POLICY BRIEFING 109

South African Foreign Policy and African Drivers Programme

October 2014

The DRC and its Neighbourhood: The Political Economy of Peace

Cyril Musila[1]

RECOMMENDATIONS

- Provide the DRC with solid, well organised and permanent structures and instruments charged with negotiating regional agreements.
- Develop research capacities in academia and civil society that can focus on peace agreements and are able to distinguish national from regional factors.
- Convince regional institutions that states (in this case, the DRC) have the right to develop their vision of national stability safe from regional influences.
- Reinforce the governance of natural resources through transparent national and regional mechanisms.

ABSTRACT

On 24 February 2013, 11 African countries signed the Addis Ababa Framework Agreement designed to bring peace to the Great Lakes Region, in particular the eastern Democratic Republic of the Congo (DRC), which has been in the grip of armed conflict for two decades. The signatories to the agreement were South Africa, Angola, Burundi, Congo-Brazzaville, the Central African Republic (CAR), the DRC, Kenya, Uganda, Rwanda, South Sudan and Zambia. A previous agreement – the Lusaka Ceasefire Agreement – had been signed 12 years earlier in Zambia. These two peace agreements reflect the balance of regional power. They illustrate the competition between neighbouring countries to the east of the DRC and those to its south, based on the shift in economic power to Katanga province from North and South Kivu.

THE LUSAKA CEASEFIRE AGREEMENT AND THE PRETORIA ACCORD

Signed on 10 July 1999 by the DRC and Angola, Namibia, Rwanda, Uganda and Zimbabwe – all of which were supporting different parties in the armed conflict in the DRC – the Lusaka Ceasefire Agreement called for a halt to all military operations and demanded the withdrawal of foreign troops from DRC soil. It was subsequently signed by the armed movements that these countries supported. Jean-Pierre Bemba, the head of the rebel Movement for the Liberation of the Congo (MLC), supported by Uganda, signed the agreement on 1 August 1999, and the 50 founding members of the Rally for Congolese Democracy (RCD), supported by Rwanda, signed it on 31 August 1999.[2]

The Organization of African Unity, the UN and the Southern African Development Community (SADC) acted as witnesses.

When the ceasefire was neither applied nor respected and the fighting and massacres continued, the DRC government and rebels held inter-Congolese talks, which led to the signing of the Pretoria Peace Accord on 17 December

2002.[3] Following this, the Pact on Security, Stability and Development in the Great Lakes Region was signed in November 2004 in Dar es Salaam and ratified in November 2006 in Nairobi. It was signed by 12 heads of state and government representing Angola, Burundi, the CAR, Congo-Brazzaville, the DRC, Kenya, Uganda, Rwanda, South Sudan, Sudan, Tanzania and Zambia (all of which constitute the International Conference on the Great Lakes Region, or ICGLR). The ICGLR had been jointly established by the UN Secretariat and the African Union (AU) in Nairobi, Kenya in 2000. In 2004 in Dar es Salaam, Tanzania, the signatories unanimously promulgated the Dar es Salaam Declaration on Peace, Security and Development in the Great Lakes Region (Dar es Salaam Declaration).

While the Dar es Salaam Declaration represented the signatories' political will to address both the root causes of the conflict and the obstacles to development from an innovative regional platform, the ICGLR should be viewed from a geopolitical perspective. In effect, the states concerned were all implicated in the DRC conflict to a greater or lesser degree: some supported the government; others supported the rebel groups; and others profited economically from the conflict or suffered indirectly, particularly in having to deal with the resultant refugee crisis.[4] The ICGRL was thus the result of the dynamics emerging from the Lusaka Ceasefire Agreement.

REGIONAL ECONOMIC FACTORS IN THE PEACE AGREEMENTS

It is an interesting exercise when one analyses the economic dimension of this conflict and, consequently, of the two peace agreements: the Lusaka Ceasefire Agreement, which is the matrix of the ICGRL; and the Addis Ababa Framework Agreement (AAFA). Both represent the underlying economic factors that shaped the politico-military struggle between the two regional basins to which the Congolese economy is intimately tied, namely the East Africa basin and the Southern Africa basin. The first links the eastern flank of the DRC (Ituri and the Kivus) to the Indian Ocean, while the second is dominated by Katanga province and connected to the ports of Southern Africa.

The economic elements of the two agreements are thus situated in the context of the profits made from exploiting the natural resources of and commerce between the Kivus and their regional corridors, and Katanga and its regional corridors, at the time of the agreements being signed.

