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ORGANIZED CRIME AND INSTABILITY IN CENTRAL AFRICA

A Threat Assessment

October 2011

UNITED NATIONS OFFICE ON DRUGS AND CRIME
Vienna

Organized Crime and Instability in Central Africa

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Acknowledgements

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The preparation of this report would not have been possible without the data and information reported by governments to UNODC and other international organizations. UNODC is particularly thankful to government and law enforcement officials met in the Democratic Republic of the Congo, Rwanda and Uganda while undertaking research.

Special thanks go to all the UNODC staff members - at headquarters and field offices - who reviewed various sections of this report.

The research team also gratefully acknowledges the information, advice and comments provided by a range of officials and experts, including those from the United Nations Group of Experts on the Democratic Republic of the Congo, MONUSCO (including the UN Police and JMAC), IPIS, Small Arms Survey, Partnership Africa Canada, the Polé Institute, ITRI and many others.

Financial support for this study was provided by the Governments of Sweden (through the UNODC Integrated Programme and Oversight Branch) and Canada.

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For the purposes of this report, “Central Africa” refers to Burundi, the Central African Republic, Chad, the Democratic Republic of the Congo, Rwanda and Uganda.

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Preface

The Great Lakes Region has vast resources and potential, but it is overshadowed by a tragic past that influences the present. The Second Congo War was one of the bloodiest conflicts in the latter half of the twentieth century and it laid the foundations for the present insecurity. Killing over five million people, the war displaced communities, devastated the economy, made guns and ammunition readily available, and traumatised entire populations. The UN's largest peacekeeping mission is now deployed in the Democratic Republic of the Congo (DRC), working to protect civilians and consolidate peace.

Although conflicts have declined markedly in the Great Lakes Region, instability continues to threaten weak state institutions. Transnational organized crime activities, and the money they generate, appear to play a significant role in perpetuating the instability, lawlessness and violence, particularly in the East of the DRC. It is estimated that in the East of the DRC, there are still between 6,500 and 13,000 active members of armed groups who are benefiting from criminal activity.

The *Organized Crime and Instability in Central Africa* threat assessment describes the interconnections between different criminal actors, outlines the various trafficking flows and identifies some possible options for intervention under a regional framework approach.

Organized crime in the region is characterized by the exploitation of natural resources and trafficking of other products, including cannabis, minerals, timber, and wildlife. It is estimated that around US\$200 million in gross revenues is generated from these activities. Central Africa is also one of the regions most affected by the trafficking of children into armed conflict.

As the study shows, some groups, once divided by ideology, have formed coalitions of convenience founded on greed. Those making the most money are illegal armed groups or corrupt elements within the military engaged in trafficking in minerals and other forms of contraband. The illicit trade in Congolese gold is estimated at US\$120 million: ten times the amount made by licit gold sales and twice the value of the country's coffee exports.

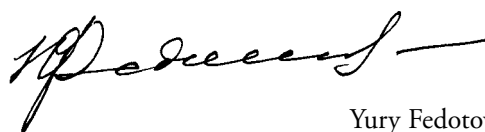
How can we respond to such challenges? While it is true that transnational organized crime puts bullets in guns, the fact that trafficking continues despite a reduction in fighting necessitates a proactive approach. We need to target the economic incentives that motivate armed groups, who continue to profit from the ongoing instability. "Conflict finance" must be redefined to include not just the money that buys bullets but also the money flows that incentivise the commission of violence.

The DRC needs an effective criminal justice system to investigate, arrest, try and punish criminals who exploit institutional weakness to commit crime with impunity. Developing such a system is a long term project, but we can move forward step by step, building on initiatives already in place and by being creative in our cooperative efforts.

We also need to support local and international efforts to undermine the financing of armed groups. The trade from which their funding is generated has dimensions that extend well beyond Central Africa. As a result there is a shared responsibility for tackling the problem. This study proposes to contribute to supply chain security from the beginning of the mineral trade process. This initiative involves securing the route from the mine site to the point of export, as well as clearing the transportation corridors of illegal taxation, road blocks and coerced labour.

To anchor the regional activities within a global framework, UNODC is also working with other partners to ensure that combating transnational organized crime is mainstreamed throughout the United Nations system.

Finally, I would like to thank everyone who helped in the preparation of this report. I hope the report will further understanding about the nature of violence and lawlessness in parts of Central Africa. Transnational organized crime is robbing the citizens in the region of their opportunities for stability and development. We must strengthen our collective response to ensure that they benefit from their resources and secure a peaceful future.



Yury Fedotov
Executive Director
United Nations Office on Drugs and Crime

Main findings and recommendations

- Conflict in Central Africa appears to have declined remarkably in recent years. The remaining instability and violence, which predominantly affect the Eastern DRC, seem to be increasingly the result of criminal acts in a context of persistent lawlessness and weak state institutions, rather than the product of war. This context makes it difficult to provide the criminal justice response that crimes such as murder, rape and trafficking in children require.
- Although political grievances remain, much of the current instability and lawlessness is tied to activities such as trafficking in minerals and other forms of contraband. Those profiting include members of illegal armed groups and corrupt elements in the military, who have an economic interest in maintaining the current situation. Militant organizations may have had political origins, but today, many could be better described as criminal groups.
- The largest source of finance for these groups is the minerals trade. The illicit trade in Congolese gold alone is worth an estimated US\$120 million, about ten times the value of the country's licit gold exports and about twice the value of coffee, its largest agricultural export. Other sources of illegal income include trafficking in cannabis, illicit timber and elephant ivory.
- Unless the flows of contraband are addressed, incentives for armed groups to perpetuate instability, lawlessness and violence will persist and it will be extremely difficult to build state capacity in this region.
- The current approach to tackling the instability in the Eastern DRC has focused heavily on the military. Fighting insurgencies requires soldiers, but fighting crime requires a functional and accessible criminal justice system. Building law enforcement capacity in the region requires capacity-building and reform in the police, courts and prisons.
- In parallel to this long-term effort, immediate responses are needed to undercut the financing of armed groups.
- There are a number of efforts from governments and international organizations to regulate the mineral supply chain. The idea is to promote transparency and provide certification that the minerals are not funding armed groups. All of these initiatives require a mechanism to ensure the integrity of shipments from mine sites to the point of export.
- Toward this end, a quick impact project aimed at curtailing trafficking and building the capacity of the local police could build positive momentum in the Eastern DRC. The transport of bulky minerals - like cassiterite - requires the use of roads, and there are a limited number of useable roads in the Eastern DRC. International police presently stationed in the region could partner with the Congolese Mining Police to ensure the security of the relatively small land area required for transporting this commodity.



Executive summary

This study was undertaken to inform programme development efforts in the context of UNODC's regional programme approach. The Great Lakes region of Central Africa is a region of vast natural resources – and great potential – with a tragic history. Remarkable progress has been made in some countries, while others are only now beginning to find their feet. Many of the problems facing the region stretch back to colonial times, but the current situation is best explained by reference to more recent events.

By some estimates, over five million people died during the eight-country conflict known as the Second Congo War which started in 1998, making it one of the deadliest conflicts since World War II. The human impact has been tremendous: communities have been displaced, weapons disseminated, the population traumatized, and the economy decimated. Although the formal hostilities ended in 2002-2003, violence has continued to afflict the Eastern Democratic Republic of the Congo (DRC). Smouldering grievances, often highly local ones, were again stirred to a blaze. Ethnic tensions in Ituri, a region in Orientale province, stretch back many decades, but violence surged again after the end of the war. The Kivu provinces experienced continuing bouts of extreme brutality fuelled by competition for land and resources, as well as by ethnic grievances.

Today, however, the DRC is in a state of transition. Deaths due to disease and malnutrition, tied in part to the displacement caused by violence, continue, but the World Bank estimates that there were only 610 battlefield deaths in 2008. Though no one is declaring victory yet, it appears that the scale of the conflict has substantially declined. The violence that remains, however, is a potent mix of interpersonal violence and the continuing presence of armed groups

across the Eastern DRC, much of which is connected to the exploitation of natural resources. The violence is preventing the region as a whole from benefiting from development opportunities that would come with stability.

Armed groups as profiteers

Today, there are between 6,500 and 13,000 active members of armed groups in the Eastern DRC. The most prominent of the armed groups is a Hutu militia, the *Forces démocratiques de libération du Rwanda* (FDLR), which has between 2,400 and 4,000 members. Its Tutsi equivalent, the *Congrès national pour la défense du peuple* (CNDP), was largely integrated into the Congolese army in recent years, although a parallel administration continues to control many of its members. It is estimated to have 1,000 to 2,000 members who remain non-integrated. There is also a large number of local militias, generically known as 'Mai Mai,' most of which lack a coherent political objective but have been implicated in a variety of criminal endeavours.

Additionally, elements of the Congolese military have been implicated in the crimes being committed in the Eastern DRC. According to the United Nations Group of Experts on the DRC, President Kabila has recognized the involvement of criminal networks within the Congolese military in illegally exploiting the DRC's natural resources. The involvement of the military has resulted in parallel command structures, insubordination, and negligence in the military's constitutional duty to protect civilians and provide security. According to the Group of Experts, the criminal involvement of the military ranges from "illegal taxation, protection rackets, and indirect commercial control, to more direct coercive control. Taken together, the consequences of this involvement in the exploitation of

natural resources by networks within the army are an important cause of insecurity and conflict in the Eastern part of the country.”¹

Armed groups have a vested interest in perpetuating the conflict, as they are profiting from the instability. They are two broad categories of groups: those whose origins are found in the Rwandan genocide, such as the FDLR and the CNDP, and those who emerged as self-defense groups but grew to become predatory gangs, such as the various Mai Mai militias. Both of these types of groups aim to control territory, both as an end in itself and as a source of funding. Over time, it has become unclear whether these groups are seeking funding in order to gain territory, or seeking territory in order to gain funding. Do they need money to continue the fight or do they need to fight to continue making money?

In either case, the violence afflicting the Eastern DRC today doesn't really look like a political conflict anymore. Political grievances remain, but the problems are not likely to be solved by the signing of a peace treaty or by the defeat of a rebel army. The armed groups commit acts of violence both because they will not be punished and because they profit from them. These groups are more aptly described as organized crime groups, engaged in illicit activities with a transnational dimension, involving cross-border smuggling and financing.

Lawlessness, violence and instability

The transition taking place in the Eastern DRC is occurring in an environment in which the old order of dictatorship has been destroyed, and the new one of responsible democracy has yet to firmly take hold. Both the presence of armed groups and the persistence of unchecked interpersonal violence characterize a situation that could be described as general lawlessness, where weak state institutions are unable to provide security and development opportunities for civilians, rather than a situation of ongoing conflict.

The persistence of the situation of lawlessness makes it difficult to respond to the remaining personal insecurity afflicting the region. For example, one type of violence that continues to garner headlines for the region is rape. Mass rapes, such as the one that took place in Walikale territory in 2010, have attracted international attention and condemnation. High levels of rape are found throughout the country, however, not just in the conflict areas, and more than one third of the rapes reported were committed by domestic partners.

Even those rapes that occur in the conflict zones are often misinterpreted. The Walikale mass rape is instructive, because it appears that it was committed by a number of groups with an interest in the mines in the area. The exact

cause remains obscure, but it does not appear to have been the case of rape being used as a weapon of war. The purpose was not to drive an objectionable ethnic population from their land, or to punish a community for collaborating with the state. Rather, the purpose appears to have been about asserting the strength of the groups involved, to ensure that they would continue to have access to the mineral wealth of the region and possibly gain additional benefits and commissions in any eventual agreement to integrate into the Congolese army. Instead of being a way to defile and displace the opposition, it may have become an instrument for protecting criminal markets.

Another facet of the interpersonal violence is the trafficking of children into armed conflict. While this crime has traditionally been handled under international humanitarian law, the recruitment and use of children in armed conflict also falls under the definition of the crime of human trafficking. Children are used by the armed groups as soldiers, but also as porters, camp attendants and sex slaves. Many are kidnapped, but even when they are not, children lack the capacity to consent to participate in war. Those who recruit them are guilty of human trafficking.

Both rebel groups and national militaries in the region have been named by the Secretary-General of the United Nations as exploiting children in armed forces. In 2009, the Secretary-General found that the national military of the DRC was responsible for a plurality of victims detected in the country, largely due to the process of integrating armed groups into the national military. The integration process may be partly fuelling the trafficking of children, as many marginal groups seek to improve their position in peace negotiations by rapidly expanding their membership rolls.

The main perpetrator of child trafficking did not emerge as a result of the Rwandan genocide or the wars of the DRC. The Lord's Resistance Army (LRA), the rebel group from northern Uganda that has since largely been driven from that country, has become a self-replicating virus of violence, spreading across three countries, killing, raping, kidnapping, and mutilating, and many members seem to have settled into marauding as a lifestyle. Despite their profession of quasi-religious ideology, they have no coherent political objective; in fact, they may be best described as criminals.

The link between conflict and organized crime

There are some who would argue that the origin of the present violence, the Second Congo War, was itself driven by the desire to profit from the riches of the DRC. Whatever the merits of this claim, there can be little doubt that resource extraction has given rebel groups the funding needed to stay fighting. The involvement of these groups in smuggling minerals and using these funds to buy arms has been well documented in the reports of the United Nations

¹ *Final Report of the Group of Experts on the DRC* (United Nations publication, 29 November 2010. S/2010/596), para. 2.

Group of Experts on the DRC. A more difficult point to determine is whether the profits generated by these activities have eclipsed politics as the primary motivation keeping the fighters in the field.

That some of these armed groups are presently more concerned with personal gain than any political objective is evident in the unlikely coalitions that have recently been formed. Many groups whose putative political identity would put them at odds seem to have overcome their differences in the interest of dominating resource rich areas and looting the populace. For example, the primary Hutu militia, the FDLR, has formed alliances of convenience with, among others, primarily Tutsi militias.² These coalitions make no sense in terms of the stated political objectives of the constituent organizations, but they are practical if the goal is self-enrichment.

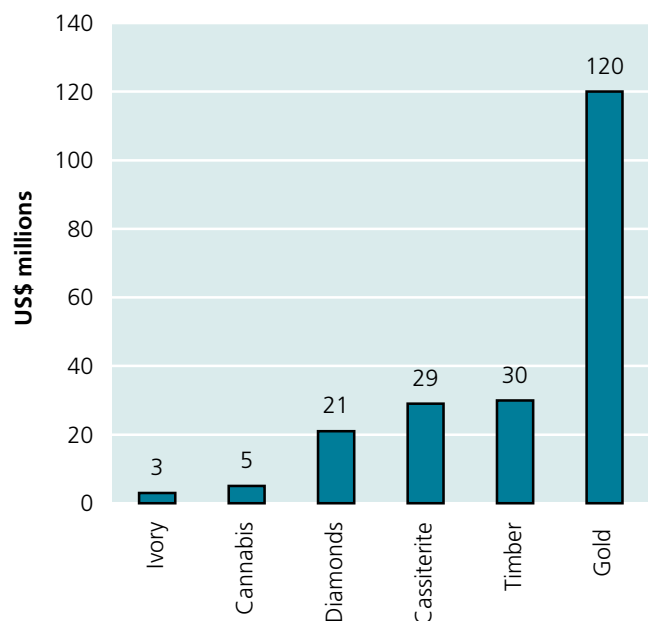
Perhaps the best example of an armed group whose sole purpose is to exploit mining opportunities is the Mai Mai Sheka, which the United Nations Group of Experts describes as the “creation of a criminal network” within the national military. Sheka, the leader of this Mai Mai group, does not have a military background, but has long been engaged - in various capacities - in mining, including with a diggers cooperative at the Bisié cassiterite mine in North Kivu. When the military brigade controlling Bisié was replaced with another, the military network that had been profiting from the mine saw its income threatened. Sheka, who was part of this network, rose to the challenge by creating a Mai Mai group out of assorted former combatants and deserters, with a mission to ‘liberate’ a series of mines from military control. Since then, he has engaged in the perpetration of atrocities, including the Walikale mass rape, as a way of securing recognition and forcing those in power to negotiate with him.³

Organized crime as a source of conflict finance

Transnational organized crime is, no doubt, putting bullets in guns. But the fact that trafficking continues unabated despite a reduction in conflict should prompt a rethink of what we understand as ‘conflict finance.’ The term should refer to more than just economic activity aimed at paying for bullets. It should also include money flows that provide an incentive to commit violence. The issue is not just criminal activity that finances conflict. It is also the conflict that emerges from criminal financial activity.

This report provides estimates of the value of a series of various contraband flows. These are order-of-magnitude figures based on dubious data, but have value in giving a sense of scale nonetheless. Since both armed and unarmed elements participate in these markets, it is difficult to say how much of the proceeds are funding conflict.

Gross value of contraband flows from the DRC in 2010



Source: UNODC calculations

Transnational criminal activity in the Eastern DRC appears to be generating about US\$200 million in gross revenues on an annual basis. If half of this is profit going to the armed groups, including renegade elements of the military, this would bring them US\$100 million. According to the best available estimates, there are between 6,500 and 13,000 armed group members active in the Eastern DRC, and an unknown number of corrupt military officers. If the market were divided evenly between the formal and informal armed forces, this would result in an average income of around US\$5,000 per armed group member. While these profits are not distributed evenly, gross national income per capita in the DRC was only US\$160 in 2009. Whatever is being spent on guns and ammunition, this represents a significant source of livelihood for the combatants. In effect, these men are making a living for themselves and their families out of criminal markets that would not exist without the violence and lawlessness.

A need for strong state institutions

If armed groups have an interest in perpetuating the violence in order to profit from it, and the persistence of lawlessness makes it difficult to respond to the remaining issues of interpersonal violence, the solution would be to end the impunity and to remove the profit incentive. Neither of these objectives can be satisfied by a purely political and military process. The Eastern DRC needs the rule of law. It needs a criminal justice system to punish the guilty, whether they are men in uniform or abusive spouses. It needs a civil justice system that can regulate commerce in the region, particularly the trade in minerals.

In the past, many rebel leaders who have committed atrocities received officers' commissions when they integrated into

² *Final Report of the Group of Experts on the DRC* (United Nations publication, 29 November 2010, S/2010/596).

³ *Ibid.*, para. 14.

the military. This political expedient was apparently successful, given the downward trend of the violence. But the army can only absorb so many criminals before it becomes criminalized itself. It is generally conceded that many of the CNDP elements integrated into the national army continue to respond to a parallel command structure and to profit from criminal trafficking. Many of the rapes committed by soldiers are committed by these criminal elements.

Perhaps the time has come to reassess the nature of the violence and adjust the international response accordingly. At some point, a violent killing in the DRC will no longer be called a casualty; it will be called a murder.

The European Union and others have already begun investing in rebuilding the Congolese criminal justice system, but the amounts are small compared to the US\$1.3 billion spent on the peace mission annually. The problem is that the deterrent effect of the 18,000 UN peacekeepers is hard to assess. The Rwandan genocide took place in 100 days. If troops were withdrawn, it would take longer than that to redeploy them if necessary. The international community has failed the region before, and is loathe to risk doing so again. The situation is complex, and no one wants to gamble with more Congolese lives.

In addition, institution building is a hard, slow process. High levels of corruption threaten to siphon off funds channeled to reconstructing law enforcement capacity. The peacekeeping mission is directly under the control of the United Nations. Most interventions aimed at building police, courts and prisons would not be. But in the end, the Congolese Government will have to manage its entire territory, including the East, and it will have to do so through the police and the courts, not the military. There is no way around it: the DRC will need a law enforcement response in the framework of a functioning criminal justice system.

Targeted response: supply chain policing

In the meantime, there is a need to develop an immediate operational response to organized crime activities that are contributing to the lawlessness of the Eastern DRC. The police are a key component of a functional criminal justice system, and require significant assistance to play a role in combating organized crime and instituting the rule of law. A nexus for international intervention can be found where the police meet development and security: contributing to securing the minerals trade.

As a targeted response, UNODC suggests a pilot project aimed at undermining the financing of armed groups, specifically targeted at adding value to the many ongoing initiatives to contribute to supply chain security for the minerals trade. At its most basic, supply chain policing would involve securing the route from the mine site to the point of export, clearing the transportation corridors of illegal taxation, road blocks and coerced labour. None of the current supply chain initiatives can be successful with-

out police support, and to date, there has been little clarity as to how local law enforcement will interact with these programmes.

The prospects for such a programme are particularly promising for a commodity like tin ore, where both the sources and transportation routes are geographically limited. By simply assuring that the ore gets to the border without criminal profiting, combatant finance would be undermined. Industrial interests would also benefit from cheaper, unsullied product. If successful, the project could be expanded to include other commodities.

The following pages give an overview of a series of trafficking activities in which the armed groups are involved.

Cannabis from the DRC to the region

Cannabis is seen as Africa's most problematic drug. Cannabis users command most of the treatment berths in Africa because imported drugs are too expensive for most local users to afford. Cannabis is one of the few drugs that can be grown with little experience and consumed with little processing. It grows well in many African climates and, as a result, it is cheap, often cheaper than alcohol for those seeking intoxication.

In Central and Eastern Africa, Tanzania, Uganda and the DRC are recognized as major exporters of cannabis to the region. Field research indicates that some of the cannabis thought to be originating in Uganda is in fact Congolese, with Uganda acting as a transit country. Rwandan and Burundian authorities acknowledge the DRC as a major source of cannabis.

In Central Africa, the transnational cannabis trade plays a role in funding armed groups. The FDLR appears to be involved in production, organizing cultivation in parts of the country over which they have long held control. Transportation and wholesaling, however, are frequently in the hands of criminal elements within the military. These two groups, nominally at war, often cooperate in profiting from the drug trade. The use of commissionaires (brokers) to link sellers and buyers from the field to the wholesale centre or from the wholesale centres to retail sites is key to the industry. These individuals are often former cultivators who may act as intermediaries for the FDLR or others who need help marketing the drug.

Once harvested, the plants are loaded into woven plastic bags and carried by porters to wholesaling sites, generally located in towns with road access. At the wholesale centre, buyers arrange for transport by road to the larger towns for local consumption, and also transport to border towns for export to neighbouring countries. The drug is retailed in bulk, often from front businesses or private homes.

For cross-border trade, cannabis is trafficked either in bulk or in retail-ready packages, crossing the borders by every means imaginable, including body couriers, concealment in other shipments, and though the use of informal border crossing points. There have been allegations that elements in the Ugandan military have been involved in cultivation and trafficking of DRC cannabis across the border.

The value of the cannabis depends on where it is sold. Prices appear to double between the farmgate and local wholesale centres, but the real value-added is in getting the cannabis to major retail markets. Taking the demand and supply sides of the trade into account, it appears that cannabis production in Eastern DRC could amount to approximately 200 tons per year. From this, farmers could earn one to two million dollars, while wholesalers could make up to US\$3 million.

Tin ore from Eastern DRC via East Africa to Asia

The market for tin ore is not as glamorous as those for gold or diamonds, but it is profitable. Most tin is extracted from cassiterite ore, and DRC is estimated to account for one third of the world's cassiterite reserves.

Today, artisanal miners feed an illicit flow of tin through the same established trade routes, where it is mixed with licit production and exported to smelters in Asia. Official exports from the DRC currently represent about 4 per cent of global tin production, with most of that coming from the eastern province of North Kivu, which has been the site of much of the violence afflicting the country.

Determining the nature and extent of the trafficking in cassiterite is complicated due to the informal nature of the trade and the remoteness of most of the mine sites. The extraction of the ore is conducted by artisanal miners, while porters transport the output to nearby roads or airstrips for loading onto trucks or airplanes destined for wholesale markets in provincial capitals. Military or other armed groups provide "security" at the mine, and forcibly tax production. Illegally acquired tin ore can be mixed with legitimate production or sold on its own to export houses, or can be smuggled across borders to evade export taxes. The smuggling may take place across land or lake borders. Most cassiterite exports are brokered through Belgium, Rwanda, Malaysia or India before being shipped to smelters.

The trafficking flow is the result of a convergence of interests between those who are knowingly engaged in minerals theft, and those who can plausibly deny knowledge of the origin of the goods they are trading. Today, the Congolese military controls many of the mines, after having wrested control from the FDLR through operations in 2009-2010. Some former elements of the main Tutsi militia (CNDP) that have been integrated into the Congolese Army are using their control over most of the land and lake borders with Rwanda to organize trafficking operations. The military is banned from participating in the mineral trade, but corrupt elements control it through taxation and extortion.

Estimates of the volumes and value of cassiterite production and exports vary widely. Based on values for 2009 and projecting for 2010, approximately 15,000 tons would have been produced and exported from Eastern DRC, with a value of perhaps US\$125 million, had the ban on mining not been instituted in September 2010. In the first six months of 2010, the single most important mine site – Bisié – produced approximately 885.5 tons of cassiterite, worth about nine million dollars on export. Taking the previous year's productivity into consideration, annual output at Bisié could be worth as much as US\$30 million. Since all of the output of this mine is criminalised, at least \$10 million to \$30 million worth of cassiterite was illicitly exported in 2010.

Gold from DRC and CAR via East Africa to the UAE and the world

Of all the commodities discussed in this report, gold is perhaps the most difficult to control. It is portable, easy to conceal, and can be predictably converted to cash almost anywhere. Rather remarkably, most of the gold that is stolen from Central Africa is trafficked by a limited number of players in some fairly predictable ways. Artisanal gold production in the Eastern DRC is estimated to be approximately 12 tons per year, while official exports are limited to the tens or hundreds of kilograms. Central African Republic's gold production was only 61 kg in 2009, down from 333 kg in 2001, while some estimates suggest that the country produces 2 tons per year. The price of gold has quadrupled in the last decade, and prices are likely to continue to rise as investors seek an alternative to equities.

In the DRC, the traffic of gold is dominated by the Hutu militia (FDLR) and elements within the Congolese army, including many former members of the main Tutsi militia (CNDP). In some instances, the armed groups themselves conduct the mining, while in others they use forced labour or extort gold as payment for security or protection services. Consolidation of gold from multiple sources at the *comptoir* (exporter) obscures its origin and makes tracing it difficult. Most Congolese gold is sold to Uganda, and then on to the United Arab Emirates, often transported on commercial air flights. Certain *comptoirs* have connections to specific buyers, including some in Lebanon and South Sudan. Much of the illicit gold flow is facilitated by corruption at border points.

Elements of the Congolese army are reportedly increasing their involvement in Ituri, the DRC's main gold mining area. High-ranking military officials have allegedly been granted their own mining sites or are given large bribes from major gold traders as "insurance" against harassment from other authorities. Corrupt elements in the trading chain, notably certain *comptoir* managers, are also smuggling significant amounts of gold through fraudulent export declarations.

According to the UN Group of Experts on the DRC, gold statistics are "not worth detailing, given the scale of the fraud." The production capacity of the Congolese mining industry is clearly higher than what is reflected by official export figures. Compared to the estimated 12 tons of gold produced per year, export figures are 121 kg for 2007 and only 72 kg for 2008. The DRC Senate has estimated that as much as 40 tons of gold are smuggled from the Eastern DRC each year. If accurate, the official 3.3 tons of gold produced in 2008 would have fetched US\$100 million; if the production is closer to 40 tons, however, the value would be over US\$1 billion. Neighbouring countries such as Uganda, Rwanda and Burundi also export more gold than they produce, suggesting that some of the exports may be re-exports of smuggled Congolese gold.

Diamonds from the DRC, CAR and Zimbabwe via East Africa to the world

In Central Africa, the DRC, Central African Republic (CAR) and Zimbabwe have significant diamond mining areas that have been associated with conflict or crime. Rwanda and Uganda have both been named in connection with the flow of illicit diamonds from the region, notably from the DRC.

The DRC has the largest known diamond reserves in the world, by volume: almost 25 per cent of the world total. The vast majority of these diamonds are of industrial quality, and are mined artisanally (by hand) in the Kasai provinces and parts of Orientale province. Most of CAR's diamonds are gem-quality stones, in contrast to those of the DRC and its other neighbours. Due to smuggling and illegal mining, the president of CAR has acknowledged that the sector provides little benefit to the economy, and that fraudulent exports of diamonds account for 20-25 per cent of all production. Most of Zimbabwe's diamonds are thought to be located in Marange, in the eastern part of the country, but the size and value of the deposit remains unknown. The fields at Marange have been the subject of much concern over alleged government involvement in human rights abuses, smuggling and lax controls that have jeopardized the production chain.

Rough diamonds are officially exported through the Kimberley Process. The transport of illicit diamonds revolves around corrupt or unmotivated security and customs officials, and most cross-border smuggling occurs by air.

The trade in illicit diamonds is extensive and global in nature. Many of Zimbabwe's illicit diamonds cross the border into Mozambique, which is not a member of the Kimberley Process. Diamonds are sent from here to South Africa, Dubai and India. In 2006, there were allegations that traders were using the DRC to launder Zimbabwean diamonds, using that country's status in the Kimberley Process to gain access to official paperwork. DRC has also been a conduit for smuggled diamonds from Angola and CAR. Diamonds from CAR are smuggled overland into Cameroon, Chad or the Darfur region of Sudan, or via air around the world to Europe, the Middle East or South Asia.

Today, it is estimated that 120,000 to 150,000 carats (worth US\$20 million) of diamonds from the CAR are illegally exported annually. The value could be much higher, particularly as the smuggled stones tend to be the most valuable ones. In Zimbabwe, the value of smuggled diamonds was estimated to be US\$400 million in 2007, and may have been up to US\$60 million in 2009. Due to various accounting discrepancies, at least US\$21 million worth of diamonds are unaccounted for in the DRC. The Kimberley Process accounts for 60 per cent of the rough diamonds produced in the DRC each year, meaning 20-24 million carats, worth up to US\$720 million, may be smuggled.

Timber from the DRC to East Africa

Central Africa is home to one of the largest rainforests in the world, and about half of this forest is found in the DRC. The region is one of the most rapidly deforesting areas of the world. Ironically, the conflict has likely slowed the pace of deforestation, as there are few remaining industrial logging operations in the DRC. Rivers and roads, the main avenues for transporting timber, have been plagued by armed groups. During the Second Congo War, logs were taken as spoils by the invading armies and rebel groups were granted concessions in the areas they controlled. Wood was also looted and traded for arms.

Demand for timber is likely to grow as populations rise and development continues. About 80 per cent of the timber exported from the Eastern DRC comes from the Ituri district of Orientale province, while the remainder is felled in North and South Kivu. Most of this timber is transported over land to Burundi, Kenya, Rwanda, South Sudan and Uganda for use in the construction and furniture industries.

Most logging in the DRC is artisanal, and is conducted by, or under the “protection” of, armed groups. Today, most of the timber trafficked from the DRC appears to be used in Uganda and Kenya, and loggers focus on a few species in demand, notably African mahogany and teak. The charcoal trade, which also funds armed groups, appears to be mainly domestic, and most is consumed in large towns.

As with some other extractive flows from the DRC, the illegal extraction of timber is orchestrated by players from the outside. Dealers based in the larger towns, such as Beni, Bunia and Goma, have links to Kenya and Uganda and determine the scale of timber production through financing or equipping artisanal loggers in exchange for timber supplies at low prices.

High-ranking members in both rebel groups and among the Congolese military have been tied to the trade, including three who have been indicted by the International Criminal Court on other matters. There is also some evidence that armed groups in Eastern DRC benefit from unofficial taxes levied on timber.

