts that persist in plaguing the current government.

GOVERNING UNGOVERNABLE SPACES – WILL MONUSCO HAVE NEW ANSWERS?

The drive to extract value from the DRC's significant natural resource endowments by government and international actors is complicated by the fact that the country's economy remains caught between the challenges of war and a fragile peace. Thus, after 50 years of independence, the DRC remains internally divided, with little institutional capacity to erase the fault lines that define its internal socio-political system. Changes in the United Nations (UN) intervention in the DRC are, therefore, a significant international policy development.

At the end of June 2010, the UN peacekeeping operation MONUC (United Nations Organisation Mission in the Democratic Republic of the Congo) officially made way for the new United Nations Organisation Stabilisation Mission in the Democratic Republic of the Congo (MONUSCO) which, according to UN Security Council Resolution 1925 (adopted on 28 May 2010), heralds a new phase in the transition towards the consolidation of peace in the DRC. The shift from MONUC to MONUSCO is a significant symbolic change that could lend itself to portraying the DRC government as taking more responsibility for the consolidation of peace.

The DRC is in urgent need of support for an extensive security sector reform process, while its attempts at disarming, demobilising, and reintegrating members of multiple rebel groups pose a significant policy challenge to the government. In this regard it is to be noted that the DRC's armed forces are still heavily reliant on the UN to provide its troops in the field with logistical and air support. International intervention and support is also needed for the armed forces to liberate territories from rebel control in order to establish functional government offices and social services in areas ravaged by conflict.

MONUC's demise, and the redefinition of the UN intervention in the DRC as MONUSCO, is, therefore, symbolic rather than real, and the mission will continue to have a significant

deployment of 19 815 military personnel, although 2 000 members of the MONUC deployment will be withdrawn from the country. The number of remaining personnel excludes police, civilian and other staff necessary to support UN activities in the country. The inception of the MONUSCO mission entails a crucial policy shift that will see more emphasis on the stabilisation of the DRC's institutional and territorial space. This is important in a context where ungovernable spaces require urgent interventions to prevent human rights abuses, the displacement of people, and the ravages of armed rebel groups that persist in controlling access to mineral resources.

Whether MONUSCO will have new answers to the challenge of governing the currently ungovernable areas of the DRC remains to be seen. The critical difficulty awaiting the interventions of both the UN and the DRC government in conflict areas remains the establishment of state authority and stability. In this regard, the Stabilisation and Reconstruction (STAREC) programme launched in November 2009 may hold some solutions. The programme was initiated by the DRC government and is supported by the UN and the Fund of Stabilisation and Reconstruction in the DRC. The main aims of the STAREC programme are to consolidate the security situation, restore state authority, and help displaced people to return to their homes. Essentially the STAREC programme aims to bring police, court, and other basic institutional infrastructures into territories where the DRC armed forces and the UN have managed to clear away insurgents and rebels. The programme is, therefore, focused on finding lasting governance solutions and facilitating institutional capacity development in the DRC. Programmes such as STAREC should be studied in more detail to ascertain the extent of governance support programmes needed to assist the DRC on the road towards stability, unity and territorial governability.

QUESTIONS ON LICENCES AND CONTRACTS SIGNED BY THE DRC

In addition to the significant social challenges

plaguing large parts of the DRC, insecurity exists for international business actors, who face difficulties regarding contracts and licences. For example, in 2009, the DRC government suspended construction operations at the Kingamyambo Musonoi Tailings project following a mining contract review. Shareholders at this project included Canada-based First Quantum Minerals (FQM), South Africa's Industrial Development Corporation and the International Finance Corporation, which believe the suspension is illegal. FQM has referred the matter for international arbitration.

Other South African companies interested in resources in the DRC include Sasol and PetroSA, which are keen to access natural gas and oil deposits in the Lake Kivu area. However, owing to contesting claims for rights to develop these concessions, the South African companies are confronted with a potential uphill battle to secure licences and contracts to operate. Relations of trust between corporations that want to access exploration, mining and oil licences and the government have never been lower.

Despite this, the DRC's national co-ordinator for the Extractive Industries Transparency Initiative (EITI) indicates that the DRC's first EITI

report covered 63 taxes, 120 companies, and all state and parastatal agencies involved in natural resources. Apparently the DRC will be validated as a member of the EITI by 9 September 2010. This could mean that the DRC has embarked on the slow process of revealing official information and documentation to becoming more transparent in its extractive activities.

CONCLUSION

After 50 years of independence, the DRC remains a 'work in progress'. It is important to recognise that the recent history of conflict and division in the country, in the aftermath of the war to topple the Mobutu Sese Seko regime, has contributed to near incomprehensible lacunas in the internal system. The need for national policy development on resource governance as well as institutional capacity building to manage complex and vast territories remain key challenges.

ENDNOTE

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