COLTAN: FUELLING THE KIVU WAR

Over the course of 2000 the price of coltan rocketed. Sold at $80/kg on the export market in January 2000, by December of that year the price had reached $800/kg. This meant a windfall for the RCD-Goma (a faction of the RCD). The armed group first decreed a monopoly on the export of coltan, imposing a $10/kg tax, and then refused to trade with syndicates that could not produce at least 5 tonnes per month. The market quickly fell into the hands of the only coltan mining company in the Great Lakes, namely SOMIGIL. Within a few months it was able to resell 236 tonnes for $2.36 million, a deal from which only the RCD-Goma profited. Deprived of revenues, former exporters scrambled to attract global public interest, playing on concerns over the fate of the gorillas of the Kivus.

Coltan was not the only resource in play. Gold, diamonds, timber and coffee also fuelled the conflict. Rwanda and Uganda controlled the commercial and financial revenues generated in the territories occupied by the rebels that they supported. Despite both having been allied to different factions of the RCD in the conflict – in terms of the use of their own armed forces and their support of the insurgents – Rwanda and Uganda became rivals insofar as the control of the rebels and the exploitation of Congolese wealth were concerned.[5]

In March 2001, the World Wildlife Fund and the International Union for the Conservation of Nature, supported by US actor Leonardo DiCaprio and other celebrities, called on the international community to suspend the purchase of Congolese coltan. At the same time, a UN report denounced the illegal plunder of the country's natural resources. The first report would lead to others prepared by a panel of experts on natural resources.[6] Companies such as Nokia and Motorola demanded that their suppliers no longer buy Congolese coltan, turning instead to Canada, Brazil and Australia. These countries also have coltan deposits, although their coltan is more expensive and less rich in tantalite. The price of the mineral collapsed from $2,000/kg in December 2000 to $330/kg in April 2001.[7]

These reports and the international campaigns denouncing the plunder of natural resources to finance violence at the hands of the insurgents, coupled with the instability in the eastern DRC, discouraged any formal investment in the mining economy of the Kivus. Extraction and exploitation remained informal and small scale, controlled mainly by armed groups. This was the economic context of the Lusaka Ceasefire Agreement negotiations.

The DRC is commercially connected to the Kenyan port of Mombasa and the Tanzanian port of Dar es Salaam. Goods transit Burundi, Uganda and Rwanda which then levy customs duties or export the products as goods produced nationally. These countries have also gained geopolitical advantages from the economic profits they made by supporting armed groups (principally the different factions of the RCD, supported by Rwanda and Uganda, and the MLC, supported by Uganda) or their position in the transport network of the export products. As a result, the rebels in control of both the mining and timber sectors were in a strong position to negotiate positions of power. The profits from the pillaged resources amounted to an estimated $280 million in 2001, equivalent to 80% of the country's military budget. Financial assessments estimated that the region's economy was worth $500 million in 2001.[8]

Bolstered by this economic strength, their sponsors in turn had massive bargaining power, allowing them to take political control of the ICGLR. The peace agreements and the establishment of the ICGLR's executive secretariat at Bujumbura did not end the instability or support of rebel groups. On the contrary, the rebellions led in North Kivu by the Congres National pour la Défense du Peuple under Laurent Nkunda (2007–2009) and the M23 (2012–2013) had the support of Rwanda and Uganda.

SOARING INVESTMENT IN KATANGA

Katanga, once the economic engine of the DRC under the Mobutu Sese Seko regime, had seen its economic importance decline and finally collapse as the result of several events: the drop in the price of copper in the late 1980s; the collapse of the state-controlled Gécamines, which was plundered and poorly managed; and the precipitous drop in mining production. While the economy of the eastern DRC was assessed as being worth $500 million,[9] Katanga's financial assessment revealed a value of only $35–50 million in the 1990s. The sudden increase in the price of coltan and cassiterite (found in the Kivus) at the beginning of the 2000s saw Katanga struggling to address the economic problems caused by the failure of Gécamines. At the time the mining industry in Katanga was controlled by the government, which itself was supported by certain SADC states (essentially Angola, Namibia and Zimbabwe). There was therefore a financial and economic imbalance between the two poles of the Kivus and Katanga; the eastern basin and the southern basin; the Great Lakes region (ICGRL) and Southern Africa (SADC).

However, since 2006 – when the insurgents led by Nkunda threatened to jeopardise the legislative and presidential elections and the Kivus' economic growth stagnated through lack of investment – growth in Katanga has begun to take off, largely due to the Tenke Fungurume mine. In effect, the new mining code established in 2004 with the support of the World Bank has encouraged private investment.