Estimates of the volume of trafficked timber vary greatly. The volume of illegally exported rough-sawn timber was likely in the order of 50,000 cubic metres in 2010. The market value of this flow would be approximately US\$30 million.

Wildlife from Central Africa to East Asia

Not all forms of wildlife crime would be classed as transnational organized crime. For example, the bushmeat trade is primarily about nutrition, not profit. The impact of this trade on the environment is great, but the meat rarely crosses international borders. In contrast, some wildlife crime has a clear commercial motive, notably the trade in ivory. The flow of ivory from Africa to the hub of demand in the Far East of Asia has been estimated at 72 tons per annum, worth some US\$62 million. This trade results in the deaths of about 7,000 elephants each year.

In Central Africa, the DRC stands out as a source of ivory. Despite the smaller size of the DRC's elephant population compared to its neighbours to the south and east, it appears to contribute disproportionately to the illicit ivory supply. The DRC has reported six cases to the Elephant Trade Information System (ETIS), but has been implicated in 396 other cases between 1989 and 2009, far more than any other country. Some 58 per cent of the DRC-related ivory seizures were taken in the context of large seizures, suggesting a highly organized activity.

As in other parts of Africa, the wildlife trade in Central Africa is both supply and demand driven. As with most commodities extracted from the Eastern DRC, it appears that most of the ivory is trafficked through neighbouring states to the east before being shipped from either Kenya or Tanzania. In addition to the bulk trafficking of ivory, there appears to be a parallel “ant trafficking” – the movement of small amounts of ivory by a large number of individuals, for either personal use or re-sale in Asia. China appears to be the largest national destination for wildlife products.

In the DRC, much of the poaching is conducted by elements of the Congolese army. A recent wave of poachings in Virunga National Park were all attributed to elements of the military. Other armed groups have also been implicated in regional trafficking, such as Mai Mai groups in Virunga National Park and the FDLR near Lake Albert. In the CAR, Sudanese militias have crossed the border to poach elephants, and are believed to have taken up to 2000 elephants in 2007 alone. Given the large market in Asia, it should come as no surprise that many of the traffickers and brokers are Chinese. Vietnamese nationals have also been detected working in local wildlife markets.

The share of the annual flow of ivory flowing from the DRC can be estimated based on the 404 seizures made between 1989-2009. This is approximately 5 per cent of the 7,150 seizures made in or associated with African countries, and amounts to about 3.4 tons, or the production of 340 elephants per year. The estimated worth of this ivory is approximately US\$3 million.

Firearms from the world to the region

It appears that armed groups in this region do not have to look to international traffickers to find guns. Waves of firearms have washed into the region over the years, and many stockpiles remain left over from the wars. A recent survey of 10,000 households in five areas of Eastern DRC suggest that as many as 300,000 small arms remain in the hands of civilians.

Additionally, as in other parts of Africa, rebels and criminals often get their weapons and ammunition from the very people meant to be combating them: the military and the police. In some cases, donors may be neighbouring governments or political movements who support co-ethnics across borders or use rebel groups to undermine regimes they dislike. In other instances, the weapons are sold or rented by the security forces, stolen from military stocks, or seized in raids.

Historically, before the region became saturated with weapons, air transport was the preferred conduit for arms and ammunition coming from various parts of the world to the Great Lakes. Typically, routes flown included those via Cyprus, Egypt or Sudan from the Libyan Arab Jamahiriya. Many of the aircraft involved in violations of the arms embargo on the DRC were leased by commercial operators at major regional airports in neighbouring countries.

Most recent transnational weapons flows have been intraregional, with guns being used as currency to pay for other commodities. For example, Ugandan businessmen have exchanged weapons for timber and coffee from the DRC. Similarly, the Hutu militia (FDLR) has used gold from the mines it controls to purchase weapons smuggled across Lake Tanganyika. Members of the Sudanese People's Liberation Army have passed weapons to allies in the DRC in exchange for commodities such as motorcycles.

Today, weapons are most likely entering the region over land or over lakes, and the border markets – notably those in remote areas – have played an important role in the dissemination of arms and ammunition.

At present, there does not appear to be any appreciable illicit inflow of firearms to the region to speak of. There are less than 15,000 members of armed groups in Eastern DRC, and with approximately 300,000 small arms available, there appear to be more than enough weapons circulating. The need for large-scale transnational trafficking is probably limited.



Introduction

Organized crime has not received a lot of attention in Central Africa, for the simple reason that other issues have seemed more pressing. Threats to political stability and economic development, particularly the ever-present threat of civil war, have commanded most of the limelight. Organized crime can both promote instability and retard development, however, and this appears to be particularly true in Central Africa. And as this report argues, much of the ongoing violence is rooted in transnational organized crime.

This study was commissioned by the UNODC Integrated Programme and Oversight Branch, with a view to inform programme planning in the area. Open source research, in combination with field work, case studies, and consultations or interviews with experts formed the basis for this report. Information was provided by UN Member States, international organizations and key stakeholders from both the private and public sectors. Drafts of the study were submitted for internal and external review through a consultation process.

In the first section, the report looks at the human impact of the conflict and ongoing violence that has been characteristic of the region over the last few decades through examining data and indicators on development, crime, and conflict. The second part of the study examines the illicit contraband flows that are impacting the region, from drugs to minerals to environmental resources, in order to provide an evaluation of the threat posed by these flows. Import and export data, and transport patterns, are used to identify source, transit, and destination countries. One of the key aims of this study is to estimate the volume and value of several key illicit contraband flows that impact the region. Given the limitations of data, however, the estimates presented in this study are based on assumptions and should be considered

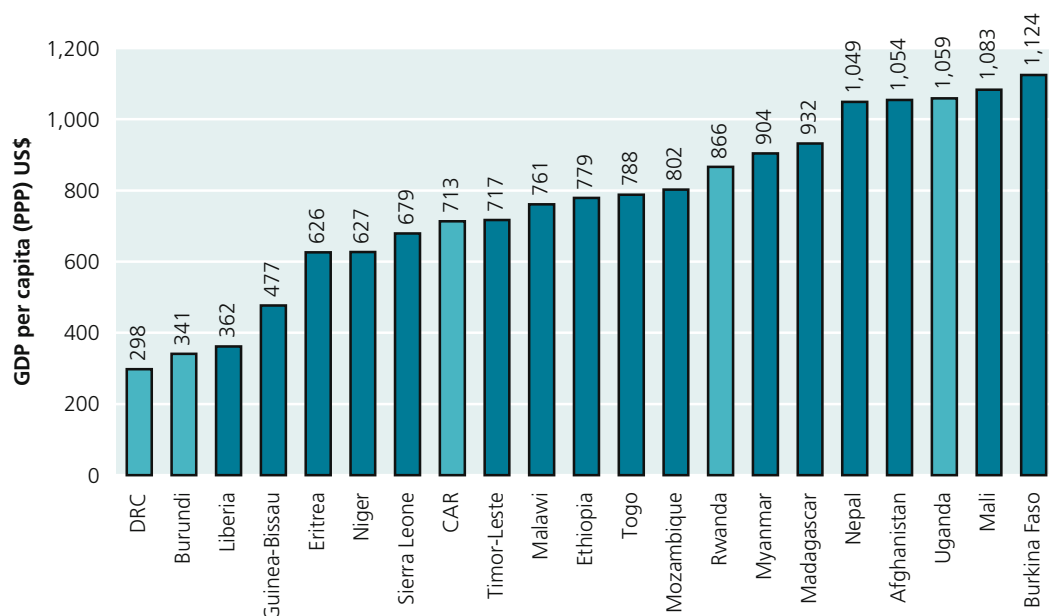
for their order of magnitude, rather than their precision. Finally, the report concludes with a look at conflict finance, the role of organized crime in contributing to the ongoing violence and instability in the region, and follows with some potential policy implications and recommendations.

This report focuses on a portion of Central Africa which has been especially prone to instability, and this instability seems to be fuelled by key transnational trafficking flows. It is a region characterized by large weak states neighboring smaller, stronger ones. Commodities flow between these poles like electricity across a potential difference. The region is both sub-national and cross-national, encompassing the Eastern Democratic Republic of the Congo (DRC) and parts of the Central African Republic (CAR), in some instances South Sudan, as well as Rwanda, Uganda and Burundi. In particular, this report focuses on the smuggling of contraband resources from the DRC and the CAR to consumers throughout the world, flows in which the neighbouring countries are used as transit zones.

There is round consensus that this area in Central Africa is one of the least stable regions in the world today.⁴ Each of these countries has its unique history, but these histories have often been intertwined. Borders have not erased the myriad linkages between peoples residing in different states.

⁴ A study by the Fund for Peace designed to identify failed and failing states rated most of the states of this region as “critical” or “in danger” in 2010, including the DRC, the CAR, Uganda, and Burundi, with Rwanda topping the list of countries rated as “borderline.” The Economist produces a Political Instability Index, and among the top 10 least stable countries rated in 2009/10 are the DRC and the CAR. According to another international monitoring project, most of the countries of the region are featured in the list of the 25 countries rated as being at highest risk for conflict and instability in 2010, including Burundi, the DRC, and the CAR. See Hewitt, J., J. Wilkenfeld, and T. Gurr, *Peace and Conflict 2010*. (College Park: Center for International Development and Conflict Management, University of Maryland, 2010).

The 20 poorest countries in the world in 2007



Source: UNDP Human Development Report 2007

Civil wars have spilled into neighbouring countries, and consequent refugee flows further augmented the importance of cross-border populations. Even as some states have made great strides in development and governance in recent years, the security of the region as a whole is undermined by those that have not.

Generalizing about countries with such different development trajectories is hazardous, but the fact that so much conflict has occurred in a contiguous area in Central Africa suggests some common factor at work. What has been lacking in this region is the rule of law.

Definitions of “rule of law” vary considerably, but generally involve two elements: the just administration of a set of predictable social rules (order) and the compliance of these rules with international standards (human rights).⁵ Assessing the state of the rule of law in this region is not a simple exercise. According to a number of attempts to quantify these concepts, though, the rule of law is elusive in much of Central Africa.⁶ For example, according to the 2008 World

Bank Governance Indicators, the DRC, CAR and Burundi rank among the bottom countries in the world in terms of rule of law, political stability, and government effectiveness. The DRC was ranked in the bottom two countries rated for all three indicators.⁷

This state weakness also has an impact on the willingness of the private sector to invest in development. Nearly 85 per cent of firms polled in the 2006 World Bank Enterprise Surveys in the DRC reported making unofficial payments to get things done, far above the African average (which is just below 50 per cent). Another 80 per cent reported giving gifts to receive import licenses, compared to an average of about 20 per cent Africa-wide.⁸

When it comes to getting business done, this corruption is eclipsed by more basic development issues, such as the unpredictable electrical supply. The lack of electricity and poor governance are interrelated, however. State capacity to establish rule of law has been limited due to lack of revenues. The DRC and Burundi are the poorest countries in the world in terms of GDP per capita, and the CAR, Rwanda and Uganda are not much better off. Even in parts of Central Africa where the political will to secure order is the strongest, this order is under constant threat due to the lack of resources.

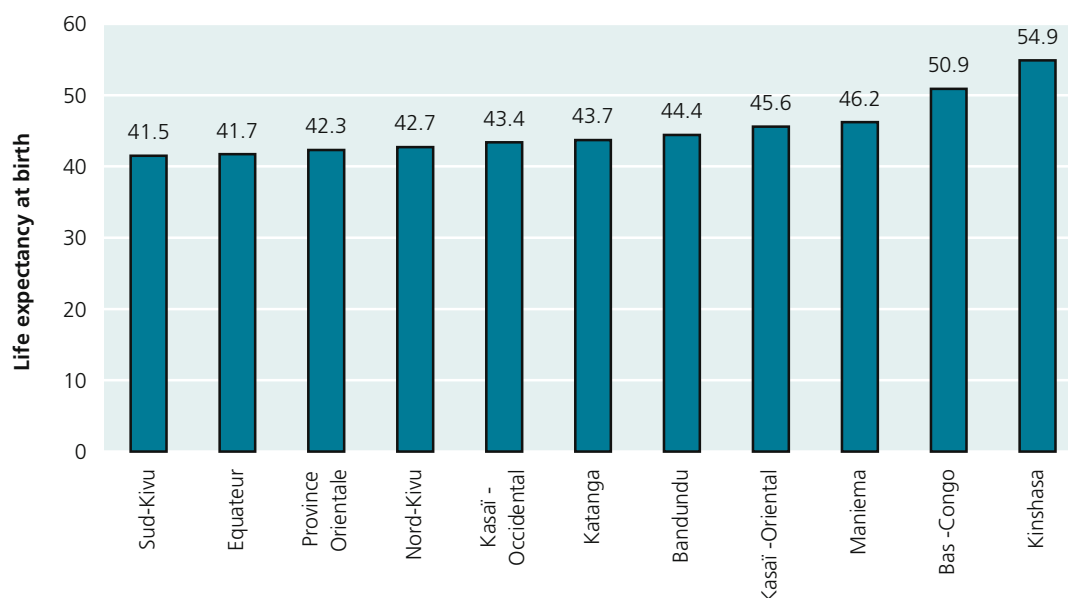
5 According to the Secretary-General of the United Nations, “The ‘rule of law’ ... refers to a principle of governance in which all persons, institutions and entities, public and private, including the State itself, are accountable to laws that are publicly promulgated, equally enforced and independently adjudicated, and which are consistent with international human rights norms and standards. It requires, as well, measures to ensure adherence to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of the law, separation of powers, participation in decision-making, legal certainty, avoidance of arbitrariness and procedural and legal transparency.” “Strengthening and coordinating UN rule of law activities” (United Nations publication, A/63/226).

6 For example, the bottom ten countries in the 2010 Mo Ibrahim Index of African governance feature five from Central Africa, including the DRC and the CAR. All three countries also scored in the bottom 20 rankings of the 2009 Transparency International Corruption Perceptions Index, and their Global Corruption Barometer survey found that 55 per cent of Ugandans reported having paid a bribe in the previous 12 months, the third highest rate among 69 countries polled.

7 Kaufmann, D., A. Kraay, and M. Massimo, *Governance Matters VIII: Aggregate and Individual Governance Indicators, 1996-2008* (World Bank Policy Research Working Paper No. 4978, 2009). The World Bank defines the rule of law as “the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.”

8 Enterprise Surveys – Country Profiles. Available: <http://www.enterprisesurveys.org/CountryProfiles/>

Life expectancy at birth in the DRC (by province) in 2006



Source: UNDP DRC Human Development Report 2008

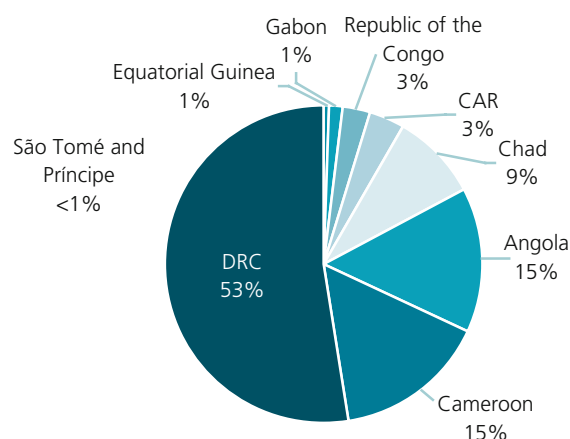
Despite common problems, the region remains very diverse, and there are stark inequalities between and within countries. For example, in the DRC, the conflict-ridden provinces lag behind the rest of the country. Life expectancy in South Kivu province (situated in the Eastern DRC) was a full 13 years less than in Kinshasa (situated in the West) in 2006.

The Eastern DRC is among the most problematic areas in the region, and is the special focus of this report. It is the most unstable part of the largest country in Central Africa. Although the exact share varies depending on how the region is defined, the DRC comprises about half the population of the region.⁹ The DRC is particularly important when the topic is transnational organized crime, because the Congo has long been the victim of resource looting.¹⁰

This looting continues to the present day. Minerals, timber, wildlife, and other resources are stolen from the DRC and trafficked across the borders to neighbouring states, from which they are marketed and shipped around the world. This report focuses on describing how this is done.

The objective is to draw as clear a picture as possible of the crime and the criminals taking advantage of this region. Volume and value estimates give a basis for comparison

Population breakdown in the Economic Community of Central African States in 2010



Source: UN Population Division¹¹

between flows, as well as giving a sense of the resources going to criminal groups, which are often invested in violence and corruption. By bringing some specificity to matters that are often discussed in the broadest terms, the report seeks to contribute to a better understanding of these issues, and of the manner and extent to which criminal activities relate to the situation of instability in the area.

⁹ The United Nations defines "Middle Africa" as Angola, Cameroon, the Central African Republic, Chad, the Republic of the Congo, the Democratic Republic of the Congo, Equatorial Guinea, Gabon, and São Tomé and Príncipe. The Economic Community of Central Africa States (ECCAS) membership includes all these states, plus Rwanda and Burundi.

¹⁰ For an account of the looting of the DRC in the 19th and early 20th Centuries, see Hochschild, A., *King Leopold's Ghost*. (New York: Houghton Mifflin, 1998.)

¹¹ Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, *World Population Prospects: The 2008 Revision*. Available: <http://esa.un.org/unpp>



Conflict and crime

Central Africa has made its way to the top of the agenda of the international community primarily due to the violence that has long afflicted the region. In 1994, following the Rwandan genocide of 800,000 Tutsis and moderate Hutus by a Hutu militia and the army, millions fled Rwanda and looked for safe haven in neighbouring DRC. Refugee camps were set up in Eastern DRC, mostly in the Kivu provinces. Militants among the refugees intended to regroup in the Congo and launch attacks against the newly-installed Tutsi regime in Kigali. These elements were supported by Mobutu Sese Seko, the 30-year dictator of the DRC, which was then called Zaire. In 1996-1997, a Congolese rebellion led by Laurent Kabila, with support from Rwanda and Uganda, ousted President Mobutu. The toppling of Mobutu ended what has generally become known as the “first” Congo war.

The “second” Congo war commenced with fresh violence in mid-1998. President Laurent Kabila demanded all foreign troops leave the country, and requested assistance from Angola, Namibia and Zimbabwe. In all, eight countries were involved in the conflict.

A peace agreement was reached in 1999, and the UN mounted a peacekeeping operation, the *Mission de l'Organisation des Nations Unies en République démocratique du Congo* (MONUC) in 2000. President Laurent Kabila was assassinated in 2001, and was replaced by his son, Joseph. Ongoing peace negotiations resulted in Rwandan and Ugandan military withdrawal from the DRC in 2002. But armed groups were left behind, and conflict in Eastern DRC continued despite the peace deal.

The exact state of the conflict today is difficult to categorise. In 2010, MONUC became a stabilization mission known as MONUSCO (*Mission de l'Organisation des*

Nations Unies pour la stabilisation en République démocratique du Congo) in recognition of progress made. As is discussed further below, active hostilities have largely disappeared, but occasional atrocities, particularly mass rapes, occur sporadically. It is not clear to what extent this stabilization is due to the international peacekeepers deployed in the region. There is concern that if these personnel were withdrawn, the region would descend into chaos once again.

Today, most deaths are due to disease and malnutrition, which are in part tied to the displacement caused by the continuing, periodic violence. The World Bank estimates that there were only 610 battlefield deaths in the DRC in 2008, and while no one is declaring victory yet, it appears that the scale of the conflict has declined substantially. The violence that remains, however, is a potent mix of interpersonal violence and the continuing presence of armed groups across the Eastern DRC, much of which is connected to the exploitation of natural resources.

Armed groups as profiteers

Currently, there are estimated to be as many as 13,000 active members of illicit armed groups in the Eastern DRC. Two of these groups are left over from the Second Congo War. The first, a primarily Tutsi militia called the *Congrès national pour la défense du peuple* (CNDP) has been largely integrated into the Congolese army, although a parallel administration continues to control many of its members. It is estimated to have between 1,000 and 2,000 members who remain non-integrated. Its main opponent, the largely Hutu militia known as the *Forces démocratiques de libération du Rwanda* (FDLR), has been decimated over time but is still active in parts of Eastern DRC. There are an estimated

Chronology of key regional events

1962:	Rwanda and Burundi separate
1965:	Mobutu comes to power in a coup in DRC
1972:	Ethnic violence in Burundi
1979:	Idi Amin deposed in Uganda
1986:	Museveni assumes power in Uganda
1988:	Massacre of Hutus in Burundi
1990:	Rwandan Patriotic Front invades Rwanda from Uganda
1993:	Arusha peace accords for the Rwandan civil war
1993-2005:	Burundi civil war
April 1994:	Rwandan genocide; one million Hutus enter DRC
1996-1997:	First Congo War
1997:	Mobutu overthrown; Laurent Kabila ascends to power in DRC
1998-2003:	Second Congo War
July 1999:	Lusaka peace accords between six of the eight African countries involved in the Second Congo War
2000:	UN Security Council authorizes MONUC to monitor the ceasefire; Paul Kagame becomes president of Rwanda
January 2001:	Laurent Kabila killed; his son, Joseph, assumes power
2002-2003:	Rwandan and Ugandan troops leave the DRC
2003:	Transitional government agreed to in DRC with Kabila as interim president; General Bozizé ousts CAR president Patassé in coup
2005:	ICC rules that Uganda must compensate DRC for abuses and plundering during the Second Congo war
2006:	Elections return Joseph Kabila to the presidency of the DRC; LRA and Government of Uganda begin peace talks
2008:	Rwanda and DRC sign peace pact; Uganda, DRC and Sudan launch joint operations against the LRA
2009:	Rwanda and DRC commence military operations against Tutsi rebels led by Laurent Nkunda

2,400 to 4,000 members. There are also local militia groups, referred to as 'Mai Mai,' who emerged as self-defence groups but grew to become predatory gangs. Many of these local militias appear to have declined in importance, but some have been implicated in a variety of human rights abuses and criminal endeavours.

Additionally, elements of the Congolese military have been implicated in the violence and crime being committed in the Eastern DRC. According to the United Nations Group of Experts on the DRC,

President Joseph Kabila has publicly recognized that the involvement of criminal networks within the Forces armées de la République démocratique du Congo (FARDC) in the illegal exploitation of natural resources has created a conflict of interest with the army's constitutional security mandate. This involvement has led to pervasive insubordination, competing chains of command, failure to actively pursue armed groups, amounting in certain cases to collusion, and neglect of civilian protection. Criminal involvement can range from illegal taxation, protection rackets, and indirect commercial control, to more direct coercive control. Taken together, the consequences of this involvement in the exploitation

of natural resources by networks within FARDC are an important cause of insecurity and conflict in the eastern part of the country.¹²

These armed groups have a vested interest in perpetuating the conflict, as they are profiting from the instability. They are concerned about controlling territory, both as an end in itself and as a source of funding. As will be discussed in the following chapters, many of the mine sites in Eastern DRC are controlled by armed groups, and, over time, it has become less clear whether these groups are seeking funding in order to gain territory, of seeking territory to gain funding. Do they need money to continue the fight or do they need to fight in order to continue to make money?

In either case, the violence afflicting the Eastern DRC today does not resemble a purely political conflict anymore. Political grievances remain, no doubt, but the problems are not likely to be solved by the signing of a peace treaty or through the defeat of a rebel army. The armed groups commit acts of violence because they will not be punished by the weak state, and they commit acts of violence because

¹² Final Report of the United Nations Group of Experts on the DRC. (United Nations publication, 29 November 2010. S/2010/596), para. 2

they profit from them. These groups are more aptly described as organized crime groups, engaged in transnational organized crime and taking advantage of the process of change and transition that is occurring in the region.

Lawlessness, violence and instability

The transition taking place in the Eastern DRC is occurring in an environment in which the old order of dictatorship has been destroyed, and the new one of responsible democracy has yet to firmly take hold. Both the presence of armed groups and the persistence of unchecked interpersonal violence characterize a situation that could better be described as general lawlessness, where weak institutions are unable to provide security and development opportunities for civilians, rather than a situation of ongoing conflict.

As a first step toward viewing these issues with a clear head, this section examines the evidence on the violence in the region. There is no doubt that Central Africa has seen more than its share of violence in the past two decades. Starting with the Rwandan genocide in 1994, every country in the region has suffered from war and displacement. The ongoing conflict in the DRC has been called “the deadliest since World War II.”¹³ But given the many data uncertainties, what do we really know about the nature and extent of the violence?

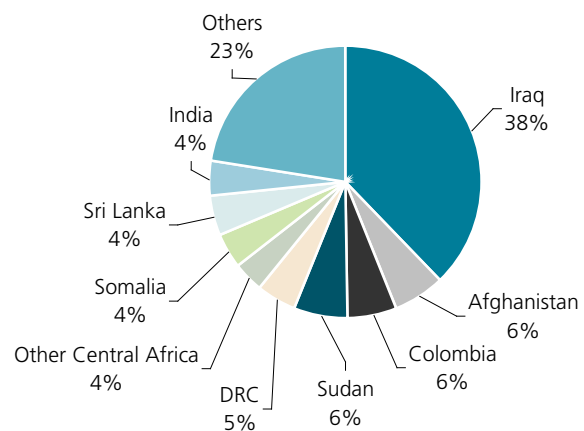
The importance of crime in the global violence toll is not commonly understood. Today, most people who die violently are murder victims, not casualties of war. The Geneva Declaration on Armed Violence and Development estimates that conflicts in 62 countries directly produced some 46,000 deaths in 2004, which is less than the number of people murdered that year in Brazil. In fact, UNODC estimates that there were more than 10 times as many homicides as conflict killings globally that year.¹⁴

The total number of direct conflict fatalities in all of Central Africa since 2004 appears to be less than 20,000, which is less than the number of murders in South Africa in 2004 alone.¹⁵ National homicide figures for the DRC are not available, but if the direct conflict fatalities comprised all the violence experienced in the DRC, the violent death rate would have been less than two per hundred thousand population in 2007, a figure comparable to the murder rates of many countries across the world, including developed

countries, and significantly less than in other conflicts such as those in Sudan (four per hundred thousand) and Colombia (eight per hundred thousand).

War figures take on mammoth proportions when “indirect mortality” is considered. Most people who die in war today are not killed by bullets, but by the stresses of population displacement and the consequent disruption of livelihoods and services. The number of indirect deaths is estimated by comparing death rates before and after the start of the conflict. Any “excess” deaths are deemed conflict-related, and, especially in Africa, these often make up the bulk of the total death toll.

Global distribution of direct conflict deaths, 2004-2007



Source: Geneva Declaration on Armed Violence and Development 2009

Undoubtedly, Africa has hosted some of the world's deadliest conflicts in recent years, but only about a quarter of the direct conflict deaths between 2004 and 2007 were African. Most of the estimated war-related deaths in Africa are indirect. With little confidence in the capacity of the state to provide protection, African populations tend to flee their homes when attacked, so even a small amount of violence can produce mass displacements. Displaced African populations are especially vulnerable because they generally relocate with few resources to equally impoverished neighbouring areas or refugee camps, and malnutrition, disease, and exposure kill many.

Central Africa is no exception in this regard. It was the origin of about 16 per cent of the world's refugees and internally displaced persons (IDPs) at the end of 2009. In 2009, there were more than one million IDPs in the Kivu provinces of the DRC alone.¹⁶ Many of these populations are un-serviced or under-serviced, and, given the long-term nature of these conflicts, displacement can go on for many years.

Most people fleeing conflict in this region move within their home country or into immediately adjacent countries.

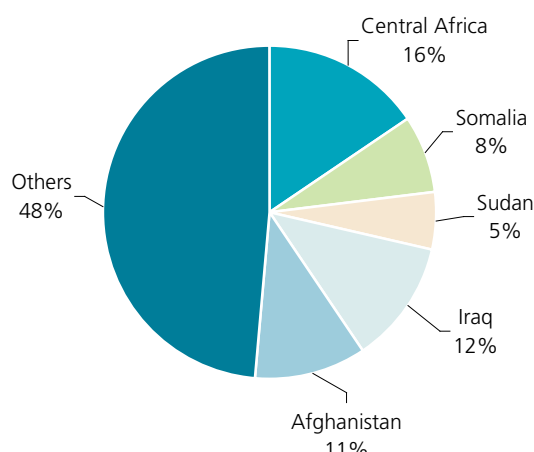
13 International Rescue Committee press release, 'Conflict in Congo Deadliest Since World War II, Says The IRC: Tenuous Peace Process Needs International Support, 8 April 2003: Available: <http://206.188.2.178/news/conflict-congo-deadliest-world-war-ii-says-irc-3730>

14 There were approximately 490,000 deaths from homicide in 2004. See "Global Burden of Armed Violence." (Geneva; Geneva Declaration Secretariat). September 2008. p.67

15 Estimated direct conflict deaths in the DRC, Uganda, the CAR, Burundi, and Rwanda amount to 14,413 between 2004 and 2007, with a population of around 120 million. Given there have been no major outbreaks since that time, the number of conflict deaths is unlikely to exceed 20,000. In 2008, the World Bank put the number of combat deaths in the DRC at 610. Ibid. p. 18-19. In the financial year 2004/2005, there were just under 26,000 murders in South Africa, with a population of less than 50 million at that time.

16 *Report of the Secretary-General on Children and Armed Conflict in the Democratic Republic of the Congo*. (United Nations Publication, 9 July 2010. S/2010/369), para.3.

Origin of refugees, IDPs, and others of concern to UNHCR globally (end 2009)

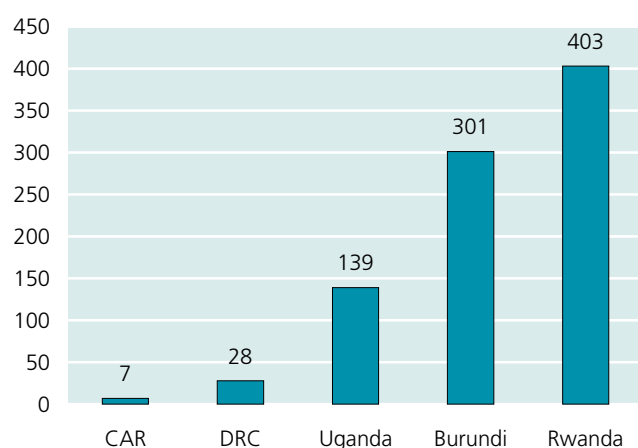


Source: UNHCR, 2009 *Global Trends: Refugees, Asylum-seekers, Returnees, Internally Displaced and Stateless Persons*, online statistical annex. (Does not include stateless people.)

This spillage is not surprising: most of the refugees are poor, there are extensive cross-border ethnic linkages, and the region exhibits some of the world's starkest population density differentials: Rwanda is more densely settled than Japan, while the CAR has fewer people per square kilometre than much of the Sahel.

While many of the largest mass migrations registered by the UN High Commission for Refugees (UNHCR) were in Central Africa, most of these migrants remained within Africa. For example, the single largest mass migration noted by UNHCR in 2009 was the flight of 94,000 people from the DRC to the neighbouring Republic of Congo. But only 5 per cent of the DRC asylum applications pending at the end of 2009, or 1,362 applications, were made in countries outside Africa. Most were made in immediately adjacent countries.¹⁷

People per square kilometre in 2008

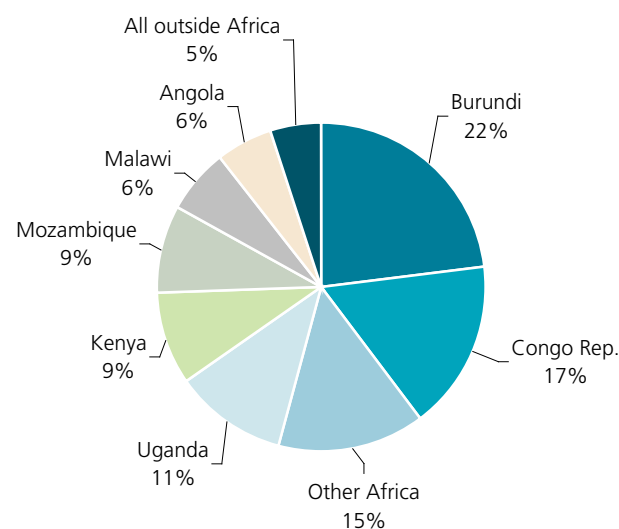


Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, *World Population Prospects: The 2010 Revision*

¹⁷ UNHCR, 2009 *Global Trends: Refugees, Asylum-seekers, Returnees, Internally Displaced and Stateless Persons*, online statistical annex.

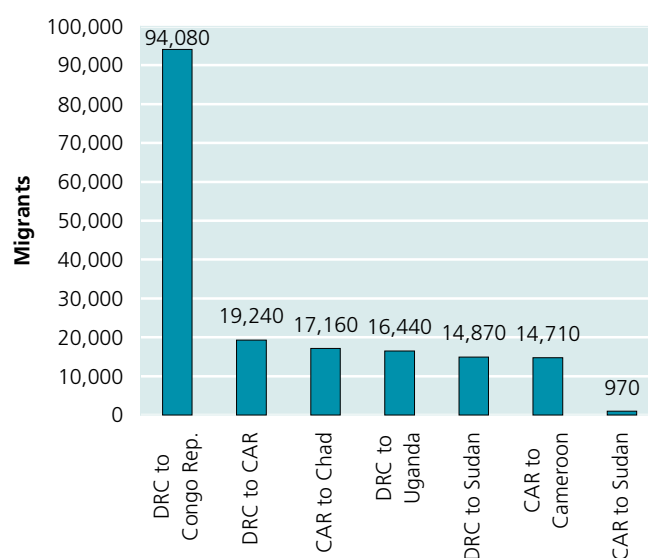
Uganda provides an example of the way a small number of killings can result in mass displacement, causing much higher death rates. The number of direct combat deaths in Uganda has varied over the years, but the figure has always been relatively low, and only 111 people were killed in 2007. Despite this relatively light toll, over 1.2 million internally displaced Ugandans received assistance from the United Nations that year.¹⁸ Not surprisingly, some 85 per cent of the estimated conflict-related deaths in Uganda are indirect.

Countries where DRC asylum applications are pending at the end of 2009



Source: UNHCR, 2009 *Global Trends: Refugees, Asylum-seekers, Returnees, Internally Displaced and Stateless Persons*, online statistical annex. (Does not include stateless people.)

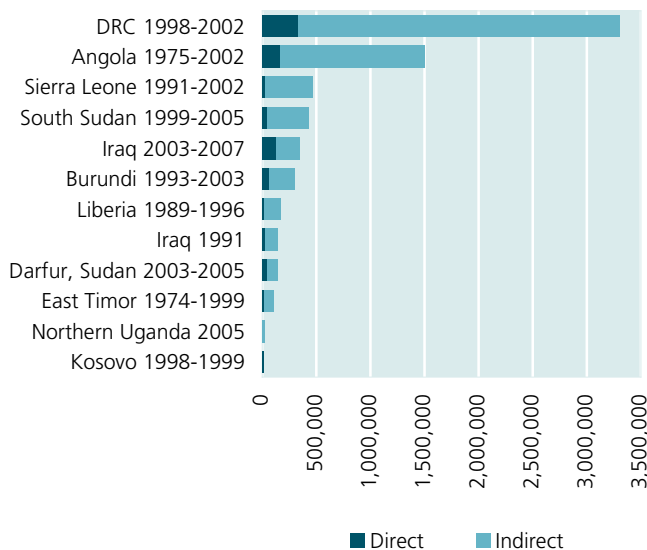
Selected mass migrations in Central Africa



Source: UNHCR, 2009 *Global Trends: Refugees, Asylum-seekers, Returnees, Internally Displaced and Stateless Persons*, online statistical annex. (Does not include stateless people.)

¹⁸ UNHCR, *Statistical Yearbook 2007: Statistical Annex*. (Geneva: UNHCR, 2007), p. 70.

Direct and indirect deaths caused by recent conflicts



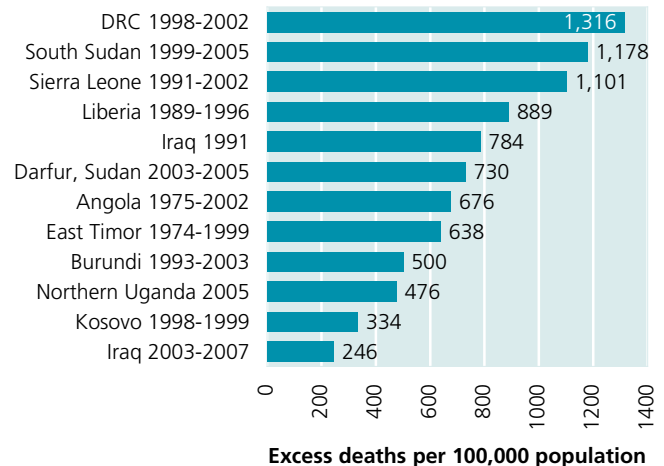
Source: Geneva Declaration on Armed Violence and Development 2009

When indirect deaths are taken into account, Central Africa does present some of the deadliest conflicts confronted in recent decades. Calculating the number of indirect deaths is complicated, however, given the lack of solid mortality data in many countries. The example of the DRC is instructive. The International Rescue Committee (IRC) has long produced the most-cited estimates on mortality in the DRC. Based on five national surveys, the IRC has estimated that 5.4 million people died as a result of the conflict between 1997 and 2007, which would indeed make it the deadliest conflict since WWII.¹⁹

This estimate has been criticized on methodological grounds, however. The Human Security Report Project (HSRP) argues that the earlier surveys were irretrievably biased in their sampling, but is able to provide a contrasting estimate for the period 2001 to 2007 by assuming a different baseline mortality rate. During this period, the IRC method would estimate 2,830,600 “excess” deaths, while HSRP would estimate 863,000, less than one quarter as many deaths.²⁰ Only a small share of these deaths are direct conflict deaths. Life expectancies dropped in many African countries during this period, largely due to the spread of HIV/AIDS. It is unclear how many of those who died of disease and malnutrition during this period would have survived had there been no war.

Still, cold statistics can not tell the whole story; the wars in Central Africa have been extremely costly, in terms of both human life and economic development, and the violence continues. One of the core questions to be addressed in this report is to what extent this violence is either driven or

Total conflict death rates (direct and indirect)



Source: Geneva Declaration on Armed Violence and Development 2009

fuelled by organized crime. One form of violence that is not easily linked to profit-driven crime is rape.

Is rape a weapon or a symptom?

Rape has long been a feature of war, but some observers have concluded that it has taken on a special character in recent conflicts. Describing the problem of rape in the DRC, John Holmes, a former United Nations Under-Secretary-General and Emergency Relief Coordinator, has said, “The intensity and frequency is worse than anywhere else in the world.”²¹ Margot Wallström, the UN Special Representative on sexual violence in conflict, has described the DRC as the “rape capital of the world.”²² Over 200,000 rapes have been documented in the DRC since 1996.²³ Some 15,000 rapes were reported in both 2008 and 2009.²⁴ The horrific experiences described by survivors have led many to conclude that rape is being systematically applied as a weapon of war.²⁵

Despite widespread opinion that rape in the DRC falls in a category of its own, it is difficult to definitively support this viewpoint with data. Worldwide, rape figures are less reliable than murder figures, because an unknown share of rapes go unreported and thus undetected. This share varies greatly between countries, due to differences in cultural perceptions about rape, as well as differences in the accessibility of both reporting mechanisms and victim services. As a result,

21 McCrummen, S. ‘Prevalence of Rape in E. Congo Described as Worst in World’. *Washington Post*. 9 September 2007.

22 “UN Official calls DR Congo ‘rape capital of the world.’” *BBC News*. 28 April 2010. Available: <http://news.bbc.co.uk/2/hi/8650112.stm>

23 MONUSCO website. Available: <http://monuc.unmissions.org/Default.aspx?tabid=4072>

24 Report of Atul Khare, Assistant Secretary-General for Peacekeeping Operations, before the Security Council on 7 September 2010. The figure of 15,000 was also cited by Head of MONUSCO, Roger Meece in his briefing to the Security Council on 15 October 2010 (S/PV.6403).

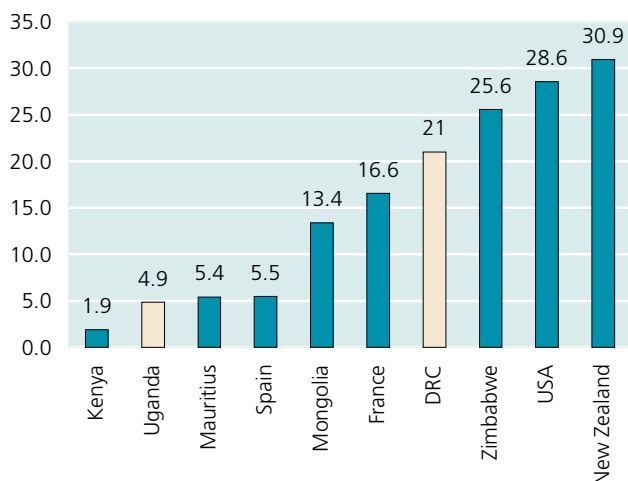
25 So asserts the Special Representative of the Secretary-General on Sexual Violence in Conflict, Margot Wallström, in her briefing to the Security Council on 14 October 2010 (S/PV.6400)

19 International Rescue Committee, *Mortality in the Democratic Republic of Congo: An ongoing crisis*. (New York, US: IRC, 2008).

20 Human Security Report Project, ‘The Shrinking Costs of War’. Part II in the *Human Security Report 2009*. (Vancouver, Canada: HSRP, 2010).

some countries with high levels of rape but low levels of reporting show low rates in the statistics, and some countries with relatively low levels of rape but high levels of reporting show higher rates.

Recorded rapes per 100,000 citizens, selected countries, 2008



Source: UNODC CTS and UNFPA

The figure of 15,000 recorded rapes per annum in the DRC is alarming and represents an immense human tragedy.²⁶ At a national level, this number translates to a rate of about 21 per 100,000 population in 2008, a rate between that found in France (17) and Zimbabwe (26). The violence, however, is highly concentrated in the eastern part of the country. According to the United Nations Population Fund, almost 60 per cent of the rapes recorded in the country in the first half of 2010 took place in the Kivu provinces alone.²⁷ There were 12,838 recorded cases of sexual violence in Orientale and the Kivu provinces, half of which (6,379) were allegedly perpetrated by armed groups, between October 2008 and December 2009.²⁸ This is a large number, but these provinces are three of the four most populous in the country. Using 2005 Census figures would produce a total recorded rape rate of roughly 67 per 100,000 in those provinces.²⁹ If the population has grown in the last six years, the rate would be lower. Of course, it is methodologically incorrect to compare the most violent parts of a country to national figures, so this comparison is unfair to the DRC. During the active conflict, it is likely that rape rates in the DRC were very high, and that very few were ever officially recorded. Today, however, it is difficult to say whether a rape in the DRC is more or less likely to be recorded than a rape in France or Zimbabwe, due to conflicting biases.

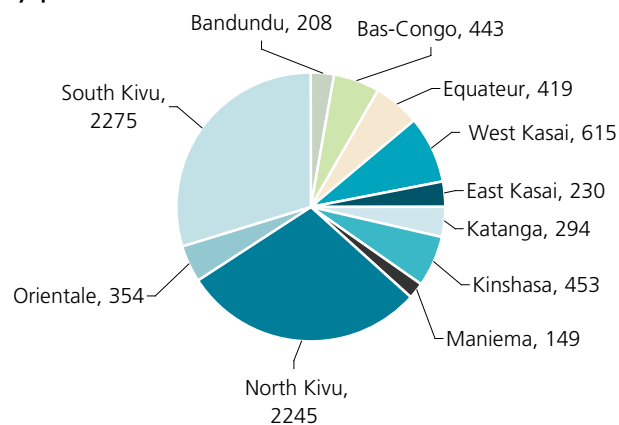
²⁶ The figure of 200,000 rapes, spread over a 14-year period, is essentially the same as 15,000 rapes per year.

²⁷ UNFPA, *Violences Sexuelles Enregistrées en RDC, Janvier - Juin 2010*.

²⁸ *Report of the Secretary-General on Children and Armed Conflict in the Democratic Republic of the Congo*. (United Nations Publication, 9 July 2010. S/2010/369), para. 8.

²⁹ Population estimates provided by Clionadh Raleigh, Trinity College, Ireland. The three provinces together were estimated to have some 16 million inhabitants between them. With population growth, the rate would be lower.

Number of recorded rapes committed in the DRC between January and July 2010 by province



Source: UNFPA, *Violences Sexuelles Enregistrées en RDC, Janvier - Juin 2010*

On the one hand, the stigma of being a rape survivor in the DRC has been well-documented. When victimized, men and women may be ostracized by their communities, and even abandoned by their spouses and children. While rape victims experience discrimination in many countries, the bias seems especially strong in the DRC, which could lead to lower levels of reporting.

On the other hand, many of the recorded rapes in the Eastern DRC are mass rapes, associated with the looting that occurs when an armed group takes control of a village or settlement, and these are often highly public events. As a result, very large numbers of rapes may be recorded at once, and are not reliant on the discretion of any particular victim. Many of the rapes reported are extremely violent, requiring medical assistance, and so may be more likely to come to the attention of the authorities than rapes elsewhere. In addition, the issue has received a great deal of attention and international assistance. It has even been suggested that some women suffering from fistulas due to difficult childbirths have claimed to have been raped in order to gain access to the medical care targeted at rape victims,³⁰ as they have few alternatives to turn to for medical services.

Surveys that have been conducted to assess the extent of rape in the DRC have produced conflicting results. One recent study put the figure at around two million victims, male and female, in the Eastern DRC over the last 16 years, and suggested underreporting rates as high as 75 per cent.³¹ A 25 per cent reporting rate is actually very good by international standards, however, and supports the notion that the reported rape rates in the DRC could legitimately be compared to those in developed countries. Another study suggested that, in 2009, nearly half a million women had

³⁰ Eriksson Baaz, M. and M. Stern, *The Complexity of Violence: A critical analysis of sexual violence in the Democratic Republic of Congo*. (Uppsala, Sweden: The Nordic Africa Institute, 2010).

³¹ Johnson, Kirsten et. al. "Association of sexual violence and human rights violations with physical and mental health in territories of the eastern DRC." *JAMA*, 15 October 2010.

been raped in the DRC in the previous 12 months alone, with 35 per cent of the perpetrators being the intimate partners of the victims.³² Rape surveys are fraught with difficulties, and inconsistent methodology makes it very difficult to compare results between countries or between surveys.

But the prevalence of rape is not the only issue – rape in the DRC has been portrayed as extraordinarily sadistic.³³ Navanethem Pillay, the United Nations High Commissioner for Human Rights, has said, “The scale and viciousness of these mass rapes defy belief.”³⁴ Bias in reporting may again be an issue, as it may be that only the most spectacular offences reach the attention of the authorities, but the fact that these incidents occur at all calls out for explanation. The torture and humiliation to which victims have been subjected has led some to argue that combatants are using “rape as a military strategy.”³⁵ After yet another mass rape in February 2011, United Nations spokesman Maurizio Giuliano described rape as a “pandemic... used by belligerent parties ... as a weapon of war.”³⁶

The systematic use of rape to demoralise the enemy and to displace communities has been demonstrated in a number of recent conflicts, but just because rape has been weaponized in some theatres does not mean it should be considered part of military strategy in every conflict where rape is widespread. In any environment where impunity is virtually assured, opportunistic rape may occur. The generalized lawlessness and lack of accountability among the armed groups in the Eastern DRC, including the military, provides exactly the sort of environment where disorganized rape is likely.

It is difficult to assess the level of military intent involved in any pattern of rape. There is a spectrum of possibilities. On the one extreme, there could be explicit orders from a central military authority instructing soldiers or guerrillas to terrorise targeted civilian populations, perhaps with the intent to cause mass displacement. Alternatively, rape could spontaneously emerge as a field tactic for punishing communities associated with enemy forces, with its use resulting in reprisal attacks. Or it may be that what appears to be concerted action is, in fact, a recurrent manifestation of generalised violence. Unless a smoking gun is present, the

degree to which rape is regarded as organized violence must be inferred from the circumstances under which it occurs.

A number of surveys in the DRC have suggested that most of the perpetrators are members of armed groups, but at least one recent study suggests that rape is not a matter of military policy. It comes to this conclusion based on several observations:

- The soldiers themselves deny having been ordered to rape, despite admitting the problem and being candid about other deficiencies in the military.
- Rape often occurs in the context of generalised looting and destruction, and may be seen as just another way of pillaging targeted areas.
- Ethnicity is often an issue in the conflict, but it does not appear to be of much import in the choice of rape victims.
- “Punishment” of communities for collaborating with antagonistic groups is sometimes a feature of the rapes, but not always.
- Despite the prominent role played by men in uniform throughout the region, rape also occurs in areas not involved in active conflict.

The study points to a wide range of causes for rape associated with a demoralised military force that has lost its sense of direction, as well as a general atmosphere of impunity, rather than a systemic campaign of rape as a weapon of war.³⁷

If the high rape prevalence were primarily a result of military strategy, the vast majority of the rapes would be conducted by armed groups. While not every combatant wears a uniform and not everyone in uniform is a combatant, a recent analysis of reported sexual victimization found that less than one third of some 7,500 rapes detected in the first half of 2010 were conducted by men in uniform. The share was higher in North Kivu, Orientale and South Kivu provinces. This could be indicative of instrumental use of rape, or it could be simply because the prevalence of combatants in the population is higher in those provinces. Further, this share is considerably lower than in previous surveys, where more than half the rapes involved men in uniform. It is possible that the violence previously dominated by uniformed groups has now become more generalised.³⁸

This is not to say rape is never used instrumentally. In 2010, the UN Group of Experts on the DRC interviewed a perpetrator in the mass rape of some 300 people that summer. This informant, a member of the armed group known as ‘Mai Mai Sheka,’ said the rapes had been ordered by Sheka himself, because he had been advised that widespread use of rape would “garner greater attention for his group.”³⁹ It appears that the local militants have picked up

32 Peterman, Amber et al. “Sexual violence against women in the DRC: Population-based estimates and determinants.” *American Journal of Public Health*, 101.6, 18 October 2010.

33 Recent reviews of treatment centre records have documented victims as young as 3-years and as old as 80. Gang rapes are often performed in public or in front of family members. Men and boys have been forced to rape their relatives, and an unknown number have been raped themselves. Objects and weapons have been used to violate victims, often resulting in serious injury.

34 “Commander arrested after mass rape of DRC villagers,” *Mail and Guardian*, 7 October 2010.

35 Harvard Humanitarian Initiative and Oxfam America, “*Now, the World is Without Me: An Investigation Of Sexual Violence In Eastern Democratic Republic Of Congo*.” (Cambridge: HHI, 2010), p. 37.

36 Gettelman, J., “Rapes are reported again in Eastern Congo.” *New York Times*, 25 February 2011.

37 Eriksson Baaz, M. and M. Stern, op cit.

38 UNFPA, *Violences Sexuelles Enregistrées en RDC : Janvier - Juin 2010*.

39 *Final Report of the Group of Experts on the DRC* (United Nations publication,

on the fact that rape is of concern to the international community. The motivation is not to sow terror, however, but to manipulate a system of political settlement which rewards outrageous behaviour with concessions. Impunity compounds the problem, and the ongoing risks to personal safety in the Eastern DRC continue to prevent opportunities for development from being realized.

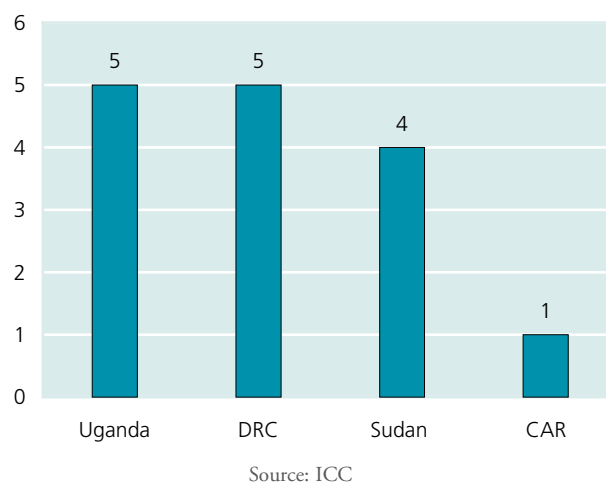
Trafficking of children into armed conflict

While the region does not seem to have a significant human trafficking problem, there is an important exception: the trafficking of children into armed conflict. The crime of trafficking children into armed conflict has been traditionally handled under international humanitarian law. It has been prohibited since the enactment of the Geneva Conventions of 1949,⁴⁰ and it has been deemed a violation of fundamental human rights.⁴¹ The recruitment of child soldiers can be prosecuted as a war crime, and the trafficking of children for enslavement as a crime against humanity, under the Rome Statute of the International Criminal Court (ICC).⁴² In fact, the first case before the ICC is that of Thomas Lubanga, a militia leader from the DRC accused of conscripting child soldiers. At the time of writing, all of those indicted by the ICC were from Central Africa, broadly defined, and most were implicated in the use of child soldiers.

The ICC was not intended to supplant local law enforcement, however, and the ICC is not in a position to prosecute all the commanders who abduct and impress children into their ranks. For these perpetrators, it should be possible to act under domestic law to bring them to justice. Kidnapping is a crime under most penal codes, and child theft is often articulated as a distinct offence. The children are generally assaulted and often raped, both crimes punishable under conventional criminal provisions.

In addition, the recruitment and use of children in the conflicts of Central Africa constitutes the crime of human trafficking, since the use of children in combat is inherently

Country of nationality of those indicted by the International Criminal Court in 2010



exploitative.⁴³ Under the *Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children*, supplementing the United Nations Convention against Transnational Organized Crime, the “consent” of the victim is irrelevant when the victim is under the age of 18.⁴⁴ Under international criminal law, children used by armed groups as soldiers, porters, scouts, or sex slaves are all victims of trafficking, and those that exploit them should be prosecuted. Many of the countries of the region have signed the Trafficking in Persons Protocol, but some have not yet ratified or acceded to it, and most do not have specialized legislation. Adoption of such specialized legislation criminalizing trafficking in children according to the Trafficking in Persons Protocol would facilitate prosecution of offenders in domestic courts.

In many cases, the crime is not only organized, it is also transnational. For example, while no one is sure of its exact composition, experts believe that the majority of the personnel of the Lord’s Resistance Army (LRA) today are younger than 18, or were recruited when they were under 18.⁴⁵ The LRA was founded in Northern Uganda, but was pushed out of that country and has ranged into parts of the CAR, the DRC and South Sudan. Similarly, the ethnic-Tutsi *Congrès national pour la défense du peuple* (CNDP), a combatant group in the DRC that was recently integrated into the Congolese military, recruited child soldiers in

29 November 2010, S/2010/596), para. 15.

40 Art. 77 Additional Protocol I, which applies to international armed conflicts, prohibits recruitment and direct participation in hostilities of children under 15 years of age, whereas Art. 4(3) (c) of Additional Protocol II, which applies to non-international armed conflicts, also prohibits their indirect participation. See: http://www.icrc.org/eng/assets/files/other/icrc_002_4015.pdf

41 Under human rights law, Article 38 of the United Nations Convention on the Rights of the Child obliges States parties to prevent the use of children under the age of 15 in combat. The Optional Protocol on the Involvement of Children in Armed Conflict requires criminalization of the recruitment and use of children under the age of 18 into armed groups. Most of the nations of the region have acceded to these instruments. Furthermore, the forced or compulsory recruitment of children is considered as a form of slavery under Article 3 of the International Labour Organization Worst Forms of Child Labour Convention (No. 182).

42 The Rome Statute confers jurisdiction over both crimes when the crime has been committed on the territory of a State Party or if the accused is a national of a State Party (Arts. 12(2)(a) and (b)) and if the national jurisdiction is unwilling or unable to genuinely investigate or prosecute (Art. 17(1)(a)), or if the Security Council refers a case to the Prosecutor (Art. 13(a)). In Central Africa, Rwanda, Angola, and Sudan have not ratified the Rome Statute.

43 According to the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime:

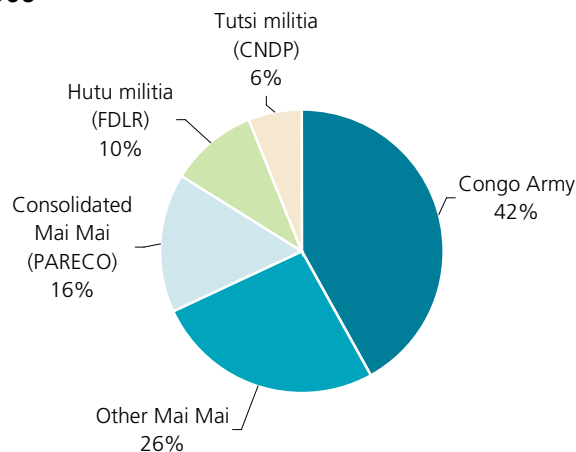
Trafficking in persons shall mean the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs...

44 See article 3, subsections b, c, and d of the Protocol.

45 Blattman, Christopher and Jeannie Annan. “On the nature and causes of LRA abduction: What the abductees say,” in Allen, Tim and Koen Vlassenroot, eds, *The Lord’s Resistance Army: Myth and Reality*. (London: Zed Books, 2010). p. 146-148

Burundi as recently as 2008.⁴⁶ In 2010, the UN Secretary-General named 14 armed groups which recruit or target children in Central Africa, including the national militaries of Chad and the DRC. Also in the DRC, the report listed the main Hutu, Ngiti and Lendu tribe-affiliated militias and the various Mai Mai groups. The LRA was listed as such a group operating in four countries: Uganda, Sudan, the CAR and the DRC.⁴⁷

Groups responsible for forced recruitments of children in the DRC detected by the UN in 2009



Source: *Report of the Secretary-General on Children and armed conflict*. (United Nations publication, 13 April 2010. A/64/742-S/2010/181)

The rebel groups are not alone in their trafficking in children. Officially, the minimum age of military recruitment for most countries of the region is 18. In 2008, however, the Coalition to Stop the Use of Child Soldiers listed eight governments that had used child soldiers between April 2004 and October 2007. Of these, four are located in Central Africa: Chad, the DRC, Sudan and Uganda.⁴⁸ In 2010, the United Nations Secretary-General asserted that the national militaries of Chad, the DRC and Sudan use children, as do government-supported militias in the CAR.⁴⁹ In these instances, the first step the state must undertake to stop the use of children in combat is to stop recruiting them.

In August 2009, the United Nations Security Council resolved that the Secretary-General should “name and shame” those parties that recruit child soldiers and commit

other grave violations against children.⁵⁰ In an annex to his 2010 report, the Secretary-General listed nine countries in which parties recruit or use children in situations of armed conflict that were also presently on the agenda of the Security Council. Of these, four lie in a contiguous area in Central Africa: CAR, Chad, DRC and Sudan. Uganda was named on a separate listing, among countries not on the Security Council agenda.⁵¹ Thus while child soldiers are found in many areas around the world, Central Africa has emerged as the single region of greatest concern with regard to trafficking in children for the purpose of exploitation as child soldiers.

In the DRC, the Secretary-General found that the national military was responsible for a plurality of the abductions in 2009. The role of the DRC military in recruiting child soldiers is largely due to the *brassage*⁵² process. Absorbing the CNDP in 2009 meant absorbing a large number of child victims. Some former commanders are loathe to give up these young people, due to the personal loyalty they display to these commanders.⁵³

Ironically, the drive to integrate the armed groups into the military may be fuelling the trafficking of children. From the time of the January 2009 peace agreement, many marginal groups sought to improve their position in the negotiations by rapidly expanding their membership roll.⁵⁴ Individual militia leaders may also traffic children in a bid to increase the numbers of troops under their command, in the hopes of being awarded a higher rank when they integrated into the Congolese army.⁵⁵

The nature of the trafficking appears to vary considerably within the region. The most predatory forms are associated particularly with the LRA, which is active in the DRC, the CAR and South Sudan. According to many accounts, villages are violently raided, often at night. In addition to other loot, children are taken from the community. In some instances, children have been forced to kill their parents or commit other atrocities against their home communities as a way of ensuring their dependency on the group. They are transported far from their homes and indoctrinated into a new way of life as soldiers, porters or sex slaves. Those who try to escape are often tortured and killed.

The most baffling aspect of this narrative is its sustainability. Why do some victims stand and fight for their captors,

⁴⁶ *Report of the Secretary-General on Children and armed conflict*. (United Nations publication, 29 March 2009. A/63/785-S/2009/158)

⁴⁷ The other groups listed were the APRD, the CPJP, the UFDR, the FDPC, the MLCJ, and the government-sponsored militias in the CAR; the Justice and Equality Movement in Chad; and the FDLR, the FRPI, the FNI and the various Mai-Mai groups in the DRC. *Report of the Secretary-General on children and armed conflict*. (United Nations publication, 13 April 2010. A/64/742-S/2010/181).

⁴⁸ Coalition to Stop the Use of Child Soldiers, *Child Soldiers: Global Report 2008*. (London: CSUCS, 2008).

⁴⁹ *Report of the Secretary-General on Children and armed conflict*. (United Nations publication, 13 April 2010. A/64/742-S/2010/181). A similar evaluation is made in the United States, as required by the Child Soldiers Prevention Act of 2008. The 2010 list included six countries. Three were in Central Africa: the DRC, Chad, and Sudan. See also United States Department of State, *Trafficking in Persons Report 2010*, (Washington, D.C., DOS, 2010), p. 10.

⁵⁰ Security Council Resolution 1882 (2009). 4 August 2009. S/RES/1882 (2009)

⁵¹ *Report of the Secretary-General on children and armed conflict*. (United Nations publication, 13 April 2010. A/64/742-S/2010/181).