Angola, which had intervened on behalf of the DRC during the Congolese civil war (when the Rwandan army tried to take Kinshasa by launching an attack from the Kitona airbase in Bas-Congo province) to protect its enclave of Cabinda,[10] wanted to renegotiate its borders with the DRC in the diamond-rich areas formerly occupied by UNITA. Kinshasa and Luanda remained estranged while investments in Katanga soared, resulting in increased economic traffic in the central corridor (via Tanzania) and the southern corridor (via Zambia, Zimbabwe and South Africa). The increase in China's demand for copper since 2007 and 2008 has seen the economy of Katanga take off, and the province has once again become the economic engine of the country. Apart from the Gécamines, 100 mining companies are active in Katanga: Tenke Mining Corporation exploits the large cobalt reserves with an investment of $2 billion, and Chemical of Africa (Chemaf), based mainly in Lubumbashi and Kolwezi, exports ore with a copper and cobalt content of 99%.

Several small mining companies owned by Indians or Chinese work thousands of mining plots.

THE INCREASING INFLUENCE OF SADC

SADC countries, benefitting from the economic traffic from the Katanga mines, have now taken the lead in the DRC, overturning the balance that previously had favoured the Kivus. SADC is also increasingly concerned with peace and security in the Kivus, where South African companies have started developing business interests.

The taking of Goma by the M23 in November 2012 was as traumatic for the DRC as it was for the UN Organization Stabilization Mission in the DRC (MONUSCO), and resulted in action by the DRC army, the ICGRL and the UN. The ICGRL found itself having to engage in negotiations as SADC countries threatened to intervene militarily in the region. The tension saw Rwanda and Uganda, accused of supporting and profiting from the actions of the M23, turn to their allies in the East African Community while the DRC government relied on SADC, which was proposing a military solution. A task force was set up under the auspices of MONUSCO comprising soldiers from SADC countries (Namibia, Malawi, Tanzania and South Africa). The signing of the AAFA extended SADC's role in the geopolitics of the Great Lakes, based on the increased economic importance of Katanga.

CONCLUSION

Peace agreements are not solely the result of political negotiations. They depend on several parameters that influence the course of negotiations and their results. The DRC case shows the importance of both economic factors and the regional dimension of the conflict, whereby peace agreements are the result of power relations among different groupings of neighbouring states. Just as the Lusaka Ceasefire Agreement was the start of the inter-Congolese Pretoria Accord and the ICGLR, which established the geopolitical influence of the neighbouring states of Rwanda and Uganda (sponsors of the armed groups through which they controlled the DRC's economy), so too did the AAFA ensure the geopolitical influence of SADC states as a consequence of their stake in Katanga's economy, which is now greater than that of the Kivus.

ENDNOTES

1 The author is a researcher associated with the French Institute of International Relations (Paris), a lecturer at the Catholic University of Paris and director of the Chair of Peace Culture at the National Pedagogical University of Kinshasa (DRC).

2 ICC (International Crisis Group), 'The Agreement on a Ceasefire in the Democratic Republic of Congo, DRC', Report No. 5, 20 August 1999; Rogier E, *The Inter-Congolese dialogue: A critical overview*. Pretoria: Institute for Security Studies, http://www.issafrica.org/uploads/CHALLENGESPEACEINTERCONGO.PDF.

3 Emeric Rogier described the agreement that resulted from the inter-Congolese talks as 'cutting up the cake' between belligerents.

4 At the time, Tanzania expressed its dissatisfaction with accepting refugees and threatened to expel them.

5 Kibel'Bel Oka N, 'Les marionnettes congolaises', Les Editions du Panthéon, Report, Paris, 2012, pp. 68–69.

6 UN, 'Security Council: Emphasising the link between continuing conflict in the DRC and illegal exploitation of its natural resources', 14 December 2001, http://www.un.org/press/fr/2001/CS2229.doc.htm.

7 Marysse S & F Reyntjens, *L'Afrique des Grands Lacs. Annuaire 2000–2001*. Paris: L'Harmattan, 2001.

8 Lagrange MA, 'Economie de la paix', Conférence au Café Diplomatique – Ecole d'été de transformation des conflits, Chaire Culture de la Paix & Ministère des Affaires Etrangères, Kinshasa, 13 September 2014.

9 Marysse S & F Reyntjens, *op. cit*.

10 *Ibid*.

The South African Foreign Policy and African Drivers Programme is funded by the Konrad Adenauer Stiftung, the Swedish International Development Cooperation Agency, and the Danish International Development Agency. SAIIA gratefully acknowledges this support.