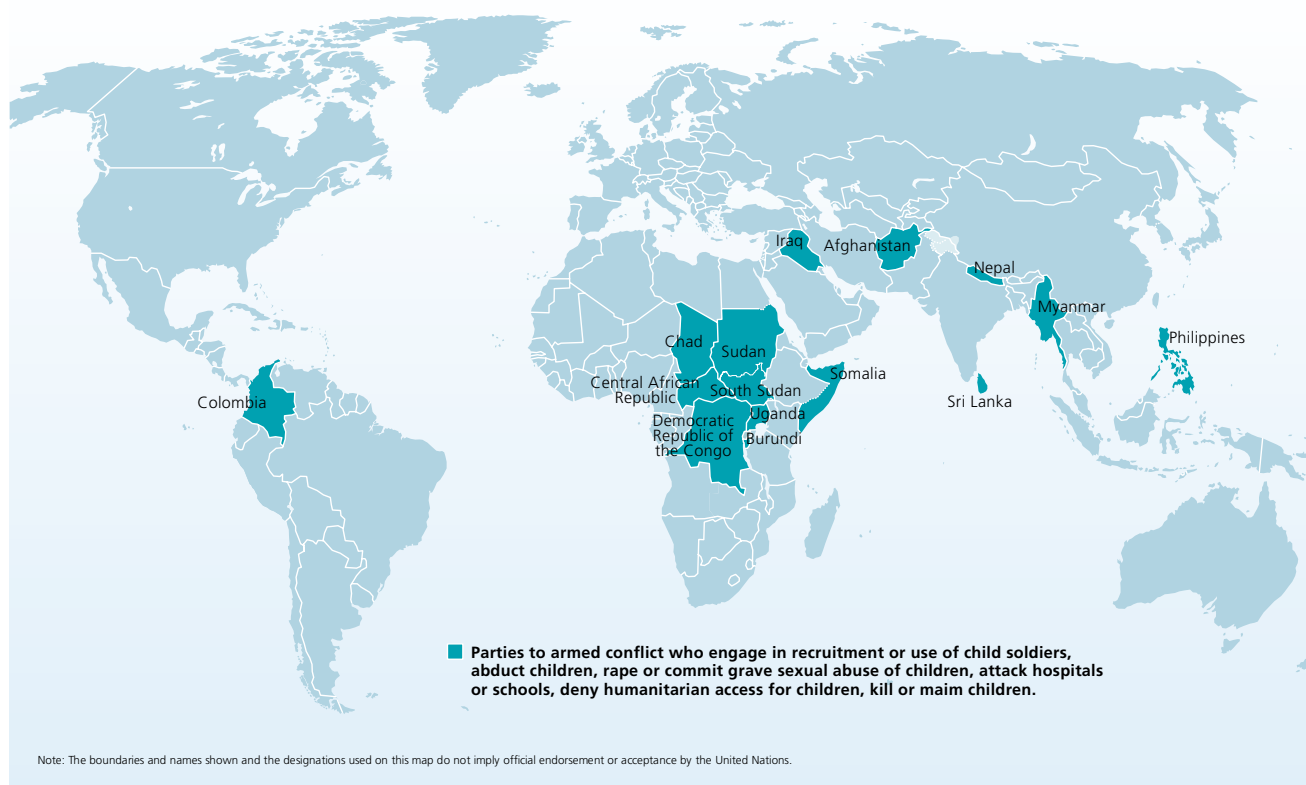
⁵² *Brassage* is the process through which combatants of former warring or rebel factions are brought together into new combined units of the Congolese army.

⁵³ *Interim report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication. 25 May 2010. S/2010/252), para. 12.

⁵⁴ *Final report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication. 12 December 2008. S/2008/773)

⁵⁵ *Report of the Secretary-General on children and armed conflict in the Democratic Republic of the Congo*. (United Nations publication, 9 July 2010. S/2010/369), para. 6.

Grave violations against children in armed conflict



Source: Based on the Secretary-General's Annual Report on Children and Armed Conflict, 2009

often over the course of years? The LRA has managed to thrive for two decades with abduction as their primary means of recruitment. They could not operate as a fighting force if they had to hold a gun to the head of every front-line soldier. It is certainly true that these young people face considerable stigmatization if they return home, but it is difficult to reconcile the brutality of these inductions with the apparent loyalty many come to demonstrate toward those who victimised them. According to recently released survey data, it appears many of the new recruits come to identify with their captors. Interviews with former abductees indicate that while initially coerced, many of the victims come to accept the military mission of the rebel group and begin to look to ways they can prosper under its rules.⁵⁶

The term "child soldier" adds to the confusion, because it conflates some very distinct age cohorts. While many recruits as young as seven or eight years old have been documented, several studies indicate that the largest share of the abductees are in their early adolescence, between the ages of 12 and 16.⁵⁷ There are many reasons for targeting this age group. As LRA leader Joseph Kony himself has pointed out, younger children are actually a burden for a highly mobile guerrilla force. Each recruit must give back to the group more than they take, and few children under

the age of 12 are capable of making a net contribution. On the other hand, children above the age of 16 have already begun to assume an adult sense of identity and may be less psychologically malleable than their younger counterparts.

In addition to being the victims of physical abuse, the victims are generally forced to victimize others. This system serves the practical purpose of maintaining discipline, while simultaneously bonding recruits through common guilt and ensuring distrust among the ranks. Some of the brutality attributed to these groups may be the result of this 'bonding' violence, which also instills terror and reduces resistance from civilian populations. But brutality may also be spontaneously initiated by field commanders, as a way of demonstrating the ruthless character necessary to be a career rebel. As one former victim of trafficking observed:

Whatever killing, there is a reason why such a thing happened. They may do this to provoke and hurt the government. The more you do that by brutalizing, the more famous you become.⁵⁸

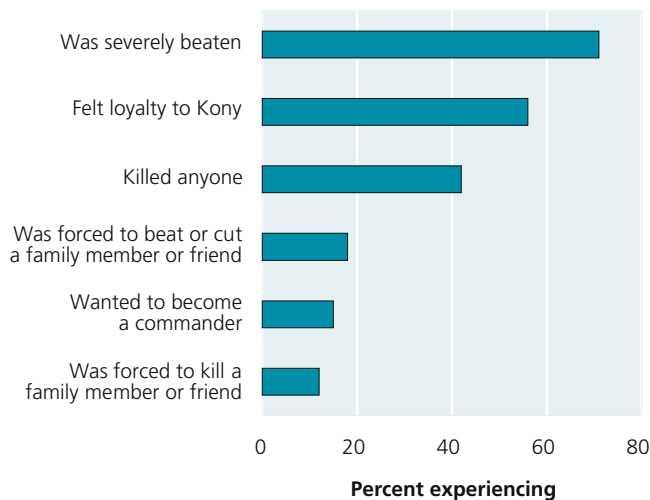
Extreme acts of violence may also be a way of demonstrating commitment to the group. Similar to prominent tattooing among gang members, committing war crimes can be a vehicle for assuring the leadership that any thought of returning to civilian life has been abandoned.

⁵⁶ See, for example, the results of a large study of former abductees in Blattman, C., and J. Annan, 'On the nature and causes of LRA abduction: What the abductees say'. In Allan, T. and K. Vlassenroot (eds), *The Lord's Resistance Army: Myth and reality*. (London: Zed Books, 2010).

⁵⁷ Blattman and Annan 2010 op cit, p. 138.

⁵⁸ Mergelsberg, B., *Between two worlds: Former LRA soldiers in Northern Uganda*. In Allen and Vlassenroot, 2010 op cit., p. 169.

Experiences of abductees who served with the LRA for more than one year



Source: Blattman, C., and J. Annan, 'On the nature and causes of LRA abduction: What the abductees say'. In Allan, T. and K. Vlassenroot (eds), *The Lord's Resistance Army: Myth and reality*

Abduction does occur among the Mai Mai groups active in the DRC, but it appears to be less common, and one recent study found that most of the children interviewed had joined the groups voluntarily in order to defend themselves.⁵⁹ Children may also be recruited when Mai Mai demand payments from the households they protect, in cash or in personnel. Once children join the groups, they may remain with them due to a lack of alternative employment or opportunities. As with the LRA, however, the child soldiers of the Mai Mai are subject to many abuses, including beatings, rape, and execution. Girls in particular can face lasting stigma when or if they return home.⁶⁰

Similarly, it appears that most of the recruitment of children by armed groups in the north of the Central African Republic is often self-defensive in nature. *Zaraguinas* (road bandits) also kidnap children, mostly for ransom, and exploit or abuse them until paid.⁶¹

Globally, it appears the number of children trafficked for the purpose of being exploited as child soldiers is decreasing, in keeping with the global decline in conflict since the 1990s.⁶² The trend in the region also seems to be decreasing in many areas. Whether this trend will continue strongly

depends on local political circumstances.

Not every instance of abduction by armed forces would fall under the definition of trafficking in persons as contained in Article 3 of the Trafficking in Persons Protocol. For example, kidnapping for ransom by the armed groups is commonly reported in the region, and women so abducted may be repeatedly raped until the ransom is paid. While Article 3 of the Trafficking in Persons Protocol does not define the term "for the purpose of exploitation," it rather provides an open-ended list of practices, which, at a minimum, constitute exploitation. As such, it is questionable whether kidnapping for ransom could or should be identified as trafficking in persons under the Protocol.

Another form of abduction that may not be qualified as trafficking in persons are those short-term abductions where the victim provides some labour but this activity is actually incidental to the primary offence (such as street crime or looting). For example, a recently released representative survey of Northern Uganda found that an alarmingly large share of the population had experienced abduction. Many of these experiences were short-term, however, often occurring when victims were forced to carry their own goods into the bush. Technically, this could be deemed trafficking, but to do so blurs the line between the systematic exploitation of labour and more pedestrian forms of street crime and looting.⁶³

This same survey suggests that as many as 66,000 youths had been abducted between 1989 and 2004, but almost a third escaped or were released almost immediately, and 80 per cent eventually returned. Less than one quarter were kept for more than one year.⁶⁴ This breakdown is in keeping with that found in previous large studies of former abductees.⁶⁵ High turnover means that large numbers of abductions do not necessarily correspond to a large number of children currently being exploited.

Expert opinion on the number of active child soldiers varies considerably. In the DRC, for example, the undated figure of 30,000 is commonly given, which would represent about 10 per cent of the child soldiers in the world today.⁶⁶ In 2008, the Coalition to Stop the Use of Child Soldiers placed the estimate at 7,000.⁶⁷ Also in 2008, the Secretary-General gave a figure of 3,500.⁶⁸

59 Coalition to Stop the Use of Child Soldiers, *Mai Mai Child Soldier Recruitment and Use: Entrenched and Unending*, February 2010, p 9.

60 Ibid.

61 Report of the Secretary-General on children and armed conflict in the Central African Republic. (United Nations Publication, 3 February 2009. S/2009/66)

62 Referring to their 2008 Global Report, the Coalition to Stop the Use of Child Soldiers said, "It is likely that the number of child soldiers is fewer than in 2004 when the Coalition published its last Child Soldiers Global Report. Since then, tens of thousands of child soldiers have been released from fighting forces following peace agreements and demobilization programs in Afghanistan, Burundi, Côte d'Ivoire, Democratic Republic of Congo (DRC), Liberia, Southern Sudan and elsewhere. However, in the meantime, conflicts in countries such as Central African Republic, Chad, Iraq, Somalia and Sudan (Darfur) have broken out, reignited or intensified and child recruitment there increased." Available: <http://www.childsoldiersglobalreport.org/content/facts-and-figures-child-soldiers>

63 Blattman, C., and J. Annan, op cit.

64 Ibid.

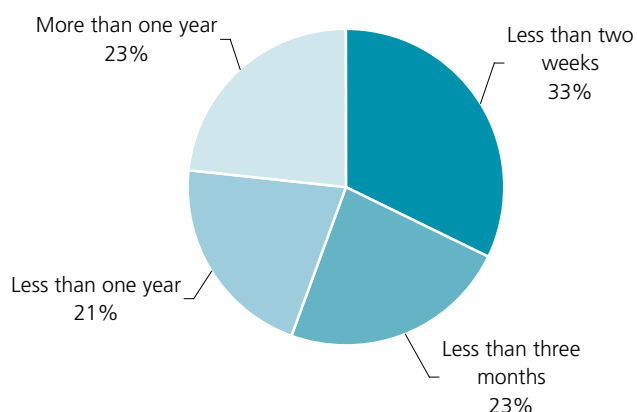
65 For example, one review of 22,759 cases from reception centers found that 16 per cent had been abducted one week or less, 35 per cent one month or less, and 20 per cent for more than one year. Girls were, on average, abducted for twice as long as boys. See Pham, P., P. Vinck, and E. Stover, *Abducted: The Lord's Resistance Army and Forced Conscription in Northern Uganda*. (Berkeley, US: Berkeley-Tulane Initiative on Vulnerable Populations, 2007).

66 Bell, Martin. Child Soldiers. Video. Available: <http://www.unicef.org/child-alert/drc/childsoldiers.php>

67 Coalition to Stop the Use of Child Soldiers, *Child Soldiers Global Report 2008*, p. 106.

68 "It is estimated that at least 3,500 children remain in armed groups, a figure that is likely to have risen since 28 August 2008." Report of the Secretary-General on children and armed conflict in the Democratic Republic of the Congo.

Length of abduction among 426 males aged 14-30 in Northern Uganda



Source: Blattman, C., and J. Annan, 'On the nature and causes of LRA abduction: What the abductees say'. In Allan, T. and K. Vlassenroot (eds), *The Lord's Resistance Army: Myth and reality*.

According to the Secretary-General, 1,235 cases of child recruitment in the DRC were documented in 2009, down from 1,522 in 2008. But some 42 per cent of these incidents were recruitments by the Congolese military, of which 78 per cent were attributable to the integration of rebel forces, especially the main Tutsi militia (CNDP) which started in January 2009.⁶⁹ In other words, 874 recruitments are known to have occurred outside the integration process in 2009, close to a 50 per cent reduction.⁷⁰

The ratio between the Secretary-General's figure on child soldier stocks in 2008 (3,500) and new recruitments (1,522) is roughly two to one. If a similar ratio were to apply in 2009, the total child soldier stocks would drop to under 2,000.

The other countries of the region appear to have fewer child recruits. There are perhaps 8,000 child soldiers in Sudan, of whom about 6,000 are in Darfur.⁷¹ The CAR is said to be home to less than 1,000 child soldiers.⁷² Most child soldiers in Burundi appear to have been released, and the recruitment in Uganda greatly reduced with the expulsion of the LRA.

The Coalition to Stop the Use of Child Soldiers estimated that the LRA abducted some 25,000 children between the late 1980s and 2008. Abductions were particularly acute in the early 2000s, however, and current recruitment is likely much diminished. Numbers for the CAR and Sudan are

generally in the low 100s.⁷³ Much higher figures have been suggested for LRA abductions in the DRC.⁷⁴

Tallying all these national totals, it appears that the total number of child soldiers in Central Africa was on the order of 5,000 in 2009. With a 50 per cent turnover, this would mean 2,500 new abductions that year. The trend appears to be sharply downward, due to progress in a range of countries, including the DRC.

The link between conflict and organized crime

Some may find debate around the scale of the violence in the DRC distasteful – whether the rate of victimization is two or ten or one hundred per hundred thousand, the region has suffered greatly. A small number of killings can result in mass displacements, and the refugee camps can be more deadly than military campaigns. The trafficking in children is a particularly hideous crime, and while a decreasing trend must be welcomed, any level of prevalence is unacceptable and must continue to garner outrage and incite action. This suffering is disturbing when it is portrayed as senseless, but even more disturbing when it is portrayed as profit-driven.

Typically, the violence in the region has been framed as a political conflict between rival factions vying for power, and so political solutions have been sought. There have been peace agreements of various sorts, and efforts have been made to integrate demobilized rebel forces into the formal security services of the country. It has long been recognized, however, that the armed groups have benefited from resource expropriation, and so a link has been drawn between the violence and profit-motivated criminal activity.

Some observers have gone beyond arguing that resource trafficking is an enabling factor in the conflict, and claim that the conflict is being driven by those intent on looting the region. The idea that conflict of the scale seen in Central Africa – commonly alleged to be one of the most deadly in human history – could be motivated by greed rather than grievance has been debated at the international level and has spurred a number of activist campaigns. The United Nations has officially recognized the pivotal role resource extraction plays in aggravating the conflicts of Central Africa.⁷⁵ Essentially, the claim is that beneath the veneer of

(United Nations publication, 10 November 2008. S/2008/693). p.5.

69 Report of the Secretary-General on children and armed conflict in the Democratic Republic of the Congo. (United Nations publication, 9 July 2010. S/2010/369)

70 That is, 1,235 recruits minus 716 FARDC recruits plus 157 FARDC non-integration related recruits equals 874 genuine recruits.

71 UNICEF. *Statement by UNICEF Sudan on recent press reports related to child soldiers in Sudan*. 29 December 2008. Available: http://www.unicef.org/sudan/media_5088.html

72 UNICEF, Fact Sheet: *Children Associated With Armed Groups And Forces - Central Africa*. Available: http://www.unicef.org/wcarol/FactSheet100601Final_E_100603_.pdf

73 According to the United States Government's *Trafficking Persons Report 2010*, "UN/OCHA reported at least 197 LRA-related new abductions in Western Equatoria and Western Bahr el-Ghazal Provinces between January and November 2009. Likewise, abducted Sudanese and Central African citizens experienced conditions of forced labor and sexual servitude at the hands of the LRA after being forcibly taken to the DRC." A 2010 Human Rights Watch report has asserted, "The Ugandan rebel Lord's Resistance Army (LRA) has abducted more than 697 adults and children in a largely unreported campaign in the Central African Republic and the neighboring Bas Uele district of northern Democratic Republic of Congo over the past 18 months... In South Eastern CAR, the LRA began large-scale abductions on July 21, 2009, and to date has abducted 304 people, including many children."

74 The US Government *Trafficking in Persons Report 2010* put the figure at "at least 1,600" in 2009.

75 United Nations Security Council Resolution 1896 (2009).

chaos lies an order: the order of the invisible hand of a criminalized market.

This order has been criminalized in more than one respect. First, it involves the expropriation of resources that rightly belong to the people of Central Africa by individuals seeking personal gain. These stolen resources are then smuggled across borders, escaping customs duties. The groups involved in this unregulated enterprise resort to forced labour, extortion, corruption, and violence to compete. DRC President Kabila aptly described these groups as “a kind of a mafia” when he imposed a ban on mining in the east of the country in September 2010.

Some of the armed groups may be genuinely political in character, aimed at bringing about social change through sacrifice. Others seem to be largely defensive, formed to protect local communities or ethnic groups from the predations of guerrillas or state actors. Some appear to be little more than the rural equivalent of street gangs, whatever the rhetoric to the contrary. To complicate matters further, the character of any given armed group can vary over time, and groups can fragment into splinters with different methods and agendas.

The fact that there are legitimate political grievances does not rule out the possibility that many, if not most, of the actors engaged in these struggles are motivated by material gain, even if “personal gain” is nothing more than the opportunity to have some kind of employment in an area where work is scarce, or to become a predator rather than prey. These are exactly the kinds of motivations that influence the front-line soldiers of organized crime in many places in the world. Above these people are typically found puppet masters, the entrepreneurs who corral the undirected frustration and ambition of young men and use this energy like a knife to carve out a piece of the pie.

That some of these armed groups are presently more concerned with personal gain than any political objective is indicated by the unlikely coalitions that have recently formed. According to the UN Group of Experts on the DRC, many groups whose putative political identity would put them at odds have overcome their differences in the interest of dominating resource rich areas and looting the populace. For example, the primary Hutu militia (the *Forces démocratiques de libération du Rwanda* - FDLR) has formed alliances of convenience with, among others, primarily Tutsi militias.⁷⁶ These coalitions make no sense in terms of the stated political objectives of the constituent organizations, but they are tremendously practical if the goal is self-enrichment.

Perhaps the best example of an armed group whose sole purpose is to exploit mining opportunities is the Mai Mai Sheka, which the Group of Experts describes as the “crea-

tion of a criminal network” within the national military. Sheka himself does not have a military background, but has long been engaged – in various capacities – in mining, including with a diggers cooperative at the Bisié cassiterite mine in North Kivu. When the military brigade controlling Bisié was replaced with another (a move apparently made as a concession to newly integrated Tutsi militants into the Congolese Army), the military network that had been profiting from the mine saw its income threatened. Sheka, who was part of this network, rose to the challenge by creating a ‘Mai Mai’ (traditional militia) group out of assorted former combatants and deserters, with a mission to “liberate” a series of mines from military control. Since then, he has engaged in the perpetration of atrocities, including mass rape, as a way of securing recognition and forcing those in power to negotiate with him.⁷⁷

There are some who would argue that the origin of the present violence, the Second Congo War, was itself driven by the desire to profit from the riches of the DRC. Whatever the merits of this claim, there can be little doubt that resource extraction has given rebel groups the funding needed to stay fighting. The involvement of these groups in smuggling minerals and using these funds to buy arms has been well documented in the reports of the United Nations Group of Experts on the DRC. A more difficult point to determine is whether the profits generated by these activities have eclipsed politics as the primary motivation keeping the fighters in the field. Probing the relationship between the crime and the conflict in Central Africa is a central theme of this report.

The following studies of contraband flows are intended to shed some light on the role of criminal activities in perpetuating the instability of the region. They do so by looking in detail at who is doing the trafficking and how they are doing it. The economic potential of these flows is pondered, although it would be impossible to come to precise figures concerning underground activity in the unregulated environment of Central Africa. In the end, it is hoped that these discussions shed light on the criminal aspects of the conflict in the region.

⁷⁶ *Final Report of the United Nations Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010. S/2010/596)

⁷⁷ *Ibid*, para. 14.



Drug flows

In contrast to much of the rest of the continent, Central Africa has largely been spared the stresses of becoming a drug transit zone. Despite weak border controls, the basic infrastructure for trafficking is largely absent. It is very difficult to ship freight of any sort from one end of the DRC or the CAR to the other, and air linkages are relatively limited. Given equally vulnerable areas in more conveniently placed locations for transit purposes, such as West Africa, it seems unlikely that Central Africa will emerge as part of a major clandestine drug trafficking route in the near future.

That said, any region where a relatively small number of people hold power could become a preferential trafficking zone if these people become interested in drug trafficking. Under official cover, making use of diplomatic pouches or military protection, the extra transportation costs can quickly be offset by the very low chances of detection. Novelty is of value in drug trafficking – flights and shipments from out-of-the-way regions do not face the same scrutiny as those from known trafficking points. For example, in 2004, a shipment of over a ton of cocaine was seized in Kenya, which does not lie on any efficient cocaine trafficking route.

Official cover can come in many forms. Commercial interests can become corrupted as easily as political ones. For example, there has been evidence of substantial trafficking of precursor chemicals through Central Africa, under the guise of legitimate industrial demand, as well as evidence of synthetic chemicals manufacturing. In 2007, seven shipments of pseudoephedrine, totaling 23 tons, were intercepted in the DRC alone.⁷⁸ That same year, there was an

attempted diversion of 500 kg of potassium permanganate in the DRC.⁷⁹ While nothing of this scale has been seen since, Belgium intercepted a 50 kg shipment of ephedrine to the country in 2009, so the potential for this sort of abuse remains.⁸⁰

West Africa has recently emerged as a source of methamphetamine, mostly destined for the Japanese market. Since synthetic drugs can be manufactured anywhere the precursors are available, it is possible that Central Africa could emerge as an alternate source. For logistical reasons, however, it is unlikely these industries would be centered in the conflict-ridden areas.

In theory, there are parts of Central Africa that would be suitable for opium poppy or coca cultivation, and there have been rumours that this cultivation had been attempted. But growing either drug crop commercially would require a dedicated workforce with the know-how to cultivate these difficult plants. This is one reason that these drug crops, which could be grown in many places in the world, tend to remain primarily in regions with a long tradition of cultivation.

One drug crop which requires little expertise to grow is cannabis. Cannabis can be grown in a wide range of climatic conditions, even when soil is poor, with little maintenance. The quality of the crop is dependent on the care which it is given, but it is possible to make up for poor quality with quantity. Users of low potency cannabis simply need to consume more to achieve the same level of intoxication.

⁷⁹ Ibid.

⁷⁸ International Narcotics Control Board, *Precursors and chemicals frequently used in the illicit manufacture of narcotic drugs and psychotropic substances*. 2007E/INCB/2007/4, para 45.

⁸⁰ International Narcotics Control Board, *Precursors and chemicals frequently used in the illicit manufacture of narcotic drugs and psychotropic substances*. 2009E/INCB/2009/4, para 45.

tion as those with access to the best quality plant. In fact, because many people enjoy the experience of smoking, there is little incentive to grow high quality crops in areas where there are no space restrictions on cannabis cultivation and transportation. Central Africa provides a case in point.



CANNABIS FROM THE DRC TO THE REGION

Route

Source: *Eastern DRC (provinces of North and South Kivu, Orientale)*
 Vector within Central Africa: *Land*
 Destination: *Burundi, Kenya, Rwanda, Uganda*

Value

Volume: *200 tons per year*
 Value at destination: *US\$3 million per year*

Traffickers

Groups involved: *Hutu militia (FDLR), criminal elements within the Congolese Army*
 Residence of traffickers: *Eastern DRC, Rwanda, Uganda*

Threat

Estimated trend: *Stable*
 Potential effects in region: *Continued cannabis use in region, funding of armed groups*
 Likelihood of effects being realised: *High*

What is the nature of this market?

Even as it has become de-prioritized in some parts of the developed world, cannabis is seen as Africa's most problematic drug. It is responsible for the bulk of treatment admissions in most of the region, and experts feel cannabis use is rising in countries across sub-Saharan Africa. In addition, the drug is often viewed as a source of violence in Africa, despite its reputation for generating passivity in the West. There may be several reasons for these views.

Cannabis users command most of the treatment berths in Africa because imported drugs are too expensive for most local users to afford. Cannabis is one of the few drugs that can be grown with little experience and consumed with little processing. It grows well in many African climates and, as a result, it is relatively inexpensive, often cheaper than alcohol for those seeking intoxication. It has also been celebrated by some as an "African" drug,⁸¹ rooted in traditional culture, although its use is fairly recent in many parts of the continent.

The association of cannabis with violence is more complicated to explain. The effects of any drug appear to be heavily influenced by context, the so-called "set and setting" effect. Cultural interpretations of the disinhibition associated with cannabis use may be different in some African populations than elsewhere. It is even possible that, due to chemical differences in local strains, some African cannabis may produce a qualitatively different effect than cannabis in other parts of the world.⁸²

One connection to violence is less speculative: the role that the transnational cannabis trade plays in funding armed groups. In Central Africa, this relationship is particularly clear in the eastern part of the Democratic Republic of the Congo. Here, the largest standing rebel group, the FDLR (a traditionally Hutu militia), appears to be involved in production, organizing cultivation in the parts of the country where they have long had support or control. Transportation and wholesaling, on the other hand, are frequently in the hands of criminal elements within the military. These two groups, nominally at war, often cooperate in profiting from the drug trade.

It has often been observed that countries with strong trade ties are unlikely to go to war. The same probably applies in the Eastern DRC: corrupt elements in the military are unlikely to make serious efforts against some of their main drug suppliers. Instead, it is in the interest of both groups to maintain the climate of civil war to ensure that their business activities continue uninterrupted.

While numerous reports confirm that cannabis is a source of insurgent funding, there remain many unanswered ques-

tions about cannabis production and consumption in Central and Eastern Africa. Seizures indicate considerable cultivation, but it remains unclear whether this production is simply for local consumption or whether there is a previously unrecognized pattern of transnational trafficking. Given the lack of detail and the porous borders, it is necessary to look at the market in the region as a whole.

First, a note of caution: national aggregated cannabis seizure totals everywhere must be regarded with some degree of skepticism. Cannabis loses weight at various stages from the field to the consumer as the product is refined for sale. In theory, much of the total plant weight could be consumed, but this is rarely the case in practice. Cannabis is 'cleaned' by wholesalers, retailers, and users, progressively removing stems, leaves, and seeds, until only the flowering tips remain. In addition, cannabis is dried by the producer, and continues to lose moisture until it is consumed.

The significance of any given seizure, therefore, has as much to do with the point in the supply chain at which the seizure is made as the absolute weight of the seizure. Law enforcement has an incentive to report large volumes seized and to ascribe large values to these seizures, because these numbers are often regarded as a performance indicator. Many countries conduct eradication operations, and the weight of the plants destroyed may be included in the seizure tally. These whole, wet plants weigh much more than the final drug product they represent.

In Central and Eastern Africa, the United Republic of Tanzania, Uganda and the DRC are recognized as exporters of cannabis. Data on Tanzania's cannabis production are impressive but are difficult to reconcile with what is known about local demand (see following page). It has also been asserted that Uganda is a major producer⁸³ but hard data on cultivation are sparse. Government authorities estimate that half the cannabis produced in Uganda is exported. Seizures have been relatively modest, however, with 50 tons being the highest figure reported between 2000 and 2006. Recent eradication efforts have not demonstrated large scale production: less than five hectares of cannabis were destroyed in 2009.⁸⁴ Interviews with traffickers in the field have suggested that this is less a demonstration of limited cultivation and more a result of lack of political will to combat the trade.

81 For example, followers of the Rastafarian movement, which views cannabis as a sacrament in a uniquely African religion.

82 Studies have shown some strains of African cannabis to be low in cannabidiol, a chemical that some research has indicated can have an anti-psychotic effect, and may moderate the effects of THC.

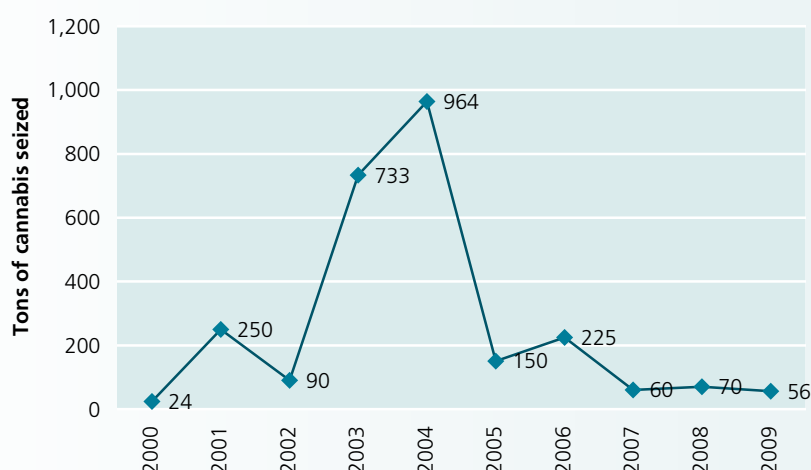
83 According to the local press in 2008, the Ugandan Anti-Narcotics chief declared to country to be "East Africa's biggest producer of the Cannabis plant". This conclusion was apparently based on a joint operation meeting in Arusha that year. 'Uganda: Country leads in marijuana'. *The Monitor*, 27 March 2008.

84 2009 Uganda Police Annual Crime Report. p. 14.

Tanzania – the source of regional cannabis?

In Central and Eastern Africa, the United Republic of Tanzania has consistently reported the largest annual seizure totals, generally in the tens or hundreds of tons. In 2004, Tanzania came third in the world (after the US and Mexico) in its annual total: nearly 1,000 tons of cannabis seized. Even if some of this includes the wet plant weight of eradicated plants, these are very large numbers, and cannot be set aside lightly. Given the challenges of policing in a developing country, it is highly unlikely that more than 10 per cent of production is seized in any given year, and the true figure is likely much less. Allowing for a 10 per cent seizure rate, this suggests at least 10,000 hectares were under cultivation in 2004, which would make Tanzania one of the premier cannabis producers in the world.¹

Tons of cannabis seized in Tanzania



Source: UNODC Delta

If this is true, Tanzania by itself could supply the cannabis needs of the region. Survey data on cannabis use in Tanzania is very dated, but has indicated rather low levels of domestic use. In 2009, the Tanzanian authorities estimated that some 80 per cent of the crop was exported: about half to Kenya, a quarter to the Comoros, and 5 per cent to the United Kingdom. If this is correct, and 10 per cent of the crop were seized, just the portion of the crop exported to the UK (some 25 tons) would be worth US\$500 million.² The British authorities have never detected these massive imports, however, and the British market is increasing dominated by cannabis grown domestically indoors, so the picture remains confused.

Further, there does not appear to be sufficient demand in the rest of Central and Eastern Africa to justify the local exports claimed. If 10 per cent of the 2009 crop were seized, that would suggest about 500 tons would have remained in circulation. If 80 per cent were exported, that would mean an export market of about 400 tons. If half of this went to Kenya, then Kenyans smoked 200 tons of Tanzanian cannabis in 2009. But the estimated daily user base in Kenya, further discussed below, is only about 160,000 people. For them to consume 200 tons, they would have to consume over three grams of Tanzanian cannabis apiece per day, which is the equivalent of about six large joints. Additionally, Kenya produces its own cannabis, as well as importing from Uganda. All this suggests that the seizure figures are inflated, probably by the inclusion of wet, eradicated plants.

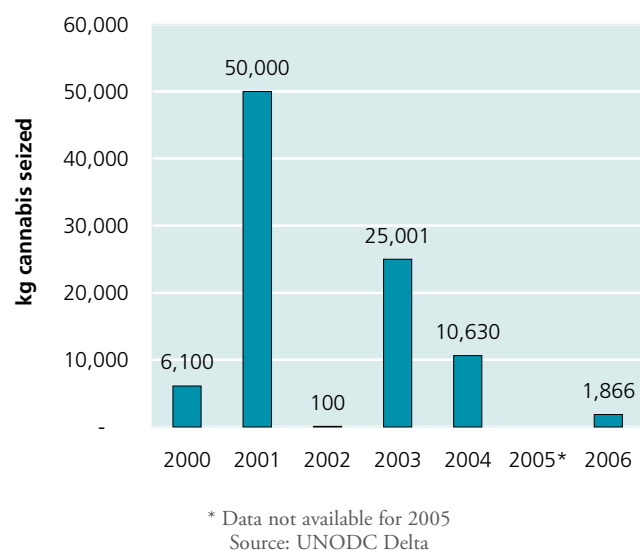
According to the Tanzanian authorities, enforcement pressures were able to render cannabis a “scarce commodity” in 2009. This was reflected in local prices as high as US\$72 per kilogram in 2009, quite off the scale of past prices (US\$15 in 2008).³ But reported eradication was only 79 hectares, enough land to grow about 79 tons of cannabis. Seizures were also down; while 56 tons is impressive, this is only about 6 per cent of what was seized in 2004. Assuming the price spike was real, there must be another explanation for it. Also assuming that cannabis production was really undermined in Tanzania, there will be dealers looking for alternative sources of supply.

¹ Cannabis yields vary greatly by cultivation style and the number of seasonal crops, but one ton per hectare has proven a fair rule of thumb.

² This would be the value of 5 per cent of 560 tons cultivation (based on 56 tons seized) at UK 2008 wholesale prices of US\$2000 per kilogram. It seems like that the seizure rate was less than 10 per cent, but that the export rate was less than 5 per cent of the crop, since demand for African exports in the UK have declined due to the growth of local indoor production.

³ This is also high by regional standards: according to the ARQ response, the farmgate cannabis price in Kenya was about US\$25 per kilo in 2007.

Kilograms of cannabis seized in Uganda



In Central and Eastern Africa, the country with the highest per capita use rates is Kenya. Kenya cites both Tanzania and Uganda as sources of the cannabis it consumes, but acknowledges local production as well. Organized cultivation is found in the Lake Victoria basin, in the central highlands around Mt. Kenya, and along the coast.⁸⁵ Still, with its large and relatively affluent population, and high use levels, Kenya represents the prime destination market in the region.

Research conducted for this report suggests that at least some of the cannabis believed to be originating in Uganda is, in fact, Congolese in origin. A dealer in Uganda who imported cannabis from South Sudan was interviewed for this study, and he argued that despite substantial domestic production, Uganda is also a transit country for cannabis grown in the DRC. As is discussed below, Uganda plays a similar role with regard to commodities such as mineral exports: commodities are imported from the DRC and re-exported, creating the impression that Uganda is the source of the goods. The Kenyan authorities have detected the flow of cannabis from Uganda, but they cannot be sure that Uganda is the site of production.

Other countries do acknowledge the DRC as a source of cannabis. According to the Rwandan police, cannabis is smuggled into their country from the DRC and Tanzania, although the share associated with each is unknown. In 2009, the government reported the seizure of 2.4 tons of cannabis.⁸⁶ Between January and July 2010, some 566 tons of cannabis were reportedly seized and 999 people arrested.⁸⁷ Even with very high rates of interception and some exaggeration of seizures, this represents a substantial local market.

According to the government of Burundi, the country gets 70 per cent of its cannabis from the DRC, with wholesale prices of around US\$8 for a kilogram in 2008, much cheaper than closer to the coast.⁸⁸ If prices remained this low the next year, close to a 10-fold profit could have been made by buying cannabis in Burundi and selling it in Tanzania. Under these circumstances, onward trafficking seems a rational choice.

The DRC does not report cannabis seizure figures to UNODC, but field research in North Kivu during April 2011 revealed a substantial industry. The national police have made sporadic but impressive seizures of crop grown in the interior and transported for consumption in Goma, a sprawling city with a population exceeding one million, and onward to Rwanda. Observation of one such seizure, made in April 2011, indicated that nearly the entire plant was transported, so weights may be deceptive. Still, this particular seizure consisted of 10 large bags, each containing between 25 and 40 kg of cannabis apiece, with a total weight of at least a quarter of a ton. Police report that two to three truckloads of this sort enter Goma every week.⁸⁹ If true, this would represent at least 26 tons over the course of a year. Another impressive seizure, 150 kg of cannabis packed into four suitcases, was destined for Butembo from Kitchanga,⁹⁰ and possibly headed to Uganda, indicating that there is significant internal trafficking from cultivation areas to urban consumption zones.

How is the trafficking conducted?

Small-scale production is widespread throughout the region, but only the more consolidated operations could be described as transnational organized crime. The flows of greatest concern are those that fund armed groups. Cannabis is a fast growing plant, requiring minimal tending, but it is still useless to groups that are largely nomadic, such as the LRA. Groups that have an established presence in a region, either by physically controlling territory or by maintaining relations with sedentary communities, can participate in the trade, including growing on their own behalf, organizing supporters to cultivate, arranging transport (including cross-border smuggling), and even wholesaling or retailing the drug.

In the Eastern DRC, the Hutu FDLR appears to be drawing funding by cultivating the drug in the areas where they have a longstanding presence. There currently appear to be two main areas of cultivation: one in the “Grand Nord” of North Kivu, while the second is in parts of South Kivu. In North Kivu, the primary growing areas appear to be in Masisi, and near the juncture of Walikale, Lubero and Rutshuru territories (see map). These drugs are mostly con-

85 United States Department of State, *International Narcotics Control Strategy Report 2010*. (Washington, D.C.: USDOS, 2010).

86 UNODC Delta.

87 Rwanda National Police. *Police sets on fires kilograms of cannabis*. Available: <http://www.police.gov.rw/spip.php?article123>

88 United Nations Office on Drugs and Crime Annual Reports Questionnaire 2008, response to Questions 3 and 10.

89 Interview with Major Kasikila, Commander of the Criminal Investigation Police, Goma, 5 April 2011.

90 MONUSCO Police report, 16 April 2011.

Cannabis cultivation areas in North Kivu province of the DRC



Source: UNODC

Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

sumed locally, but they are also exported to Uganda and Rwanda.

The impact of recent military action against the FDLR on this activity is unclear. The FDLR were displaced from many of the mining areas they previously controlled by the joint DRC-Rwandan military campaigns of 2009 and 2010. It stands to reason that they would fall back on cannabis as a source of funding, since the crop can be grown virtually anywhere in the DRC. One group of traffickers interviewed asserted the opposite was true, with the FDLR being more dependent than ever on gold as a source of income in the last year.⁹¹ This may be due to the rising price of gold.

There appear to be at least two main styles of cultivation in the Eastern DRC. In some parts of the country, such as the collection of villages known as Ikobo, large numbers of farmers grow cannabis intermixed with their other crops. A few large plants are cultivated, generously spaced to allow maximal growth, and they are not harvested until full maturity. These outputs are consolidated by people known as *fournisseurs*, who bundle the production and arrange for transport to one of several wholesaling centers, generally large towns located along the road.

The second cultivation style involves dedicated production by individual landholders on plots of one or two hectares. After weeding out the male plants, the plants are spaced about one per square meter. These fields may also be intercropped with other produce, particularly corn or beans, but

⁹¹ Interview with *commissionaires* in Kanyabayonga, Democratic Republic of the Congo. 7 April 2011.

the primary output is the cannabis. These professional cultivators arrange for their own transport to market. Because large fields are more likely to be detected, it appears this style is more common in remote areas, while cannabis ‘gardening’ can occur closer to the towns and villages.

In both instances, the use of *commissionaires* (brokers) is important. These deal makers link sellers and buyers, either from the field to the wholesale centre or from the wholesale centre to retail sites. They are often former cultivators, and may act as intermediaries for the FDLR or others who need help marketing the drug.

Cannabis is an annual plant, and it appears that growers in the DRC harvest from the same plant at least twice. At the first harvest, which occurs at four to six months, just the tops of the plants are taken. Those that grow a small number of large plants may wait for the full six months, while those who grow plantation-style may take a larger number of small outputs earlier in the season. The plant is allowed to recover for a period, before the second, smaller, crop is taken. By 10 months, the plant has reached the end of its life cycle, and anything that remains may be collected at that stage, but has little commercial use. Because there is little distinction between the seasons in the region, crop cycles are fairly flexible.

Once harvested, the plants are loaded into woven plastic sacks, such as those used for transporting charcoal, each containing between 20 kg and 40 kg of uncleaned product. These are carried by porters from the field to wholesaling sites, generally located in towns with road access, such as

Goma, Butembo, Ishasha, Bunia, and Bukavu. When travelling from Ikobo to Butembo, for example, the porters move only at night. This journey takes three days, and they are paid US\$20 to \$25 for the work.

At the wholesale center, buyers arrange for transport by road to the larger towns for local consumption. They also transport to Kasindi and other towns on the border for export to Uganda, or to Goma for export to Rwanda. It is in the transportation and wholesaling that the military become important, as discussed further below.⁹²

The drug is retailed in bulk, often from front businesses or private homes. Cannabis is retailed by the *bassin*, a container approximately 30 cm in radius and 12 cm in depth. A *bassin* will hold approximately a kilogram of cannabis, but the drug is really sold by volume, not weight. A standard sack will contain about 20 *bassins*. One local user reported using about one *bassin* per month, smoking two 12 cm joints per day. These volumes reflect the low potency of the crop. Local Mai Mai groups are known to be avid consumers.

The drug is trafficked across borders both in bulk and in retail-ready packages. In Uganda, cannabis is also wholesaled in units of *bassins* and sacks. Cannabis may also be cleaned of seeds and stems in the DRC and packaged in much smaller units, known as *boules*, for the more demanding foreign consumers in Uganda and Rwanda. The drugs cross the border by every means imaginable, including body couriers, concealment in other shipments, and at the green (informal) borders.

Cannabis cultivation in the Democratic Republic of the Congo

Cannabis is an annual plant that reproduces sexually, with male plants pollinating the females at the end of their life cycles. While most parts of the plant contain THC, the chemical that produces the psychoactive effect, the most potent cannabis comes from the flowering tops of unpollinated female plants. Most cultivators consequently weed out their male plants as soon as the gender is discernable, both to give more growing room to the females and to reduce the chances of pollination. It is, however, very difficult to avoid pollination when growing outdoors in an area of dense cultivation, because a single stray male in the area could pollinate all of the female plants in its vicinity.

In the DRC, it appears that most of the cannabis sold consists of pollinated females, including seeds, leaves, and twigs. Removing these inferior components before sale increases the amount of THC per unit volume, but is still much inferior to cannabis from plants that were never pollinated to begin with. Retailers do sell unseeded cannabis in the DRC, putatively from the few unpollinated females, but this is typically priced at four times the seeded rate.

Cannabis grows well alongside other plants, benefitting both crops, so intercropping is common, allowing multiple harvests off the same plot of land. Crops such as corn are also used as hedges for concealment purposes.

Before use, cannabis must be dried and cured. The technique in the DRC appears to involve sun drying on sheets of plastic. While the use of plastic sheeting may help draw moisture from the centre of the buds, sunlight degrades THC, further reducing potency. The use of plastic sacks for transport is also problematic, because any residual moisture is likely to produce mold.

⁹² On 12 August 2008, a civilian truck carrying four sacks of cannabis was impounded on the way from Butembo to Mangurujipa, Democratic Republic of the Congo, and the soldier escorting the shipment was arrested.

Who are the traffickers?

In addition to civilians, both the Hutu FDLR and elements of the Congolese army (FARDC) appear to be trafficking the drug, sometimes in cooperation, and sometimes independently.

The FDLR are well suited to managing the first part of the supply chain. They command remote areas outside state control where the large and fragrant cannabis plants can be openly cultivated. They consolidate loads and arrange for transport to wholesale centers, usually towns near the main roads. In the past, they were also able to participate in wholesale and retail markets, but increased pressure on the group since 2009 has largely constrained them to the less profitable upstream portions of the market.

The FDLR appear to be organizing civilians in their areas of control to cultivate, although in some areas they conduct the cultivation themselves, or “tax” existing cultivators for an in-kind contribution. Local officials appear to be bribed or intimidated by the FDLR into tolerating this cultivation. In Luofu, the murder of a policeman in 2009 was allegedly due to his involvement in the trade.

Elements of the military, in contrast, controls the roads and checkpoints along which the bulky drug must be transported. They can assure that the drugs move smoothly from the wholesaling towns to the urban points of sale. Wholesaling is conducted in several well-known rural towns by civilian actors operating out of private homes or retail businesses. It has been consistently reported, including in recent interviews with traffickers, that the wives of national army officers are key wholesalers in many cities. They may also accompany the shipment, with or without an overt military escort. The people involved in the April 2011 seizure discussed earlier consisted of a driver, who escaped, and two widows of military officers.

Cannabis may be used as a kind of currency for exchange between elements of the army and other armed groups. It has been reported that the FDLR have paid for cannabis with goats they have stolen from other areas, and then this cannabis is traded for guns, ammunition, and other supplies, usually with the national army. The criminal elements within the army are interested in cash, but may also use the drug as a means of exchange. For example, there have been reports of elements within the army trading cannabis (as well as guns and uniforms) for gold gathered by various Mai Mai groups. In this way, cannabis can be converted to hard currency without the need for export.

Once in the border towns, a range of actors are involved in exporting the drug. For volume movement, connections to corrupt border officials are important. There are persistent allegations that elements in the Ugandan military are involved in cultivation and trafficking. Uganda is also the logistics centre for United Nations operations in Central

Africa, and field interviews suggest that UN flights could be at risk for exploitation and used to traffic cannabis across borders.

There are many ways smaller shipments can be moved, taking advantage of the great volumes of goods that cross regional borders informally. There is a small but relentless flow of foodstuffs, charcoal, and other goods moved across borders every day using bicycles and other trolleys, and few of these bundles can be thoroughly searched. Those who deal in cannabis in Rwanda are said to cross the border into the DRC to purchase the product and arrange for shipping, and these goods are easily concealed in the movement of people and goods.

How big is the flow?

There are two ways of estimating the profits accruing to the FDLR and criminal elements within the military: based on the supply side, or based on the demand side.

On the supply side, field reports give a rough idea of the possible area under cultivation. Greater certainty would require a proper crop survey, which, to date, has not been done. The best documented cultivation is in North Kivu, in the southern part of Lubero territory, where the FDLR maintain control over certain areas. The International Peace Information Service estimated in 2008 that this region produces about 10 tons per harvest. This is a very small quantity by international standards.

Data gathered from one local cultivator interviewed in 2011 would put this estimate much higher: in terms of large-scale cultivation in Ikobo alone, there were reportedly 50 people working plots of one to two hectares apiece, each producing slightly more than one ton per hectare between the harvests, for a total production of at least 75 tons. If the Masisi area produces similar volumes, and the same is true in South Kivu, then the regional production is likely in the low hundreds of tons.

The value of this product depends on where it is sold. Assuming the FDLR are selling at the local wholesale markets, they will get the farmgate price, which appears to be something on the order of US\$7 per kilogram in Ikobo. Taking into account the other areas of cultivation, and the fact that FDLR does not control all the farmgate sales, it would appear that gross income from this source could be in the low millions of dollars. More disturbingly, as aforementioned, it appears that through barter with the local population and elements within the military, the FDLR are converting stolen goats into arms and ammunition by means of the cannabis trade.

Criminal elements within the army also command urban wholesale trade. Prices appear to double between the farmgate and the local wholesale centers, suggesting that if the elements within the military simply resold the drugs sold to them by the FDLR, they would make a similar income at

this level. But their real value-added appears to be getting the cannabis to the major retail markets. A standard sack of cannabis, weighing between 25 and 40 kg, sells for between US\$300 and US\$400 in the major retail centers in the Eastern DRC, essentially allowing traffickers to double their investment. While it is possible that some corrupt military officials are involved in wholesaling the drug in other countries, indications are that foreign buyers cross into the DRC to purchase, so the value accruing to the criminal elements within the military is probably equal to the wholesale value at the border.

Working from the demand side to estimate exports is more challenging. There are no nationally representative survey data available for any of the countries of the region. Data from more limited surveys can be used, however, to estimate that about 7 per cent of the Kenyan adult (15-64) population consumed cannabis in 2004.⁹³ This estimate is higher than earlier estimates for the countries of the region, which were typically less than 3 per cent.

It is unlikely that the Eastern Congo exports cannabis to the western parts of the country: this cannabis would not be competitive with cannabis grown closer to Kinshasa once transport costs were tallied. If a similar share of the Eastern Congolese population used cannabis as in Kenya, this would imply more than half a million annual users. Most users are casual users, consuming minute amounts of cannabis annually, but around 9 per cent will be daily users and 4 per cent chronic users, consuming the vast bulk of production. In other parts of the world, daily users consume about a gram of cleaned cannabis per day, but given the rough form in which cannabis is sold locally, and the likely low potency, volumes may be higher. In Kanyabayonga, North Kivu, one heavy user claimed to smoke about one *bassin* of rough cannabis every four to six weeks, consuming two 15 cm joints per day. There is no real ceiling on the amount of cannabis chronic users consume, but practical limitations generally confine use to several grams per day.

If 45,000 daily users and 20,000 chronic users smoked one and 10 grams daily respectively, this would amount to just under 90 tons of consumption annually in the Eastern DRC. If these 90 tons were parceled into sacks of between 25 and 40 kg, this would amount to 2250 and 3600 sacks to be sold locally, for a gross income of just over one million dollars.

The wholesale for export market is even larger. In Burundi, there appear to be about 300,000 annual users, who would consume about 53 tons annually, of which about 38 tons would come from the DRC, based on the estimates of Burundian law enforcement. The Rwandan government does not provide a quantitative estimate, only suggesting

that cannabis comes from both the DRC and Tanzania. If the shares were even, then Rwanda would consume perhaps 35 tons of Congolese cannabis per year. Uganda is more complicated, given that it is both a producer and a re-exporter, but its population is three times that of Rwanda's. If it were to import at a rate equal to that of the other two countries, then the DRC export market would be just over one hundred tons.

Taking all this into consideration, it appears that cannabis production in the Eastern DRC could be about 200 tons annually. From this, farmers would earn perhaps one or two million dollars, and wholesalers around three million dollars.

⁹³ The uncertainty range would be between 4.7 per cent and 10 per cent. See *World Drug Report 2010*, p 287.



Mineral resource flows

Many forms of criminal activity may fuel the violence in the region, but the core “conflict resources” in Central Africa are its mineral resources. The DRC is extremely rich in resources, and there is good reason to believe that additional riches remain undiscovered. The country contains some of the largest reserves of cobalt, copper, and diamonds in the world, and large amounts of gold and oil. While most of the DRC provinces contain some mineral wealth, the bulk of the known resources are contained in the east of the country, in the provinces of Katanga, West and East Kasai, Orientale, and North and South Kivu.⁹⁴

Mining comprised about 13 per cent of the DRC’s GDP between 2003 and 2008, and almost all of its export earnings.⁹⁵ In terms of volume, the DRC’s chief official export is copper. The reserves of the Katanga Copper Belt are estimated at 70 million metric tons of copper, second only to the reserves of Chile.⁹⁶ In 2008, an estimated 335,000 tons of copper were exported from the DRC. While very important for the national economy, the DRC is a minor producer in global terms, contributing less than 2 per cent of global supply in 2007.

Mineral endowments by province

Province	Minerals
Bandundu	Diamonds, gold, petroleum
Bas-Congo	Bauxite, oil shales, limestone, phosphates, vanadium, diamonds, gold
Equateur	Iron, copper and associates, gold, diamonds
Kasai Occidental	Diamonds, gold, manganese, chrome, nickel
Kasai Oriental	Diamonds, iron, silver, nickel, cassiterite
Katanga	Copper and associates, cobalt, manganese, limestone, uranium, coal
Maniema	Cassiterite, diamonds, coltan
North Kivu	Gold, niobium, tantalite, cassiterite, beryl, tungsten, monzanite
Orientale	Gold, diamonds, iron
South Kivu	Gold, niobium, tantalite, cassiterite, sapphire

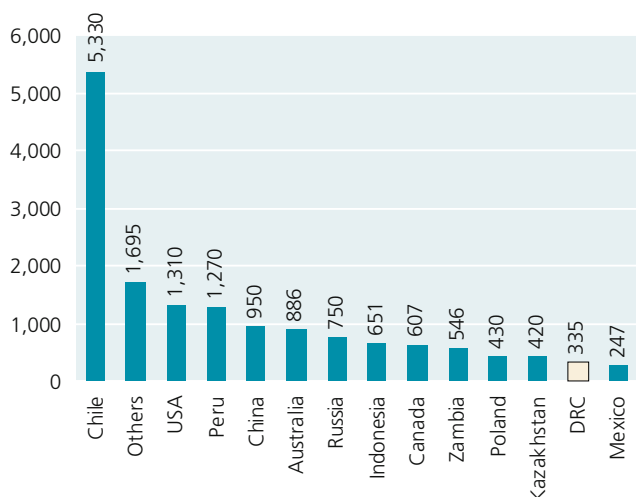
Source: World Bank, *Growth with Governance in the Mining Sector*

⁹⁴ World Bank, *Democratic Republic of Congo: Growth with Governance in the Mining Sector*. Report No. 43402-ZR, (Washington, D.C.: The World Bank, May 2008).

⁹⁵ International Monetary Fund, *World Economic Outlook 2010: Statistical annex*. (Washington, D.C: IMF, 2010).

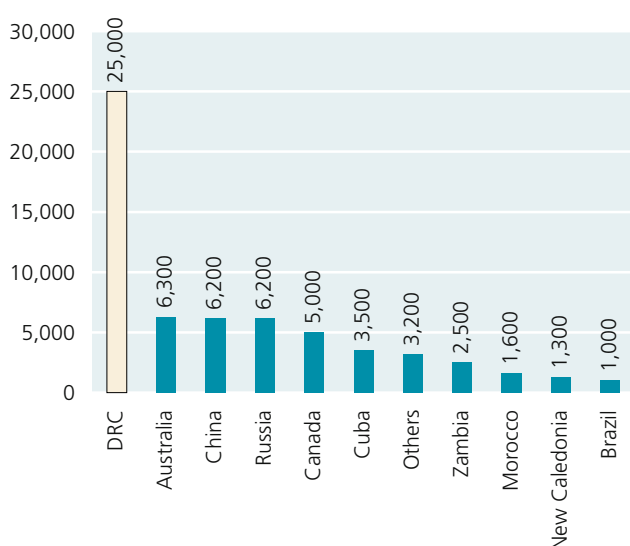
⁹⁶ World Bank, *op cit*.

Global copper production by country in 2008 (millions of tons)



Source: United States Geological Survey, Mineral Commodity Summaries – Copper, 2010

Global cobalt production by country in 2009 (millions of tons)



Source: United States Geological Survey, Mineral Commodity Summaries – Cobalt, 2010

In terms of value, cobalt, which is produced alongside copper mining, is the top earner. The Katanga Copper Belt contains the largest known cobalt resources in the world,⁹⁷ and the DRC dominates world production, contributing an estimated 40 per cent of global supply in 2009.

Most of the DRC's copper and cobalt come from the area around Lubumbashi, in the province of Katanga, along the border with Zambia, another top producer of the minerals. Katanga has been the subject of secessionist struggles in the past, but is currently not embroiled in conflict. This may be one reason why the products of this region top the official exports. Other, equally valuable exports may be leaking out unrecorded from the conflict-ridden areas further to the

north. The success of Katanga also demonstrates that, even in the DRC, resource-rich areas are not inevitably doomed to violence.

As is the case in many African jurisdictions, the mineral resources of most Central African countries are regarded as the property of the state. The state may grant minerals exploration and exploitation licenses to private companies, in return for consideration and under terms beneficial to the people of the country. Unauthorised mining is thus a form of theft, with the victims being the people of Central Africa. As such, illegal trade in the DRC can be understood as trade that is in "contravention of the DRC Mining Code, uses corrupt practices, and is not recorded in official government statistics. Legal trade is defined as being compliant with the Mining Code, officially recorded by the government, and meeting all certification and tax requirements."⁹⁸

Conducted outside the regulatory structures of the country, unauthorized mining is vulnerable to being criminalized in other ways. Labour rights are not recognized, and, in many cases, forced labour is used. The output may be "taxed" by both armed groups and government officials acting on their own behalf. Further "taxes" may be extorted along transport routes, particularly at border crossing points. Paperwork and official discretion may be bought and sold. As a result, minerals trafficking funds both violence and corruption, undermining the rule of law.

This stolen property can be moved out of the country overtly or covertly, taking advantage of the continuing instability and lack of order in the Eastern DRC. In the former case, the illegally-obtained minerals are mixed with the output of licit mines and exported through mainstream commercial channels. There may be an element of fraud, if the origin of the commodities is misrepresented in the export documents. In the case of covert movement, the goods are smuggled out of the country, evading export taxes and further robbing the people of the source country. In addition to promoting disorder, the trafficking of minerals deprives resource-dependent countries of a major source of income for development. In places like the Eastern DRC, much of the mineral output is stolen, illegally taxed, smuggled or otherwise criminalized, to the detriment of development opportunities.

The minerals involved in the trafficking have varied over time depending on global demand. In the past, one of the most trafficked metals was columbite-tantalite, known as "coltan." Coltan is a black metallic mineral which is refined to make tantalum, used in capacitors for the consumer electronics industry. The DRC is thought to have 64-80 per cent of the world's coltan reserves, and demand was strong between 1998 and 2001. The Second Congo War took place at the height of the coltan boom, and rebels quickly

⁹⁷ World Bank, op cit.

⁹⁸ PACT. *Researching Natural Resources and Trade Flows in the Great Lakes Region*. June 2007. p. 8.

took control of most coltan mining concessions. Prices dropped thereafter, due to oversupply, global economic decline, and improvements in technology. By October 2001, prices were less than a third of their peak.

As the demand for coltan declined, the demand for tin began to increase when the European Union and Japan banned lead solders from cellular telephones and other electronic goods in 2002. In response to the new demand for non-lead solders, which are mostly tin, the price of tin ore increased 150 per cent between 2002 and 2004. The demand for mobile phones and consumer electronics has kept demand for tin strong.

Several parties may benefit from illicit resource extraction, with varying degrees of culpability. These include:

- Mine labourers and domestic traders
- Illegal armed groups
- Corrupt elements in the Congolese military
- International firms involved in the minerals trade
- Corrupt and criminal elements in neighbouring states.

A large number of labourers are dependent on the minerals trade for their livelihood, although it is possible these same workers could be employed on better terms if the mining were formalised. In the case of the DRC, the informal (“artisanal”)⁹⁹ miners are recognised in the Mining Code.¹⁰⁰ According to Article 111 of the Code, only “holders of artisanal miners’ cards which are valid for the area concerned are authorized to extract gold, diamonds, or any other mineral substance which can be mined artisanally.” It is estimated that less than 25 per cent of miners currently possess mining cards. Artisanal miners are required to be licensed and registered to a particular mine site, although no official artisanal mining zone has been defined in the Eastern DRC. *Négociants* (middlemen) and *comptoirs* (buying/export houses) must also be registered and licensed by the Ministry of Mines.¹⁰¹

The military is one group that is explicitly banned from the trade. According to Article 27 of the DRC Mining Code, no government official, member of the Armed Forces, member of the police or security services are allowed to engage in artisanal mining or trading.¹⁰² Additionally, President Kabila, in his role as supreme commander of the Army, and several senior Army officers have ordered the military to stay out of mining sites.

Despite these orders, much of the minerals trade in Eastern Congo today is controlled by units of the Congolese army,

including former rebels from the primary Tutsi militia, the CNDP. The ex-CNDP rebels, who joined the Congolese national army in a disorderly integration process in 2009, have taken advantage of internationally-supported military offensives to displace the FDLR (Hutu militia) from Eastern Congo, targeting especially the profitable mine sites. Research suggests that the former rebels have gained far greater control of mining areas than they ever enjoyed as insurgents. This represents a serious threat to the region’s stability, because the forces of the CNDP have a history of reverting to rebellion when peace no longer suits their interests.¹⁰³

The FDLR is still deriving significant benefits from the trade, including from “taxation” of some mines, and through ambushes and looting. In spite of a large reduction in the number of combatants following military operations against them, the group’s command structure remains largely intact.¹⁰⁴ FDLR commanders reportedly allow their soldiers to keep 50 per cent of all looted goods, including personal items and minerals.¹⁰⁵ Many smaller armed groups, including the Mai Mai groups, continue to control hundreds of more remote mines.

There are also indications that elements in neighboring states are profiting. The official statistics suggest that more minerals are exported from neighboring states than could possibly be produced domestically. These exports do not appear to be explained by import or transshipment (re-export) statistics. Mineral exports to states neighbouring the DRC have escalated significantly since 2008. This increase was particularly notable following the rapprochement between Kinshasa and Kigali in January 2009.

Such were the abuses by both state and non-state forces that President Kabila felt compelled to ban all mining activity in the provinces of North Kivu, South Kivu, and Maniema as of 9 September 2010. During the course of the ban, all mining was illegal, and any of the mineral output of these three Eastern DRC provinces was thus illegally obtained. The ban was formally lifted on 10 March 2011, and trade is slowly recommencing.

The situation in Eastern DRC is much improved since 2008, however. Many initiatives to curb the illicit trade in minerals are in place, and progress is slow but steady. The reshaping of the political-military environment in the last few years has had an impact on the mineral trade, namely through the integration of the CNDP into the Congolese army and the rapprochement between Kinshasa and Kigali since 2009. These developments have had an effect on many trading networks, which have adapted to the changes

99 “Artisanal” mining is a non-mechanised, manual mode of production that is labour-intensive and does not require much capital investment.

100 In the DRC, the mining industry is regulated through the Mining Code (Law No. 007/2002 of 11 July 2002) and the accompanying Mining Regulation (Decree No. 038/2003 of 26 March 2003).

101 Interviews in Kinshasa with Ministry of Mines officials, *comptoir* owners, *négociants* and diggers in 2004, 2005.

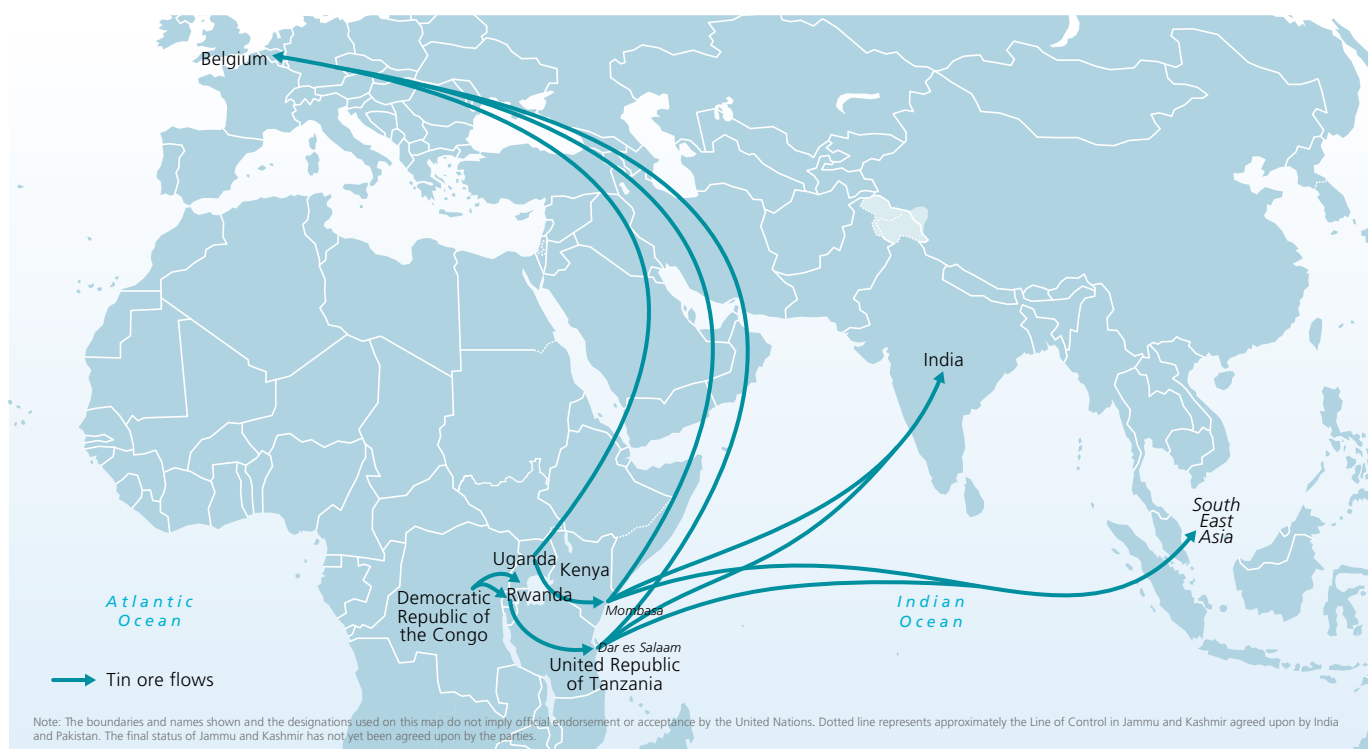
102 DRC Mining Code, law 007/2002, Article 27: Non-eligible persons for artisanal mining.

103 *Report of the UN Secretary General pursuant to paragraph 8 of resolution 1698 (2006) concerning the DRC.* (United Nations publication, February 2007.).

104 *Final Report of the United Nations Group of Experts on the Democratic Republic of the Congo.* (United Nations publication, 29 November 2010. S/2010/596), paras. 27-28.

105 *Ibid.*, para. 181.

in the political and economic environment. There can now be serious talk about controlling the border and regulating trade, which wasn't possible in 2008. That said, the Eastern DRC remains a fluid environment due to the ongoing existence of armed groups, the presence and exploitation of artisanal and small-scale miners, and the lack of infrastructure and inaccessibility of the mine sites, which make regulating the supply chain extremely challenging.



TIN ORE FROM EASTERN DRC VIA EAST AFRICA TO ASIA

Route

Source: *North and South Kivu, Maniema, and northern Katanga provinces of the DRC*
 Vector from Eastern DRC: *Land, sea*
 Vector within Central Africa: *Land, air*
 Destination: *Belgium, Rwanda, South-East Asia, India*

Value

Volume: *900 to 3200 tons per year*
 Value at destination: *At least US\$10 to 30 million per year*

Traffickers

Groups involved: *Hutu militia (FDLR), elements within the Congolese army, Mai Mai groups*
 Residence of traffickers: *Eastern DRC, Rwanda*

Threat

Estimated trend: *Declining*
 Potential effects in region: *Continued funding of armed groups, loss of tax revenues, obstacle to peace operations*
 Likelihood of effects being realised: *Medium*
 Potential effects outside of region: *Increased prices for tin*
 Likelihood of effects being realised: *Medium*

What is the nature of this market?

The market for tin ore is not as glamorous as those of gold or diamonds, but what it lacks in flash it makes up for in profitability. Tin has a wide range of industrial applications; for example, it is highly resistant to corrosion, and is often used to coat other metals, notably in the canning of food. Over half of the global tin supply is used to solder electrical circuitry, and recent growth in demand has come largely from consumer electronics producers. This growth has been enhanced by the move to lead-free solders, which are mostly tin.¹⁰⁶ Most tin is extracted from an ore called cassiterite, which is abundant in the Eastern DRC and Rwanda.

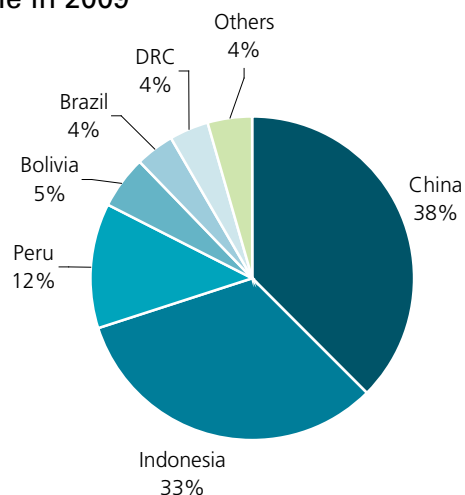
Tin ore was discovered in the DRC around the turn of the century, and by the mid-1940s, the country was the world's second-largest producer of tin, after Bolivia. Industrial-scale mining was suspended under Mobutu, when the Belgian firm Sominki (*Société Minière du Kivu*) ceased operations in 1989. In 1995, Sominki was sold to US and Canadian firms that merged to form Sakima (*Société Aurifère du Kivu et du Maniema*). President Laurent Kabila nationalised Sakima's concessions in 1998, which would prove to be the end of industrial tin mining in the DRC.

Following the outbreak of the Second Congo War in August 1998, the mineral wealth of the Kivu provinces, including tin ore, was funnelled out through Burundi, Rwanda and Uganda by the Ugandan and Rwandan armies and their local allies. Essentially, this extractive pattern has been maintained to the present day. Artisanal miners feed an illicit flow of tin ore through the neighbouring countries to the east, to be mixed with licit production and exported to smelters in Asia.

It has been suggested that the DRC accounts for one third of the world's cassiterite reserves.¹⁰⁷ Official cassiterite exports from the DRC currently represent about 4 per cent of global tin mine production, with about half of that coming from the province of North Kivu. These figures do not account for the volumes that are exported illicitly, of course. Statistics from North Kivu's Division of Mines show that 4,569 tons of cassiterite (worth US\$44 million) were officially exported in the first six months of 2010 alone.¹⁰⁸

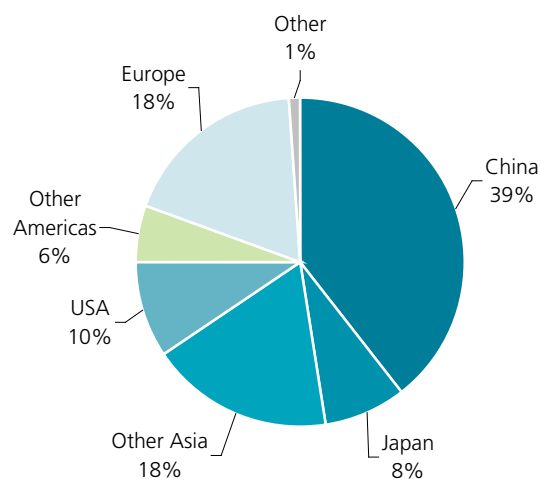
Cassiterite is extracted in Eastern DRC, in the provinces of North and South Kivu, Maniema and the northern part of Katanga. In North Kivu, most of the mining sites are located in the southern part of the province, in the territories of Walikale, Masisi, and Rutshuru. Walikale territory

National shares of world tin production by volume in 2009



Source: United States Geological Survey, Mineral Commodity Summaries – Tin, 2010

Shares of global tin consumption in 2009



Source: ITRI

accounts for up to 70 per cent of the cassiterite exported from the province. There are at least ten cassiterite mines in Walikale,¹⁰⁹ with each mine consisting of several pits. The most important of these mines is Bisié, a remote site some 40 kilometers from the nearest road. In South Kivu, cassiterite is mined mainly in Kabare, Mwenga, Uvira and Walungu. In Maniema, the areas around Kasese and near Kalima are the centres of cassiterite production.¹¹⁰ Cassiterite production in Katanga is relatively small, some 50 tons per month, but up to 400 tons may be transported through northern Katanga from elsewhere in the province, using the Congo River system.¹¹¹

¹⁰⁶ The *Restriction of Hazardous Substances* directive was adopted in February 2003 by the European Union, compelling all electronic manufacturers supplying the European market to restrict the use of lead and other hazardous materials.

¹⁰⁷ Garrett, Nicholas. *Artisanal Cassiterite Mining and Trade in North Kivu: Implications for Poverty Reduction and Security*. (CASM, June 2008). p. 12

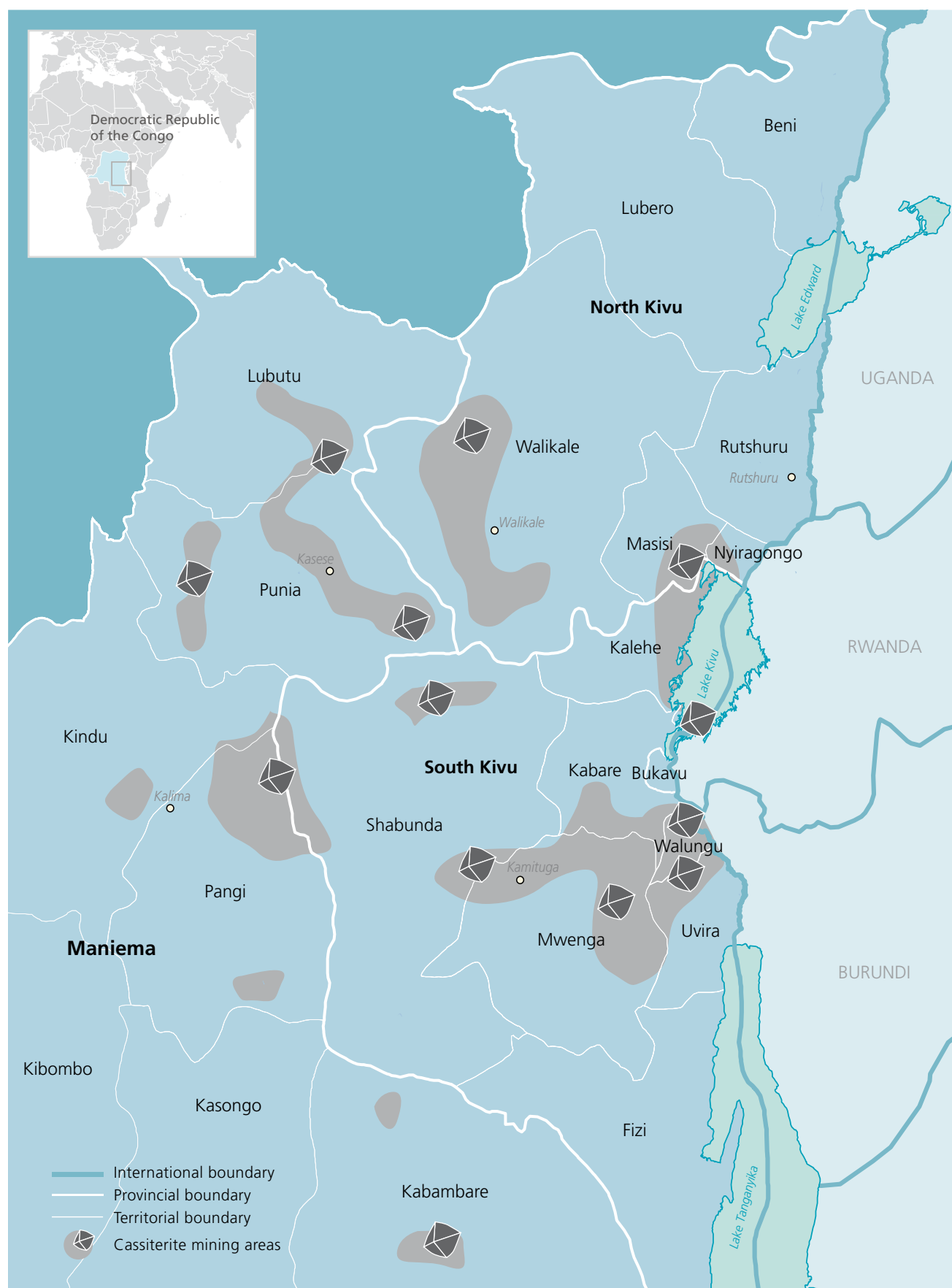
¹⁰⁸ Mason, Katrina. *Uphill task to solve Congo's conflict minerals*. Reuters, 30 July 2010. Available: <http://af.reuters.com/article/Print?articleID=AFTRE66T1LR20100730>

¹⁰⁹ The mines of Bolindo, Bukombe, Ibondo, Idambo, Lichacha, Loba Lisusu, Matamaba, and Terrain de Mines Bakondjo are located near the border between North and South Kivu and near the border of Kahuzi-Biega National Park. The tenth mine, Mabuta, has been abandoned.

¹¹⁰ International Alert. *The Role of the Exploitation of Natural Resources in Fuelling and Prolonging Crises in the Eastern DRC*. (January 2010). p. 20

¹¹¹ De Koning, Ruben. *Demilitarizing Mining Areas in the Democratic Republic of the Congo: The case of northern Katanga province*. (Stockholm: SIPRI, January 2010). p. 5

Cassiterite mining areas in the Eastern DRC



Source: IPIS

Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

From mid-September 2010 through mid-March 2011, there was a ban on mining of cassiterite, coltan and wolframite in North Kivu, South Kivu, and Maniema provinces. This ban was imposed by President Joseph Kabila on 9 September 2010 to address the involvement of criminal groups in the mineral trade and the role this trade plays in funding conflict.¹¹² Extraction of minerals was to halt immediately, while traders had until 15 October 2010 to sell their stocks to exporters, who in turn would have until 15 November 2010 to arrange export.¹¹³ During this period, all cassiterite mining was illicit mining, but it is clear that extraction continued nonetheless, although on a much-reduced scale.

According to the Division of Mines of North Kivu, prior to the ban, production at Bisié mine had been in decline for the last three years. Production progressively decreased from 20 tons per day in 2008 to 15 tons in 2009, to 3.5 tons in 2010. The director at the Division of Mines estimates that Bisié will no longer be operational in 10 to 20 years,¹¹⁴ suggesting that the armed groups may be benefiting while they can as prices continue to increase due to current demand.

As a commodity traded internationally, prices have proven very volatile. After a sharp drop in response to the financial crisis in 2009, tin prices have rebounded, essentially doubling in 2010. Global tin consumption is expected to grow 3.1 per cent in 2011 and 3.7 per cent in 2012.¹¹⁵ Tin prices are likely to increase as a result, from \$21,600 per metric ton in 2010 to an estimated \$23,200 a ton in 2011. The attractions of cassiterite smuggling for the armed groups are thus likely to increase in the short term.

How is the trafficking conducted?

Determining the nature and extent of the trafficking in cassiterite is a tricky business, as many aspects of the trade are highly informal to begin with. The extraction of cassiterite is largely conducted by artisanal miners, who are essentially self-employed, and may hold licenses for extraction. They remove the ore from hand-dug shafts, as well as open pits and alluvial sites. Artisanal miners in the Eastern DRC are said to earn about US\$800 per year, much less than miners in other parts of the country. This is believed to represent about a quarter of the value of their production.¹¹⁶ Porters are paid a share of their burden, in kind, to transport this

output to nearby roads or airstrips, where it is typically moved by truck or by airplane to wholesale markets. A network of traders and service providers has grown around these central productive functions.

First and foremost, the military or other armed groups provide “security” to the mine, and forcibly “tax” the production, demanding cash or as much as 30 per cent of any ore removed.¹¹⁷ They may claim all production on certain days of the week, in a system known as “*salongo*.”¹¹⁸ Some military commanders compete to control productive mine sites. Recently, in defiance of President Kabila’s mining ban, some soldiers deployed in Walikale took up mining themselves, even compelling civilians to put on military uniforms to assist them.¹¹⁹ Aside from the military, there may be other representatives of state authority present at the site or along transportation routes, but it is often unclear whether they are working in their official capacity or on their own behalf.¹²⁰

Food, shelter, and consumer goods are sold to the miners in exchange for ore on site by *commerçants*. Since the sites are often isolated and ore is not found every day, many miners become debt-bonded, receiving only sustenance for their labour. Generally speaking, they are not formally enslaved, but they are not free to leave either.¹²¹ Researchers have classified the complexity of relationships existing at Bisié mine as a “negotiated peace for extortion.”¹²² Essentially, relationships between miners and the armed groups are built to accommodate political and economic interests, and link them to security. As a result, a static *no-war, no-peace* situation has developed. This is true across the Eastern DRC, and across many sectors of the economy, with the mining industry being the foremost example.

Commerçants may also be *négociants*: traders who purchase

112 Democratic Republic of the Congo Ministry of Mines. *Communiqué du Ministre des Mines en rapport avec la décision du Président de la République sur la suspension de l'exploitation minière*. (Goma, DRC. 11 September 2010.)

113 De Koning, Ruben. Sep 10: *The mining ban in the Democratic Republic of the Congo: will soldiers give up the habit?* (Stockholm: SIPRI, September 2010). Available: www.sipri.org/media/newsletter/essay/september10

114 Pole Institute. *The Criminalization of the Mining Industry in Eastern DRC*. (Goma, DRC. November 2010.)

115 EIU Global Forecasting Service. Tin. (October 2010). Available: <http://gfs.eiu.com/article.aspx?articletype=cfh&articleID=327506017>

116 World Bank, *Democratic Republic of Congo: Growth with Governance in the Mining Sector*. Report No. 43402-ZR, (Washington, D.C.: The World Bank, May 2008).

117 Report of the UN Secretary General pursuant to paragraph 8 of resolution 1698 (2006) concerning the DRC, (United Nations publication, February 2007.)

118 Global Witness, *Faced with a gun, what can you do? War and the militarisation of mining in eastern Congo*. (July 2009). p 6. See also Global Witness, *Mapping the Cassiterite Supply Chain*.

119 Tegara, A. *The impact of the suspension of artisanal mining in the Eastern DRC*. (Goma, DRC: Pole Institute, October 2010). Available: www.pole-institute.org/site_per_cent20web/echos/echo141.htm

120 According to Congolese regulations, there are five administrative services that are responsible for managing the exploitation and trade of mining products and can levy taxes on the trade: OFIDA (Office of Customs and Excise) which registers and regulates imports and exports; the Mining Division, whose agents regulate mining products, including weighing and storing them prior to export; OCC (Congolese Control Office) which was set up to check the quality and quantity of exported products; CEEC (Centre for Expertise, Evaluation and Certification) which was created in 2003 to implement the Kimberley Process for diamonds; and the Foreign Trade Division, which registers documents for exports and imports. Each of these agencies collects their own set of trade data, and not every agency covers the same range of products. When the same product is accounted for by multiple agencies, the recorded data may be different.

121 Garrett, Nicholas. *Walikale: Artisanal Cassiterite Mining and Trade in North Kivu – Implications for poverty reduction and security*. (Communities and Small Scale Mining, June 2008). p. 45

122 Garrett, N., Sergiou, S. and K. Vlassenroot. “Negotiated peace for extortion: the case of Walikale territory in eastern DR Congo.” *Journal of Eastern African Studies*, Vol. 3, No. 1, 2009.

the miners' output and arrange for transportation to the official *comptoirs*, which are the international brokers based in the provincial capitals of Goma and Bukavu. The ore may pass through a dozen hands before reaching the *comptoir*. The *comptoir* assesses the quality of the mineral and may provide some basic processing.¹²³ The ore is then sold to the international firms that sell to the major smelters.

Illegally acquired tin ore can be mixed with legitimate production or sold on its own to a legitimate *comptoir* for export. It can also be smuggled illegally across borders in order to evade DRC export taxes, which are exceptionally high. For example, in 2007, exporting one 25 ton container of cassiterite legally from the DRC meant incurring \$6500 in taxes.¹²⁴ Because of the bulkiness of the product, however, smuggling cassiterite is difficult, and transporting the ore almost always involves a limited number of roads navigable by truck or useable as airstrips. Nearly all of the production flows from the artisanal mines by road and air to the export hubs of Goma (North Kivu) into Uganda or Rwanda, or to Bukavu (South Kivu) for transport into Rwanda or Burundi. Flows to the north are more likely to be exported through the port of Mombasa, Kenya, while those to the south are more likely to ship from Dar Es Salaam, Tanzania.

Contrary to previous years when most cargo was flown out via the aforementioned route, in 2009 industry sources reported that a larger portion of cassiterite was being transported by truck from the trading centres near Bisié and taken overland, via newly-completed roads, in a circuitous route to Kisangani, Beni, Butembo and Goma before being trafficked into Rwanda.¹²⁵

Both authorised and unauthorised people levy taxes along the entire length of the trading chain, at sites including roadblocks, airstrips, airports, borders, and at the mines themselves.¹²⁶ It has been estimated that the accumulated taxes and levies along the road from Walikale to Goma amounted to 10 per cent to 15 per cent of the export value of the minerals in 2007.¹²⁷

While much of the illicit cassiterite crosses formal border posts clandestinely or fraudulently, not all of the illicit flow exits the DRC at official border crossings. Lake Kivu and Lake Tanganyika are among the easiest routes for smuggling goods out of the DRC, particularly at night. The Vice-

Governor of South Kivu described houses on the shores of Lake Kivu as "nocturnal ports," and several small boats cross the lake at night carrying minerals and other goods.¹²⁸

For example, cassiterite is illegally transported over Lake Kivu between Bukavu and Kamembe, Rwanda. These cross-border voyages require the bribery of Congolese soldiers tasked with patrolling the lake. Upon reaching Rwandan shores, the cassiterite is loaded onto trucks and transported to Kigali. This smuggling can be profitable, with a price differential of up to US\$1.50 per kilogram from Bukavu to Rwanda.¹²⁹

Who are the traffickers?

This trafficking flow is the result of a convergence of interests of some very disparate players. On the bottom, of course, are the miners and porters, who would likely prefer to operate in a legal industry where exploitation and extortion are not part of the package. From there upward are opportunists, who, with greater or lesser levels of intent, profit from the theft and trafficking of these national resources. Put simply, those participating in the cassiterite trade can be broken into two groups: those who are knowingly engaged in minerals theft, and those who can plausibly deny knowledge of the origin of the goods they are trading.

North Kivu has been the site of much of the violence afflicting the country, and various factions have competed to control the cassiterite mines, with Bisié mine being a case in point. Following the Second Congo War, Bisié was controlled by a Mai Mai militia, which was absorbed into the army to create the 85th Brigade. This unit controlled the mine until recently, taxing production to the tune of some US\$120,000 per month.

In March 2009, the 85th brigade was displaced when the territory was reassigned to what was then called the 1st "integrated" brigade, which was comprised almost entirely of former CNDP combatants, including its commander. The 1st was later named the 212th, but the unit composition remained the same. The reasons for awarding this territory to a former rebel group remain unclear, but may have been a condition of the peace deal agreed to by the CNDP.

In response to being relocated from Bisié, disgruntled soldiers and deserters from the 85th and others involved in the tin trade formed the Mai Mai Sheka to compete for revenues from Bisié and other mines in the region. Mai Mai Sheka is best known for its involvement in a rape campaign in 2010, apparently designed to get the authorities to take the group seriously. Although the group is nominally

123 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 12 December 2008. S/2008/772), para. 22-23; Tegera, Aloys and Dominic Johnson. *Rules for Sale: Formal and informal cross-border trade in Eastern DRC*. (Goma, DRC: Pole Institute, May 2007), p. 49-51.

124 Tegera, Aloys and Dominic Johnson. *Rules for Sale: Formal and informal cross-border trade in eastern DRC*. (Goma, DRC: Pole Institute, May 2007), p. 55

125 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations Publication, 29 November 2009. S/2009/603), para. 203

126 *Interim Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 25 May 2010, S/2010/252), para. 78

127 Tegera, Aloys and Dominic Johnson. Op cit.

128 Global Witness. *Faced with a gun, what can you do? War and the militarisation of mining in eastern Congo*. (July 2009), p 53

129 De Koning, Ruben. "The Lulingu-Nzovu-Nzibira Cassiterite Axis," in Jeroen Cuvelier (ed.), *The Complexity of Resource Governance in a Context of State Fragility: The Case of Eastern DRC*. (International Alert, November 2010), p. 46

Cassiterite: from Bisié to Goma



Source: UNODC

Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

opposed to the military control of the mine, there is evidence that Mai Mai Sheka has been cooperating with elements of the 212th to maximize joint revenues, and at least one officer was arrested for failure to combat the rebel group. In July 2010, a reserve battalion arrived to replace the 212th, but elements of the brigade refused to leave.¹³⁰

Until recently, the main traders were the FDLR, but military operations in 2009 and 2010 wrested many of the mines from FDLR control. They were forced to retreat further into the forest, but adjusted their tactics and now tax the transport and trade in the areas they control, and raid mining areas.

¹³⁰ *Interim Report of the Group of Experts on the Democratic Republic of the Congo*,

(United Nations publication, 25 May 2010, S/2010/252)

Leaving Bisié

At the Bisié mine sites, for example, *négociants* pay porters US\$25 to carry 50 kg of ore for the two-day, 40 km journey to the village of Ndjingala, which is located on the main road. Ndjingala and another local village, Mubi, serve as trade and consolidation points. When a load of approximately two tons has been amassed, it is trucked to a part of the road that serves as a landing strip by the village of Kilambo (see map). From there, small planes fly most of the ore to Goma, where it is delivered to *comptoirs*. The *comptoirs* arrange transport from the DRC via Rwanda or Uganda to the ports of Mombasa or Dar Es Salaam. From there, the minerals are shipped to smelters in South East Asia and China before being delivered to the consumer electronics or canning manufacturers.

Today, most of the mining areas, including Bisié, are controlled by the national military, and many were given to military units dominated by CNDP soldiers who had been integrated. Since the ban on mining was implemented in September 2010, some integrated CNDP troops have taken advantage of their control over most of the land and lake borders with Rwanda and Uganda to control the trafficking operations.¹³¹

The Congolese military is not meant to be engaged in trading minerals; in fact, by law, they are explicitly forbidden from doing so. But lack of consistent pay, poor morale, and poor supervision has meant that soldiers are some of the most active market participants. The UN Group of Experts lays out four ways in which elements of the military controls the trade: “taxation,” provision of “protection” (extortion), coercive control (pillage), and commercial control (ownership). As aforementioned, former CNDP combatants who have been absorbed into the national military are implicated, both for self-enrichment and to fund their cause. Military involvement in cassiterite markets extends straight to the top: the Bisié mine is said to directly benefit the commander of the Congolese land forces, General Amisi Kumba.¹³² With regard to commercial control, corrupt officers frequently use intermediaries such as siblings, *commissionnaires* (agents) or personal escorts with special military travel papers to invest on their behalf.¹³³

131 Stearns, Jason. *Fear of a possible boycott of Congolese minerals*. CongoSiasa, 26 March 2011. Available: <http://congosiasa.blogspot.com/2011/03/fears-of-possible-boycott-of-congolese.html#comments>

132 Also implicated are many of his subordinates, including Gen. Vaqueur Mayala, the commander of the 8th Military Region; Col. Etienne Bindu, the deputy commander of the 8th Military Region; and former commander of Zone 2, Col. Chuma. Many of these commanders use family relations to oversee their investments in the mine. See the *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010, S/2010/596), para. 52, para.194-196.

133 *Final Report of the Group of Experts on the Democratic Republic of the Congo*.

Amongst legitimate market participants, the *négociants* are among those who are most likely to be aware of the illicit nature of the product in which they are dealing, since they operate close to the mine sites and arrange for transport. One individual, who is not a licensed trader, reportedly makes some of the largest direct purchases of cassiterite from Bisié mine. He allegedly bypasses all taxes and formalities between the mine at Bisié and the trading centre at Mubi due to the military protection he receives. He is Rwandan, and was formerly a bodyguard for a high ranking military officer at Bisié.¹³⁴ The UN Group of Experts received information that other high-ranking FARDC officers invest through him as well.¹³⁵

Many of the *comptoirs*, the export brokers, are foreign, notably of Lebanese or Pakistani descent. Through 2009, *comptoirs* that bought, sold, and exported minerals produced by or benefit warning parties, specifically the FDLR, included the Groupe Olive, Muyeye, MDM, Panju, and the Huaying Trading Company (HTC).¹³⁶

The *comptoirs* sell to international commodities trading firms who sell to one of a limited number of smelters that handle tin ore, most of which are located in China and South East Asia. For example, the company Minerals Supply Africa purchases a large share of the mineral that reaches Goma, buying from a number of *comptoirs* and typically selling some 20 containers a month to the major smelters, in particular Malaysia Smelting Corporation. Nearly all of the cassiterite exported from Bukavu in the first third of 2010 was delivered to the Malaysia Smelting Corporation or Minerals Supply Africa, which was likely buying on behalf of the Malaysia Smelting Corporation.¹³⁷ The smelters may be aware that they are purchasing illicit material, but have more plausible deniability as they are at the downstream end of the trading chain, with the mineral passing through many hands prior to export.

How big is the flow?

Estimates of the volumes and value of DRC cassiterite production have varied widely. In 2007, the International Tin Research Institute estimated the flow of cassiterite from Walikale to Goma (the main North Kivu flow) at 14,000 tons, worth US\$89 million.¹³⁸ In 2008, the World Bank reported an estimate of only 8,000 tons annual production throughout the country, with an export value of around

(United Nations publication, 29 November 2010, S/2010/596), para. 178.

134 Ibid, para. 52, para. 194.

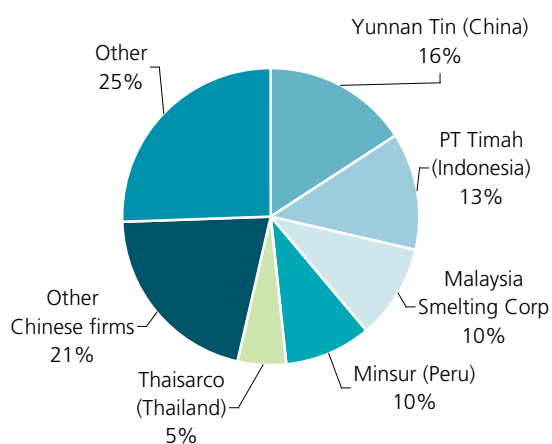
135 Ibid.

136 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 23 November 2009, S/2009/603), para. 165.

137 According to the Monthly Reports of the *Centre D'évaluation, D'expertise, et Certification*, Democratic Republic of the Congo.

138 ITRI. Background information sheet: Cassiterite production and trade in the DRC. (October 2008). Available: [http://www.itri.co.uk/SITE/UPLOAD/Document/Sustainability/ITRI per cent20DRC per cent20information per cent20sheet per cent20v1.pdf](http://www.itri.co.uk/SITE/UPLOAD/Document/Sustainability/ITRI%20per%20DRC%20information%20sheet%20v1.pdf)

Shares of top firms in global tin production in 2009



Source: ITRI

US\$48 million.¹³⁹ Also that year, the DRC Senate estimated that 16,000 tons would be produced in 2009, generating an export value of US\$128 million and just under four million dollars in tax revenues (at 3 per cent tax).

The differences in these estimates may be due to the years of reference and differing production capacities in different years. Time series data from the same source, such as the North Kivu Division of Mines, suggest substantial volatility in the volumes produced, likely due in part to the conflict and the decline in productivity at Bisié. Price also fluctuates considerably due to shifts in global demand. The estimates above put the export value at between US\$6,000 and US\$8,000 per ton, but according to the North Kivu Division of Mines, cassiterite was valued at export at about US\$10,000 per ton in the first half of 2010. Total exports during this period amounted to 4,569 tons, for an export value of some US\$45 million. If this rate of export were to have been maintained for the balance of the year, total production would have been 9000 tons for the province, worth nearly US\$90 million on export, in 2010.

In South Kivu, some 1500 tons were exported from Bukavu in the first third of 2010, worth an estimated US\$12 million, or US\$8000 per ton.¹⁴⁰ If projected for the rest of the year, this would be equivalent to 4,500 tons valued at US\$36 million. Between them, the Goma and Bukavu export markets likely cover Maniema production, so official export from the Eastern DRC in 2010 would have been something on the order of 15,000 tons, worth perhaps US\$125 million that year, if mining in these provinces had not been banned in September. Of course, *comptoirs* may understate the volume or value of their exports to reduce their tax liability, so the official figures may be less than the actual volumes exported.¹⁴¹

At the beginning of 2011, all of this material would be illegal, but it appears that while mining continued throughout the ban, production was seriously reduced.¹⁴² It appears that the “normal” flow of cassiterite from the artisanal miners to the export hubs of Goma and Bukavu would be close to the estimated 2010 flow of 15,000 tons, the value of which would depend on market prices, but at an estimated average US\$7,000 per ton would be worth more than US\$100 million per year.

Determining the share of this market that is illicit is difficult, because the material can become ‘illegal’ at several steps in the process. Material mined, extorted, or pillaged illegally by elements of the military or the armed groups, for example, would be illicit. Bribes paid in kind to transit ore would also produce illicit material. Another source would be any material clandestinely moved across borders. Given these many sources of contamination, a legitimate question would be: how can any of the cassiterite mined in the Eastern DRC be considered legal?

It certainly appears that much of the output of the Bisié mine, which is controlled by the military, would be deemed illicit, given that military involvement in the trade is forbidden. Bisié is believed to produce about 500 tons per month¹⁴³ or 6,000 tons per year, which would amount to 40 per cent of regional output if the above estimates are correct. In 2010, Bisié’s production declined to 3.5 tons per day, which, with the institution of the ban in September, reduced its production for that year to 885.5 tons. At a price on export of US\$10,000 per ton, this translates to US\$8.86 million. The amount of illicit profits derived by elements of the military and the techniques used to extract them have varied over time, however.

In 2009, the 85th Brigade was said to have charged a commission of \$0.15 per kilogram of cassiterite produced, amounting to about US\$120,000 per month.¹⁴⁴ Additionally, they levied taxes on merchandise brought in to supply the miners, which they collected along the route from Bisié to the main road. This racket reportedly brought in another US\$100,000 per month.¹⁴⁵ All of this income could be deemed the proceeds of crime, and would amount to US\$2.64 million per annum.

The 1st/212th Brigade installed a tax regime at Bisié whereby all diggers were obliged to provide a kilogram of cassiterite to FARDC each time they exited a pit. The 212th Brigade

the Congo: The case of northern Katanga province. (Stockholm: SIPRI, January 2010). p. 7

142 Tegera, A., *The Impact of the Suspension of Artisanal Mining in Eastern DRC.* (Goma, DRC: Pole Institute, October 2010). Available: <http://www.pole-institute.org/site%20web/echos/echo141.htm>

143 *Final report of the Group of Experts on the Democratic Republic of the Congo.* (United Nations publication, 23 November 2009, S/2009/603), para. 50.

144 Global Witness. *Faced with a gun, what can you do? War and the militarisation of mining in eastern Congo.* (July 2009), p. 6

145 International Alert. *The Role of the Exploitation of Natural Resources in Fuelling and Prolonging Crises in the Eastern DRC.* (January 2010), p. 42

139 World Bank, *Democratic Republic of Congo: Growth with Governance in the Mining Sector.* Report No. 43402-ZR, (Washington, D.C.: The World Bank, May 2008).

140 According to the Monthly Reports of the Centre D’évaluation, D’expertise, et Certification.

141 De Koning, Ruben. *Demilitarizing Mining Areas in the Democratic Republic of*

is also said to take US\$20 every time a digger works at night and US\$15 every weekend. According to transporters, the 212th brigade also benefits from the revenue generated from four separate roadblocks between Bisié and the transport centre of Ndjingala.¹⁴⁶ The value of all these outputs is difficult to calculate, but it is unlikely that the CNDP is settling for less than the 85th. In 2010, Global Witness estimated military income from Bisié at nearly as much per month as the 85th made in a year, with an annual income of as much as US\$29 million.¹⁴⁷

The fees charged by the FDLR in the areas they control seem to vary a good deal. In some parts of the country, they have collected their taxes in cash: US\$1 for every 30kg of cassiterite.¹⁴⁸ This is very little: if all production in the country were taxed at this rate, this would result in an illicit income of just half a million dollars. In other areas, they are said to charge 30 per cent of the product “for protection and support”, which would amount to a much larger income.¹⁴⁹

Another way of looking at illicit income is to look at the difference between official exports from the DRC and the amounts being fed into neighbouring states. For example, all goods entering Rwanda as “in transit” to other destinations are not recorded in Rwandan import and export statistics. In 2007, Rwanda reported no imports of cassiterite from the DRC, despite cassiterite exports by Rwanda-based traders of approximately 3,000 tons in excess of Rwanda’s domestic production. That same year, the North Kivu Division of Mines in Goma officially reported that only 1,069 tons of cassiterite were exported from Goma to Rwanda, all by the Kivu Resources subsidiary MPA Gisenyi. All other Congolese exports of cassiterite were reported as having worldwide destinations,¹⁵⁰ including some 7,660 tons to (or

via) Belgium.¹⁵¹ The implication is that some of the ore marked as transit goods are being exported as Rwandan production.

According to the tables below, Rwanda was exporting 25 times as much cassiterite as it was producing in 2005, and four times as much in 2008. In 2008, it appears as though Rwanda exported as much as 3,000 tons of non Rwandan-produced cassiterite, worth almost US\$30 million. This is likely an indication that Rwanda was re-exporting Congolese cassiterite as its own through much of the mid-2000s.

This may also be the case with Burundi, as the country had a marked increase in tin production in 2006 and 2008, from four tons in 2005 to 46 tons in 2006, and from two tons in 2007 to 21 tons in 2008 and 2009. These spikes were each a ten-fold increase in production that are difficult to explain.

The Rwandan Minister of Mines has admitted that production statistics can be difficult to verify, as only exploitation permit holders tend to provide data, while companies holding research or exploration permits – and thus not technically exploiting minerals – rarely provide this information as they are not supposed to be exporting minerals in the first place.¹⁵² This lack of reliable production data certainly skews the differences between production and export data, and makes it difficult to accurately assess the extent of any

Rwandan cassiterite production, 2004 to 2008

	2004	2005	2006	2007	2008
Tin content (tons)	190	170	470	899	1,100

Source: USGS 2008 Minerals Yearbook - Rwanda

Rwandan cassiterite exports, 2005 to 2009

	2005	2006	2007	2008	2009
Value (US\$) in millions	17.86	15.87	31.97	41.15	28.58
Volume (tons)	4,531.8	3,835.3	4,565.91	4,116.34	4,269.17

Source: National Bank of Rwanda

Burundian cassiterite production, 2005 to 2009

	2005	2006	2007	2008	2009
Tin content (tons)	4	46	2	21	21

Source: USGS 2009 Minerals Yearbook - Burundi

¹⁴⁶ *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010, S/2010/596), para. 191

¹⁴⁷ Global Witness. *The Hill Belongs to Them*. (December 2010), p. 8

¹⁴⁸ Global Witness. *Faced with a gun, what can you do? War and the militarisation of mining in eastern Congo*. (July 2009) p. 41

¹⁴⁹ Global Witness. *Faced with a gun, what can you do? War and the militarisation of mining in eastern Congo*. (July 2009) p. 5

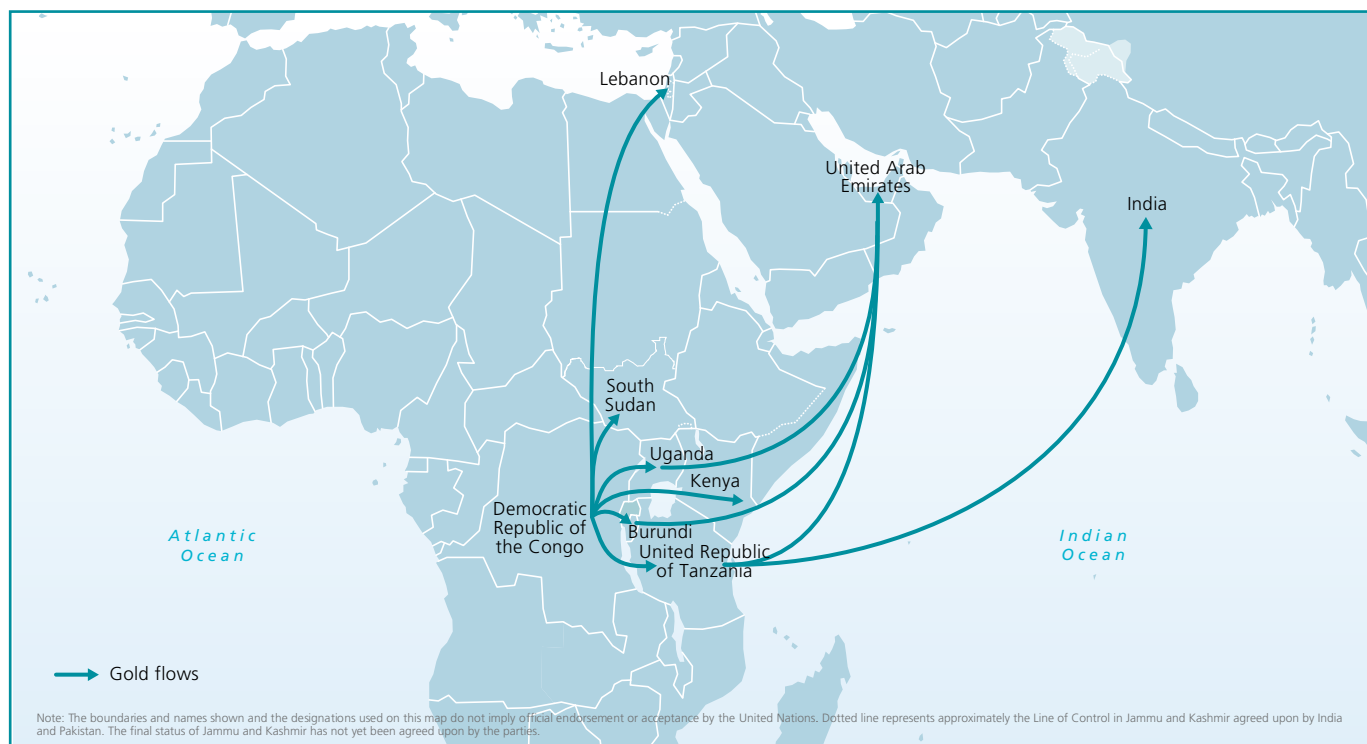
¹⁵⁰ Including Austria, Canada, Hong Kong, India, Malaysia, Russia, Rwanda, Switzerland, and Thailand.

¹⁵¹ Ndimubanzi, E. *Annual Report, Division of Mines of North Kivu*. 2007. The fact that Belgium is the location of many trade facilitators, such as Traxys and Trademet, both previously mentioned as playing a role in the illicit cassiterite trade, may explain its existence as a major destination for the ore.

¹⁵² Interview with the Rwandan Minister of Mines, Kigali, Rwanda. 21 March 2011.

smuggling. According to customs declarations in Rwanda, the country produced 3,874 tons of cassiterite in 2010 (worth US\$42 million). Additionally, the country re-exported 2,602 tons of cassiterite (worth almost US\$25 million) that year, most of which is presumably from the DRC.¹⁵³ According to this most recent data, it appears that Rwanda is now producing more of its own cassiterite and is working towards cleaning up its own mineral industry.

¹⁵³ Customs declarations – exports. Mining Exports, Jan-Dec 2010. Provided by the Rwandan Minister of Mines, 21 March 2011.



GOLD FROM DRC AND CAR VIA EAST AFRICA TO THE UAE AND THE WORLD

Route

Source: *Eastern DRC, CAR*
 Vector from Central Africa: *Air, land, sea*
 Vector within Central Africa: *Land, via Uganda, Kenya, Burundi or the United Republic of Tanzania*
 Destination: *United Arab Emirates, India, Lebanon, South Sudan*

Value

Volume: *12 to 40 tons per year*
 Value at destination: *US\$120 million to US\$1 billion per year*

Traffickers

Groups involved: *FDLR, elements of the Congolese army, Mai Mai groups*
 Residence of traffickers: *Eastern DRC, Rwanda, Burundi, Uganda*

Threat

Estimated trend: *Increasing*
 Potential effects in region: *Continuing funding of armed groups, loss of tax revenue*
 Likelihood of effects being realised: *High*
 Potential effects outside of region: *Corruption, increased demand for illicit gold*
 Likelihood of effects being realised: *Medium*

What is the nature of this market?

Of all the commodities discussed in this report, gold is perhaps the most difficult to control. Gold can be easily and predictably converted to cash in almost every country in the world. Its value is instantly recognized and standardized in global commodity prices. It is remarkable, then, that most of the gold stolen from Central Africa has been trafficked by a limited number of players in some fairly predictable ways.

Congolese gold has long been the object of predation, and has wound itself into local history in some interesting ways. In Uganda in 1965, Milton Obote and Idi Amin were said to be involved in a plot to smuggle gold out of the DRC. The murder of American primatologist Dian Fossey in 1985 was allegedly linked to her discovery of a gold trafficking route being run by Hutu militias from Walikale to Rwanda.¹⁵⁴ During the Second Congo War (1998-2003), both Ugandan and Rwandan forces invaded and occupied portions of the Eastern DRC. They immediately began to draw resources from the region, including taking direct control of the gold mining operations. It is estimated that Uganda took as much as one ton of Congolese gold, valued at over US\$9 million.¹⁵⁵ Rwandan troops left the Congo in 2002, followed by the Ugandans in 2003. They left behind proxy armies that fought for regional domination and control of the gold producing areas, particularly in Ituri district (Orientale province), situated alongside Lake Albert and the Ugandan border.

While the violence in Ituri has largely subsided, the trafficking continues. Now, the trade is dominated by other groups, in particular the *Forces démocratiques de libération du Rwanda* (FDLR) and elements within the Congolese national army, FARDC (*Forces armées de la République Démocratique du Congo*). FARDC now includes many former members of the *Congrès national pour la défense du peuple* (CNDP), the main Tutsi militia, following the integration of the latter group into the national army in 2009. As a result, recent drives to displace the FDLR from the mining areas may have effectively benefitted one side in the violence at the expense of another.

Artisanal gold production in the Eastern DRC is estimated to be some 12 tons per year,¹⁵⁶ with North and South Kivu accounting for about one third of this total. Official exports are only in the tens or hundreds of kilograms, however. There may be gold reserves in the DRC that have not yet been detected but, at present, it is known that the two main

mining areas – both in the eastern part of the country – contain reserves of approximately 850 tons of gold.¹⁵⁷

While most of the gold mining in Eastern DRC is done artisanally, there are plans to further industrialize gold production, with several international companies undertaking exploration while others are constructing mines. One of the new mines will be built by Randgold Resources at Kibali in north-eastern Orientale province. With some 260 tons of ore reserves, it is said to be one of the largest undeveloped gold deposits in Africa. Construction of the mine will commence in mid-2011, with mining due to start in 2014.¹⁵⁸ Banro, a Canadian mining firm, is also constructing a large mine at Twangiza in South Kivu. This mine is due to commence operations by late 2011, and has some 129 tons of proven and probable gold reserves.¹⁵⁹ Additionally, the company TransAfrika Resources is also prospecting for gold (and other minerals), mainly in South Kivu.¹⁶⁰

Similarly, the Central African Republic's gold production is mined completely by hand. While official production was 333 kg in 2001,¹⁶¹ decreasing to 61 kg in 2009,¹⁶² some experts have estimated the actual production exceeds two tons per year. It is difficult to be precise due to widespread fraud.¹⁶³ Artisanal mining takes place in the regions of Berbérati, Upper Kotto and Sangha.

There are plans to formalize gold mining in the CAR. The Canadian company Axmin Inc. is exploring for gold in the country and received a 25-year license for the Passendro project in August 2010. This project will entail construction of the first modern gold mine in the country. The project area's proven and probable gold reserves total more than 36 tons.¹⁶⁴ At present, a report by the Presidency concludes, "Due to smuggling and bad management this sector provides no benefits to the country."¹⁶⁵

The global market for gold is likely to continue to grow, and with it the incentives for smuggling in Central Africa. In addition to its decorative value, bolstered by immense

¹⁵⁷ World Bank, op cit.

¹⁵⁸ Randgold Resources. *Fact Sheet*, February 2011. Available: <http://www.randgoldresources.com>.

¹⁵⁹ Banro Corporation. *Resources & Reserves*. Available: <http://www.banro.com/sl/Resources.asp>

¹⁶⁰ Transafrika Resources Ltd., *Country Profile: Democratic Republic of the Congo* Available: http://www.transafrikaresources.com/pe/dc_i.asp

¹⁶¹ Presidency of the Republic of Central Africa. *Initial and cumulative report of the Central African Republic on the African Charter on Human and Peoples' Rights*, January 2006.

¹⁶² Bermúdez-Lugo, Omayra. 'The mineral industries of Central African Republic, Côte d'Ivoire, and Togo,' in *2009 Minerals Yearbook*. (Washington, D.C.: United States Geological Survey, January 2011). Available: <http://minerals.usgs.gov/minerals/pubs/country/2009/myb3-2009-ct-iv-to.pdf>

¹⁶³ Center for International Forestry Research (CIFOR). *Study on impacts of artisanal gold and diamond mining on livelihoods and the environment in the Sangha Tri-National Park (TNS) landscape, Congo Basin*, (June 2009), p. 15.

¹⁶⁴ AXMIN. *Passendro Gold Project, CAR*. Available: <http://www.axmininc.com/site/OperationsProjects/AdvancedProjects/PassendroGoldProject.aspx>

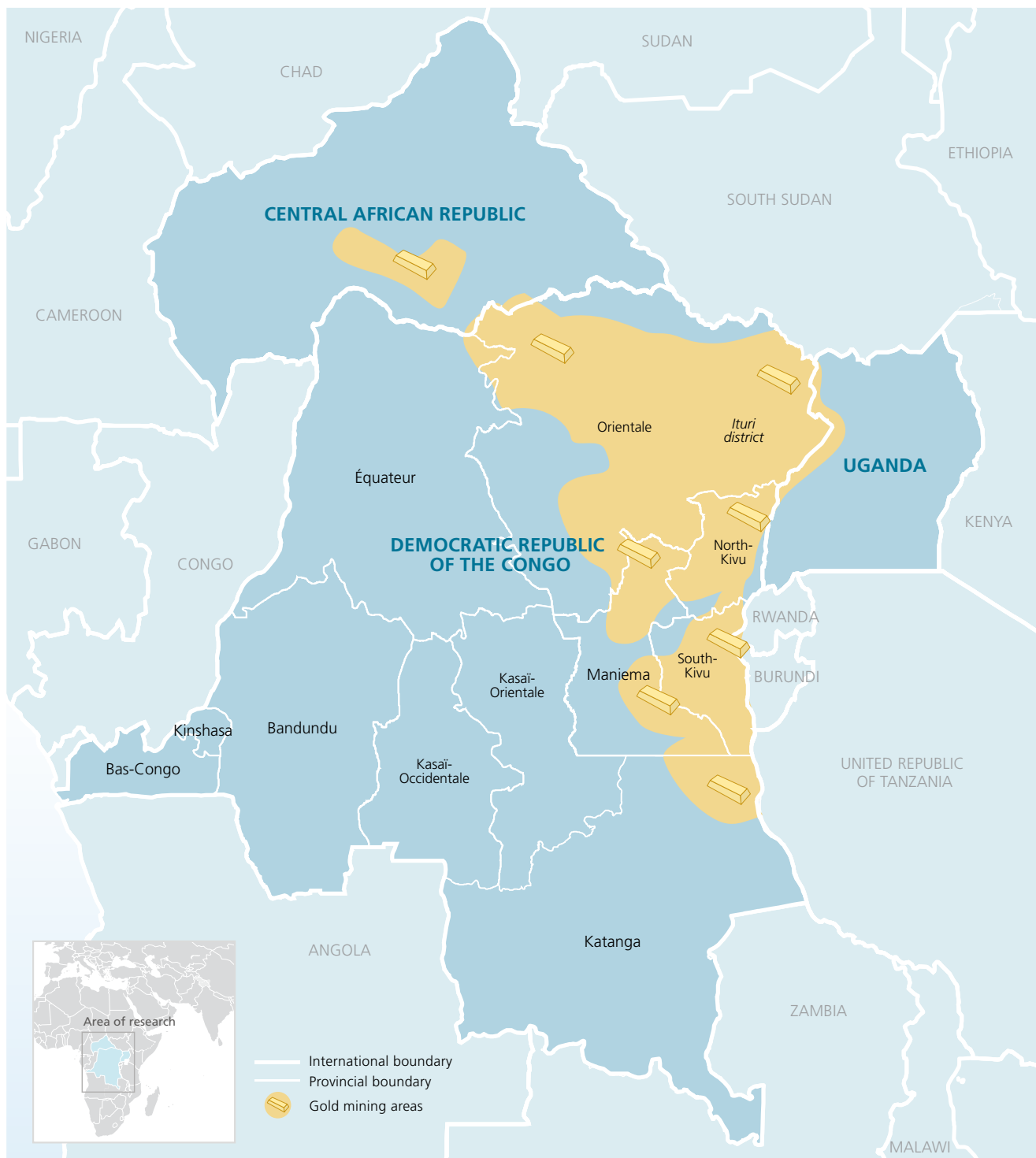
¹⁶⁵ Presidency of the Republic of Central Africa. *Initial and cumulative report of the Central African Republic on the African Charter on Human and Peoples' Rights*, January 2006, p. 13.

¹⁵⁴ Africa Confidential. *How smuggling pays for killing*. 14 November 2008. Available: <http://www.africa-confidential.com/article/id/2867/How-smuggling-pays-for-killing>

¹⁵⁵ Human Rights Watch. *The curse of gold*. (Washington, D.C.: HRW, 2005), p. 15.

¹⁵⁶ World Bank. *Democratic Republic of Congo: Growth with Governance in the Mining Sector*. Report no. 43402-ZR, (Washington D.C. May 2008), p. 56.

Gold mining areas in the Democratic Republic of the Congo, Central African Republic and Uganda



Source: IPIS

Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

demand from countries like India, gold has a variety of industrial applications, and it serves as a traditional store of value when international markets become unpredictable. In 2010, demand for gold reached a ten-year high in terms of tonnage and an all-time high for value, with demand soaring to over 3,800 tons¹⁶⁶ worth approximately US\$150 billion. The price of gold has almost quadrupled in the past decade. Together, India, China (including Hong Kong), the

United States, Turkey and Saudi Arabia represented over half of world demand.¹⁶⁷

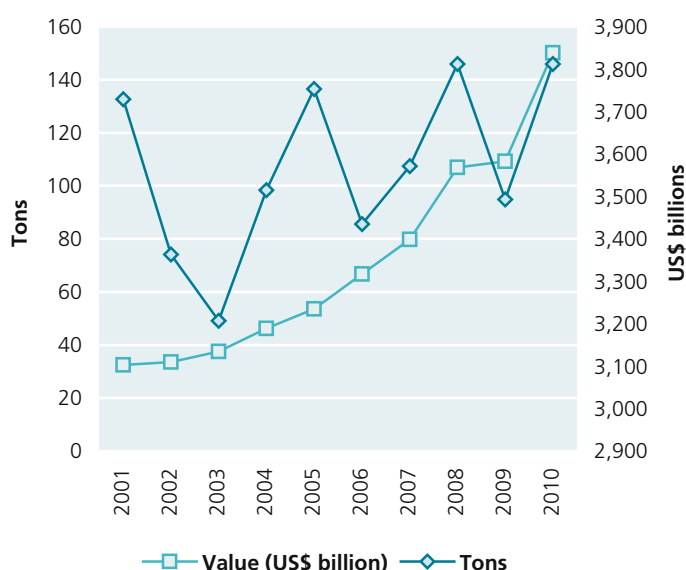
In 2010, central banks became net buyers of gold after 21 years of net sales,¹⁶⁸ and investment has been the strongest source of demand growth over the last few years. Since investors tend to turn to gold for stability when securities

¹⁶⁶ World Gold Council, *Gold Demand Trends: Full Year 2010*, February 2011.

¹⁶⁷ United States Geological Survey, *Mineral Commodity Summaries: Gold*, January 2011.

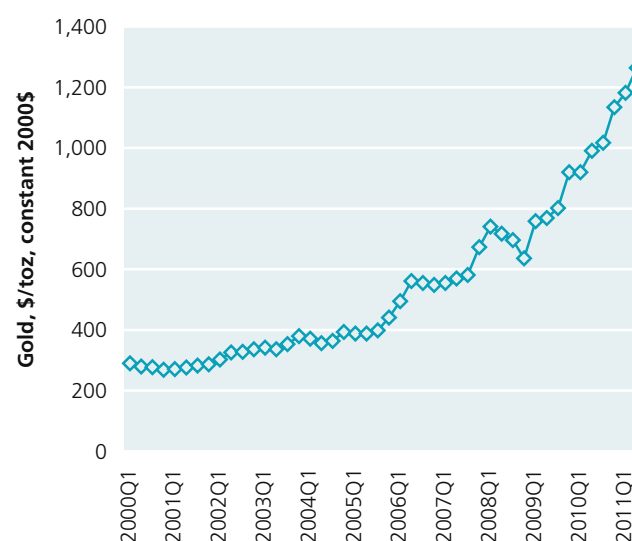
¹⁶⁸ World Gold Council, *op cit*.

Demand for gold in tons and billions of US\$, 2001-2010



Source: World Gold Council, Gold demand trends: full year 2010, February 2011

Price of gold per quarter, 2000-2011 (constant 2000 US\$)



Source: World Bank Commodity Price Data

markets become volatile, the price is likely to continue to grow as financial uncertainty persists. This will also increase its allure for traffickers and armed groups, and thus the issue is unlikely to be resolved without external intervention.

How is the trafficking conducted?

As with tin ore, most gold mined in the DRC is extracted by hand, removed from open pits, alluvial sites, or underground mines by diggers and panners known as *orpailleurs*. The *orpailleurs* are estimated to have an annual income of US\$1,600, although work-related costs significantly reduce their take-home pay.¹⁶⁹ The relationship between *orpailleurs* and the armed groups that are involved in the trade varies. In some instances, the combatants themselves mine; in others, they use forced labour or extort gold as payment for security services.

Compared to bulkier minerals like cassiterite, gold is light and easy to transport. This means that there is less need for specialized transportation services and thus there are fewer nodes in the trading chain. Once extracted, the gold is sold or traded to *négociants* on-site or in nearby trading centres or towns. *Négociants* are licensed by the Ministry of Mines to buy minerals from mining sites and sell them on to domestic export companies, *comptoirs*, which are licensed to export. Some *négociants* operate storefronts through which they ostensibly sell commercial goods, while their real business is purchasing gold. Some are independent, whereas others are pre-financed by, or working directly for, a particular *comptoir* or several buyers. Most transactions from *négociants* to *comptoirs* are of 100 to 500 grams of gold.¹⁷⁰

Once the gold reaches the *comptoir*, it is consolidated and may be smelted into ingots for transport. The consolidation obscures the origins of the gold and makes future tracing efforts difficult. The gold is then traded to firms in the region, and thus introduced into legal markets.¹⁷¹ When Congolese gold is traded legally, it is valued, taxed, and exported through the *Centre d'évaluation, d'expertise et de certification* (CEEC), within the Ministry of Mines. *Comptoirs* declare what they have purchased, and it is this quantity that appears in the export statistics.

According to mining officials, at least 80 per cent of mineral traders in Bunia, the capital of the gold-rich Ituri district in Orientale province, sell their gold to Kampala.¹⁷² The gold mined in North Kivu is also smuggled predominantly into Uganda. Gold traders in Butembo, North Kivu, are known to travel regularly to Kampala and Dubai to sell gold, transporting their gold on commercial flights or via road to Uganda. Many of these businessmen are linked, and their networks are orchestrating laundering and smuggling of gold by road to Kampala and by air to Entebbe and Dubai.¹⁷³ Uganda does not charge an export tax, making it an attractive transit country.

Much of the gold mined in the Kivus is either bought by the "only functional gold-buying house in the two Kivu provinces,"¹⁷⁴ Établissement Namukaya (better known by

Cuvellier (ed.), *The Complexity of Resource Governance in a Context of State Fragility: The Case of Eastern DRC*. (International Alert, November 2010), p. 34.

171 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010, S/2010/596), para. 173.

172 Ibid.

173 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 23 November 2009, S/2009/603), para. 133.

174 *Final Report of the Group of Experts on the Democratic Republic of the Congo*.

169 World Bank, *Democratic Republic of Congo: Growth with Governance In the Mining Sector*, Report no. 43402-ZR, (Washington, D.C., May 2008), p. 56

170 De Koning, Ruben. "The Bukavu-Uvira-Bujumbura Gold Triangle," in Jeroen

its former name, Congocom), which is based in Bukavu, or by a *comptoir* in Bujumbura, Burundi, called Berkenrode.¹⁷⁵ Établissement Namukaya operates an airline that connects Bukavu to a host of mining towns and markets in the Kivus and Maniema. Gold bought by Établissement Namukaya is likely to be smuggled to Uganda, often through Kigali, Rwanda,¹⁷⁶ or through Burundi and Tanzania.¹⁷⁷

The town of Bunia is Ituri's gold trading hub. There are reportedly 50 to 60 *négociants* in Bunia,¹⁷⁸ of whom ten are significant purchasers of gold and control most of the exports. Some of these *négociants* have connections to specific buyers, mostly in Kampala or Butembo, while others sell to buyers offering the best price. One of the major *comptoirs* is run by OKIMO (the DRC's state-owned gold mining company) and a Lebanese-run company, which sells most of its gold to Lebanon.¹⁷⁹ Other key trading hubs in Orientale province are the towns of Aru and Ariwara in Haut-Uélé district. The gold from these towns is reportedly traded mostly in Kampala, but some traders also take gold to Juba, in South Sudan.¹⁸⁰

Once the gold has reached Uganda or Burundi, most of it is sold to the United Arab Emirates. Nearly all the gold declared by Ugandan Customs is exported to the UAE,¹⁸¹ and all the gold exported from Burundi between January and September 2009 was sold to the UAE.¹⁸² The United Nations has previously documented "fundamental irregularities"¹⁸³ in the international gold trade between these countries, however. There are also "strong indications of high-level protection and in some cases complicity in the illicit gold trade by Government officials."¹⁸⁴

Gold shipments to the United Arab Emirates require minimal documentation. For example, information regarding the source of the gold or the identity of the final buyer are not collected.¹⁸⁵ It is unclear why this lax accounting continues to be tolerated.

The amounts of exported gold reported in official statistics likely reflect the tip of the iceberg of the trade in gold from Eastern DRC. Gold is value-intensive and easy to smuggle

across borders in small amounts. Buyers crossing into neighbouring states can conceal considerable value on their persons or personal effects. Larger shipments can be facilitated by corruption, as border guards have arrangements with the major dealers and their employees. When transported to Europe and the Middle East, it is often hand couried on commercial air flights. It may be carried in hand luggage as ingots or in small packages of gold flakes.

The small scale trafficking of gold is important in the Central African Republic, where it is mostly Cameroonians who cross the border at Molaye to buy gold at nearby gold mines. Certain markets in the area are also well-known trading hubs, both for gold and diamonds.¹⁸⁶ Little is known about the destination for this gold.

Who are the traffickers?

The military operations in the DRC appear to have significantly changed the balance of power in the gold market, so the identities of the traffickers are in a state of flux. It seems that FARDC personnel have taken greater control of the market in the Eastern DRC, largely as part of operations against FDLR.¹⁸⁷ Involvement in the trade seems opportunistic, as alliances change frequently and individuals may defect and join other groups (or form new ones) if there is more money to be made from doing so.

In Ituri, where most of the country's gold is produced, illegal armed groups are no longer prominent in minerals exploitation. It has recently been reported that elements of FARDC are increasing their involvement in the minerals trade in Ituri.¹⁸⁸ By contrast, armed groups in the Kivus are heavily involved in minerals exploitation and trafficking, including gold. Recent military operations have driven them out of the largest mining areas to more remote sites, however, and forced the groups to generate more indirect profits from the trade. In Walikale territory, the Mai Mai group *Alliance des patriotes pour un Congo libre et souverain* (APCLS) controls Mutongo market, the principal gold market in the area.¹⁸⁹ There has also been an increase in pillaging and looting attacks on middlemen, such as traders and transporters, in the Kivus.¹⁹⁰ For example, on Route 2 from Kamituga to Bukavu in South Kivu, there have been several security incidents that involved public buses being looted and burned as the perpetrators searched for gold. While the government officially blames FDLR for these attacks, the locals have suggested elements of the Congolese army is behind them.¹⁹¹

(United Nations publication, 29 November 2010, S/2010/596), para. 294.

175 Ibid.

176 Ibid.

177 Interview with Sara Geenen, 1 April 2011, Antwerp, Belgium.

178 Fahey, Dan. "The informal trade in Ituri's gold," in Jeroen Cuvelier (ed.), *The Complexity of Resource Governance in a Context of State Fragility: The Case of Eastern DRC*. (International Alert, November 2010). p. 15

179 Fahey, Dan. "Government efforts at formalization and implications for future gold trade," in Jeroen Cuvelier (ed.), *The Complexity of Resource Governance in a Context of State Fragility: The Case of Eastern DRC*. (International Alert, November 2010). p. 18

180 Fahey, Dan. "The informal trade in Ituri's gold." Op cit.

181 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 23 November 2009, S/2009/603), para. 141.

182 Ibid.

183 Ibid.

184 Ibid.

185 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010, S/2010/596), para.297.

186 International Crisis Group, *Dangerous Little Stones: Diamonds in the Central African Republic*, (Brussels: Crisis Group Africa Report N°167, 16 December 2010).

187 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010, S/2010/596), para. 210.

188 Ibid.

189 Ibid.

190 Ibid.

191 Interview with Sara Geenen, 1 April 2011, Antwerp, Belgium.

Moreover, some military officials, including some at the highest ranks, have long had an interest in the gold trade. One in particular has reportedly been given his own pit at the Omate gold mine (in southern North Kivu), and another official has demanded that his soldiers be given access to productive pits for a certain number of hours per week.¹⁹² It appears that the commanders assigned to controlling the prominent mine areas repay their superiors for this favour with a percentage of the profits.¹⁹³ Senior FARDC commanders also receive large bribes from major gold traders in cities such as Bukavu, Butembo and Goma as “insurance” in case they are harassed by other authorities.¹⁹⁴

Lower-ranked soldiers have also found ways of profiting from the trade without controlling the mine itself. For example, at Mbunia and Kisenge mines in North Kivu, FARDC soldiers of one particular battalion, the 1112th, have consolidated a monopoly on gold purchases through a barter system. These soldiers organize all transport of beer, food and supplies to the mines, in exchange for gold at favourable rates.¹⁹⁵

Comptoir managers also play important roles in the trafficking. For example, Établissement Namukaya in South Kivu is estimated to buy more than 700 kg of gold from Eastern DRC per year.¹⁹⁶ In Bujumbura, Burundi, the *comptoir* Berkenrode is exporting significant amounts of gold believed to be smuggled from South Kivu. In 2009, according to official export records from Burundi, Berkenrode exported nearly one ton of gold. The trader claims that the gold was bought in Burundi.¹⁹⁷

While the *comptoir* managers often finance several smaller traders, many of these smaller traders do not necessarily sell their entire production to the *comptoir*. Often, they will take their gold across the border themselves, in essence cutting out the middleman, to ensure a higher profit for themselves. A bus ticket from Kamituga, a major gold mining area in South Kivu, to Bukavu, costs less than US\$15, and the direct profit the smaller traders can make eclipses this cost. Some traders also use women as “gold mules” to cross the border, as there is a very low risk of being caught.¹⁹⁸

How big is the flow?

One way of estimating the illicit flow out of a country is to compare official export statistics with estimates of production. Official gold statistics from the DRC – where they exist – are unlikely to be accurate, however. The United

Nations Group of Experts, for example, said they do not even “consider gold statistics worth detailing, given the scale of the fraud.”¹⁹⁹ This means that the difference between production and exports represents the absolute minimum level of wealth stolen from the people of the country. According to a December 2008 Senate Report, the DRC officially exported 121 kg of gold in 2007 (with a value of US\$1 million) and approximately 72 kg in 2008 (with an estimated value of US\$1.6 million; higher due to the increased gold price). Moreover, the DRC Treasury received only US\$34,107 in 2007 and US\$20,777 in 2008 from the export of gold.²⁰⁰

The production capacity of the Congolese mining industry is clearly higher than what the official export figures reflect. Although official production in 2008 was only 3.3 tons – still high compared to declared exports – two years prior, this figure was 10.3 tons.²⁰¹ The World Bank has estimated that the country’s gold production is similar to the levels officially reported in 2006; namely some 12 tons annually, with Ituri accounting for about two thirds.²⁰² Moreover, the UN Group of Experts estimates that North and South Kivu produce almost 4 tons per year,²⁰³ which is in line with the World Bank’s figure.

The figure may be higher, though. A May 2009 report by a DCR Senate commission of inquiry estimated that as much as 40 tons of gold is smuggled from the eastern part of the country each year.²⁰⁴

In terms of value, the minimum annual export value of DRC gold – using the official 2008 production figure of 3.3 tons – would have been US\$118 million at the 2010 price of gold (US\$1,016 per ounce), or some US\$100 million after transport, smelting and refining charges.²⁰⁵ If the production is 40 tons, however, the value would be some US\$1.2 billion (after transport, smelting and refining charges).

Although most of the gold exported from the DRC is illicit, much of this flow is introduced into mainstream commerce

199 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 23 November 2009, S/2009/603), para. 299.

200 Democratic Republic of the Congo Senate. *Senate Report – Mining*. (December 2008), p. 54.

201 Yager, Thomas R., “The mineral industry of Congo (Kinshasa)” in *2008 Minerals Yearbook*. Washington, D.C.: United States Geological Survey, February 2010. Available: <http://minerals.usgs.gov/minerals/pubs/country/2008/myb3-2008-cg.pdf>.

202 World Bank, *Democratic Republic of Congo: Growth with Governance in the Mining Sector*. Report No. 43402-ZR, (Washington, D.C.: The World Bank, May 2008), p. 56.

203 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010, S/2010/596), para. 293.

204 The report is often referred to as the Rapport Mutamba Dibwe, after the president of the commission of inquiry. It was published on 24 September 2009. Available: <http://www.mediaterrre.org/docactu,ZmJyZXVpbC9kb2NzL1JEY29uZ29fcmlG9ydC1taW5lcylzZW5hdHJkYw==,6.pdf>

205 World Bank, *Democratic Republic of Congo: Growth with Governance in the Mining Sector*. Report No. 43402-ZR, (Washington, D.C.: The World Bank, May 2008), footnote 57.

192 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010, S/2010/596), para.201

193 Ibid.

194 Ibid.

195 Ibid.

196 Ibid.

197 Ibid.

198 Interview with Sara Geenen, 1 April 2011, Antwerp, Belgium.

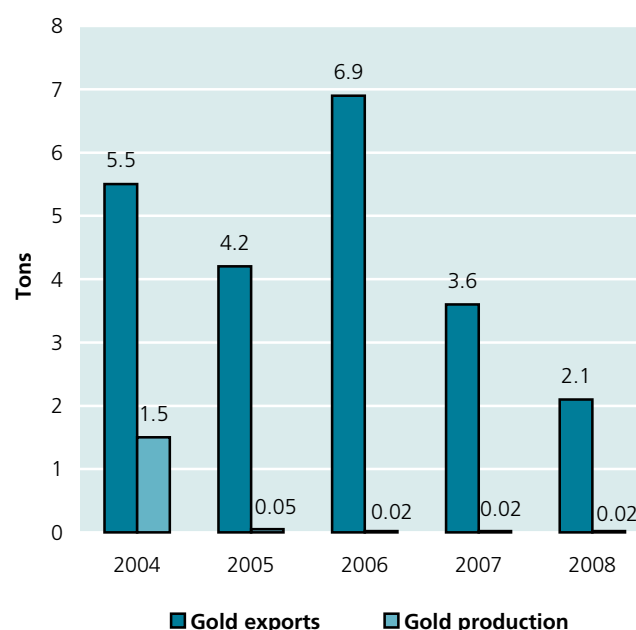
in the neighbouring states. While irregularities have been documented, as mentioned above, the flow is reflected at least to some extent in their export statistics. Thus, another way of estimating the minimum trafficking flow out of the DRC is to subtract the gold production of the neighbouring states from what they export. The difference is most likely smuggled Congolese gold.

Uganda shares a border with north-eastern parts of the DRC and is a known transit country for smuggled gold, attractive because of the lack of an export tax and light regulation of the gold trading sector. According to official government statistics, Uganda exported almost 7 tons of gold in 2006, worth some US\$123 million. These exports are very important for the national economy; gold exports represented 13 per cent of the value of all exports in 2006.²⁰⁶ The country was estimated to have produced only 22 kilograms of gold that year.²⁰⁷ This suggests that the minimum value of the criminal flow, presumably from the DRC through Uganda, was more than US\$100 million in 2006. In 2008, exports were over 2 tons, whereas in 2009, the figure dropped to 931 kg, worth around US\$23 million.²⁰⁸ Official gold production has remained stable at around 20 kg per year.

Similarly, Burundi reportedly produced 750 kilograms each year between 2004 and 2008, which is said to be the production capacity of artisanal miners working in Citiboke and Muyinga Provinces.²⁰⁹ The fact that the reported figure was identical every year, and that the mining is artisanal, suggest that this is a standing estimate based on exports, rather than any measurement of output at the source.

Export figures indicate that Burundi shipped out some two tons of gold in 2008, which suggests that more than one ton of the exported gold is not locally produced. It appears that, at present, most of the gold transits Uganda and Burundi on its way to the UAE and other countries, but it could well go elsewhere if these routes were challenged. Like Uganda, Rwanda makes no claim to being a major gold producer. It is estimated to have produced only 20 kg of gold in 2008,²¹⁰ while exporting 38 kg, worth just over US\$ 1 million.²¹¹ While these amounts are not significant,

Tons of gold produced in and exported from Uganda



Source: Uganda Bureau of Statistics²¹³ and United States Geological Survey²¹⁴

it has been reported that Rwanda's importance as a transit country for gold is increasing.²¹⁴

As none of these neighbouring countries seem to have the capacity to produce the hundreds of millions of dollars worth of gold that is exported from the region, any major gold exports from these countries may be assumed to be re-exports, most likely of gold smuggled from the DRC.

²⁰⁶ Uganda Bureau of Statistics, *2010 Statistical Abstract*. Available: [http://www.ubos.org/onlinefiles/uploads/ubos/pdf/per cent20documents/2010StatAbstract.pdf](http://www.ubos.org/onlinefiles/uploads/ubos/pdf/per%20cent20documents/2010StatAbstract.pdf), p. 208.

²⁰⁷ Newman, H., 'The mineral industry of Uganda' in *2006 Minerals Yearbook*. (Washington, D.C.: United States Geological Survey, April 2009), p. 40.3. Available: <http://minerals.usgs.gov/minerals/pubs/country/2006/myb3-2006-ug.pdf>

²⁰⁸ Uganda Bureau of Statistics, *2010 Statistical Abstract*. Op cit, p. 208.

²⁰⁹ United States Geological Survey. *2008 Minerals Yearbook*. Available: <http://minerals.usgs.gov/minerals/pubs/country/2008/myb3-2008-by.pdf>

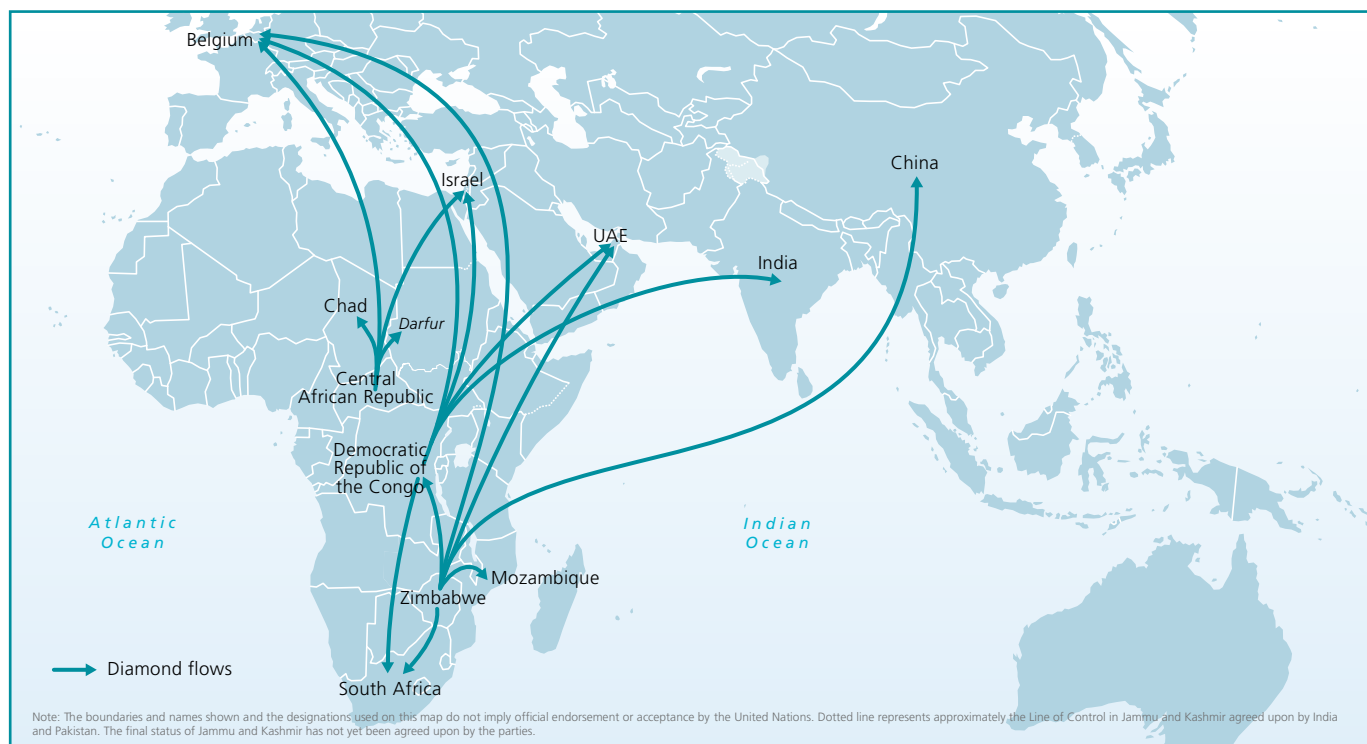
²¹⁰ Yager, T. 'The mineral industry of Rwanda' in *2008 Minerals Yearbook*. (Washington, D.C.: United States Geological Survey, July 2010). Available: <http://minerals.usgs.gov/minerals/pubs/country/2008/myb3-2008-rw.pdf>

²¹¹ Rwanda Development Board, *Rwanda Economic Performance 2009*. Available: <http://www.rdb.rw/departments/trade-and-manufacturing/trade-statistics.html>

²¹² Uganda Bureau of Statistics, *2009 Statistical Abstract*. (Kampala: UBOS, 2009). Available: [http://www.ubos.org/onlinefiles/uploads/ubos/pdf/per cent20documents/2009Statistical_per cent20Abstract.pdf](http://www.ubos.org/onlinefiles/uploads/ubos/pdf/per%20cent20documents/2009Statistical_per%20cent20Abstract.pdf), p. 210.

²¹³ Newman, H., 'The mineral industry of Uganda' in *2006 Minerals Yearbook*. (Washington, D.C.: United States Geological Survey, April 2009), p. 40.3. and other editions of this report.

²¹⁴ *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010, S/2010/596), para. 294.



DIAMONDS FROM THE DRC, CAR AND ZIMBABWE VIA EAST AFRICA TO THE WORLD

Route

Source: *Democratic Republic of the Congo, Central African Republic, Zimbabwe*
 Vector from Central Africa: *Air, land, sea*
 Vector within Central Africa: *Land*
 Destination: *Belgium, China, India, Israel, South Africa, UAE*

Value

Volume: *20-30 million carats of rough diamonds per year*
 Value at destination: *US\$680 million to US\$800 million per year*

Traffickers

Groups involved: *Armed groups and elements of national militaries in the CAR, DRC, Zimbabwe*
 Residence of traffickers: *Global*

Threat

Estimated trend: *Stable*
 Potential effects in region: *Funding of armed groups, human rights violations, corruption, loss of tax revenues*
 Likelihood of effects being realised: *High*
 Potential effects outside of region: *Corruption*
 Likelihood of effects being realised: *Medium*

What is the nature of this market?

While diamonds are found in many places across Africa, from Sierra Leone to Angola to South Africa, this chapter will focus on the DRC, Central African Republic (CAR) and Zimbabwe, all of which have significant diamond mining areas that are linked by the impact that diamonds have had on the stability of the states in Central Africa. Rwanda and Uganda have also both been named in connection with the flow of illicit diamonds out of countries in the region, notably from the DRC.

Diamonds were discovered in the DRC's Kasai province in 1907, and the town of Mbuji-Mayi became the diamond capital of the country by 1920. By 1929, the then-Belgian Congo was the world's second largest diamond producer, after South Africa. As is the case today, the vast majority – an estimated 94 per cent – of the DRC's diamonds were of industrial quality,²¹⁵ so they did not generate the same high revenues seen in states further to the south. In the 1960s, President Mobutu set up a state-owned diamond mining company, MIBA (*Société Minière de Bakwanga*), to run the major mining concessions in Kasai. MIBA provided the vast majority of diamonds for export from the DRC until 1982, when the diamond industry was liberalized.²¹⁶

Liberalization allowed individual Congolese miners to apply for diamond mining and export licenses, but diamonds had to be sold to licensed exporting companies in the DRC's major cities. This policy of liberalization resulted in an influx of artisanal miners and middlemen to the diamond fields, and the new regulations created a hierarchy of entrepreneurs who profited from prospecting and moving diamonds from mine to market. The new tier of bureaucracy led to an increase in smuggling of diamonds out of the country, and, to the detriment of the formal economy, artisanal mining began to outstrip MIBA's output.²¹⁷ By 1985, diamonds accounted for only 11 per cent of the country's export earnings, and by the 1990s, official diamond production had dropped to 6.5 million carats per year, from an output of 8 million in 1980 and 12 million in the 1970s.²¹⁸

Today, artisanal production of diamonds accounts for 75 per cent of DRC's total carat production, 62.5 per cent in terms of value. In 2008, there were more than 60 mining enterprises in the province of Kasai Oriental, five of which were involved in partnership agreements with MIBA.²¹⁹ Since the 2008 economic crisis, MIBA has functionally ceased to operate,²²⁰ while companies that had been explor-

ing possible mining sites in Orientale province have also shut down exploratory operations.²²¹

The diamond producing areas of the DRC, notably the Kasai provinces, did not suffer to the same degree as the east during the civil war. The Central African Republic is a different case. Here, some of the conflict is more strongly concentrated in the diamond-producing areas, and the rough diamond trade may be financing it.

The widespread prevalence of alluvial diamond deposits in the Central African Republic was realized in 1929. The alluvial deposits are spread across two river systems: one in the southwest, centered around the Mambere and Lobaye rivers, while the other deposit spreads from the Kotto River in the east and extends into the DRC.²²² Commercial mining began in the western region and rapidly expanded from 1935 to 1945. Diamond production was relatively low, 75,000 to 100,000 carats per year in the early years. Following independence in 1960, the government began licensing artisanal miners, and production increased rapidly to over 450,000 carats per year through the 1970s.²²³ Most of CAR's diamonds (75–80 per cent) are gem-quality stones, in contrast to the stones of its southerly neighbour.

Today, CAR's diamond sector is characterized by a significant degree of illegal mining and trading due to high export taxes²²⁴ and licensing fees for miners that create a powerful incentive to mine illegally and smuggle the stones out of the country. The Presidency of the CAR has acknowledged that “due to smuggling and bad management this sector provides no benefits to the country.”²²⁵ BECDOR, the Control and Evaluation of Diamonds and Gold Office, estimates that fraudulent exports of diamonds account for 20 to 25 per cent of all production.²²⁶ There is currently no industrial diamond mining in the CAR, although there is some exploration underway. While artisanal mining zones are authorized under the Mining law of 2009, no such zone is officially operational. BECDOR indicates that only 2 per cent of artisanal mining workers are registered, which may be the result of the high fees they are required to pay to acquire a license.²²⁷ Mining management is highly centralized in the capital, Bangui, and the President has the sole

²²¹ Ibid.

²²² International Crisis Group. *Dangerous Little Stones: Diamonds in the Central African Republic*. Report No. 167, (Brussels, 16 December 2010).

²²³ United States Geological Survey. *Alluvial Diamond Resource Potential and Production Capacity Assessment of the Central African Republic*. Scientific Investigations Report 2010-5043. p. 8.

²²⁴ Interview with representative of the Antwerp World Diamond Council, Antwerp Belgium. 31 March 2011.

²²⁵ Presidency of the Central African Republic High Commission of Human Rights and Good Governance. *Initial and Cumulative Report of the Central African Republic on the African Charter on Human and Peoples' Rights*. January 2006, p. 13.

²²⁶ Spittaels, Steven and Filip Hilgert. *Mapping Conflict Motives: Central African Republic*. (Antwerp, Belgium: IPIS, 17 February 2009). p. 27.

²²⁷ USAID. *Central African Republic : Property Rights and Artisanal Diamond Development (PRADD) Project – Comparative Study of legal and fiscal regimes for diamond mining*. (October 2010.)

²¹⁵ World Bank, *Democratic Republic of Congo: Growth with Governance in the Mining Sector*. Report No. 43402-ZR, (Washington, D.C.: The World Bank, May 2008), p. 113–115.

²¹⁶ Ibid.

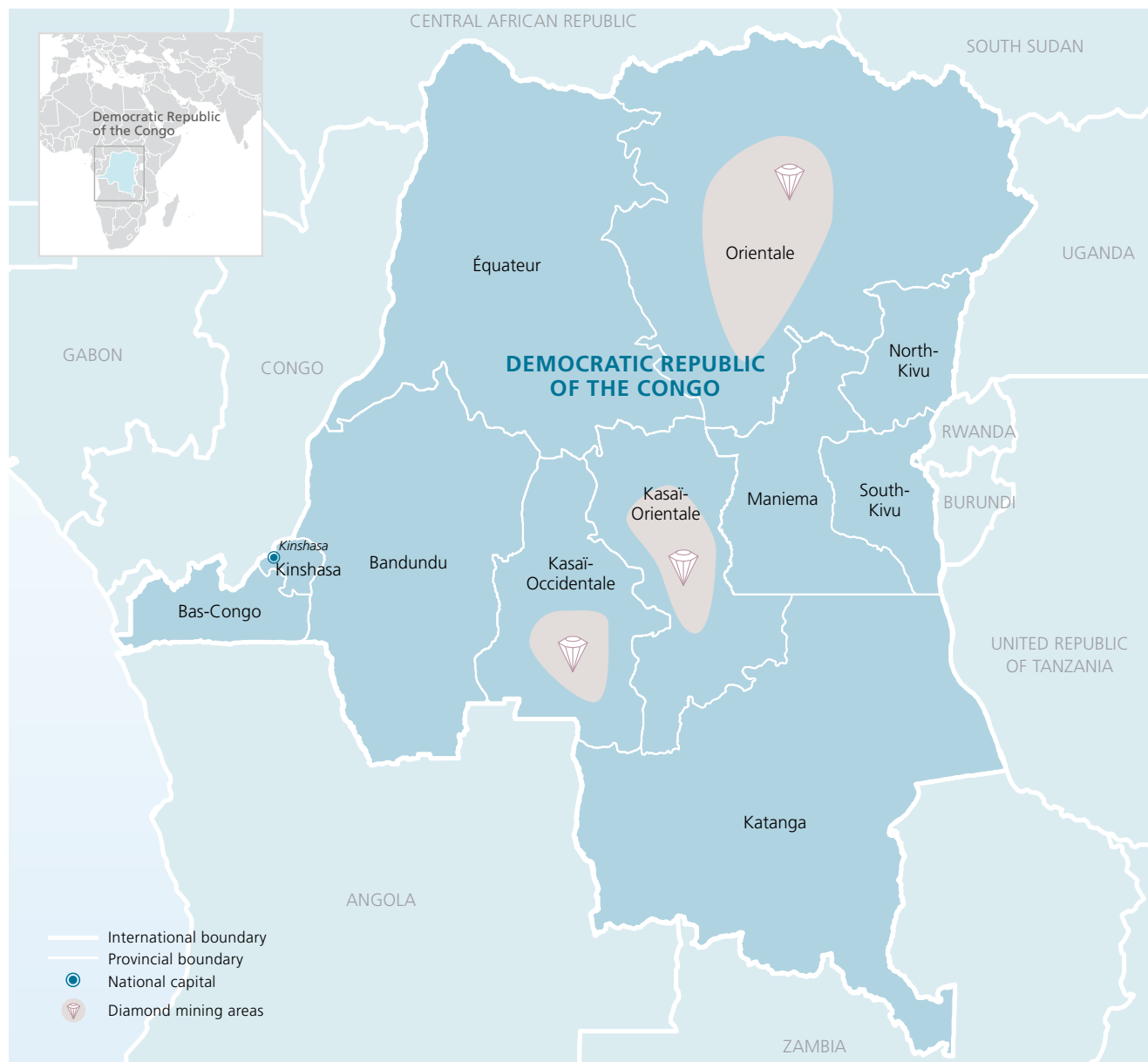
²¹⁷ Ibid.

²¹⁸ Dietrich, Christian. *Hard Currency: The Criminalized Diamond Economy of the DRC and its Neighbours*. (Ottawa: Partnership Africa Canada, June 2002).

²¹⁹ World Bank, op cit, p. 19.

²²⁰ Interview with representative of the Antwerp World Diamond Council. Antwerp, Belgium, 31 March 2011.

Diamond mining areas in the Democratic Republic of the Congo



Source: UNODC

Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

power to sign decrees granting permits to mining companies and license export houses.²²⁸

There is a distinct hierarchy in the diamond trade in CAR. In 2006, there were approximately 8,500 registered artisanal miners, each of whom had a team of 6-15 diggers. The total number of diggers was estimated at around 70,000.²²⁹ Women and children – often the families of the diggers – perform tasks such as washing and sorting, or even transporting, the gravel from which rough stones are extracted. Higher up the chain from the miners are the *négociants*, the traders who purchase the rough stones from the mine and sell them up the chain to the *comptoirs* (export

brokers). Few Central African miners have the capacity to move up the ranks to become *négociants* or traders, due to the required capital and expertise.²³⁰

In October 2008, the CAR government imposed fines of US\$40,000 to \$50,000 on eight of the eleven *comptoirs* in the country. When the *comptoirs* refused to pay, the Ministry of Mines withdrew their licenses, stating that the need to combat fraud and enforce the law were behind the revocation. As a result, official exports dropped dramatically by more than 50 per cent.²³¹ The impact of this decision had far-reaching consequences, forcing the *comptoirs* to shut down or operate on the black market and put many diggers out of work. The Kimberley Process, the international dia-

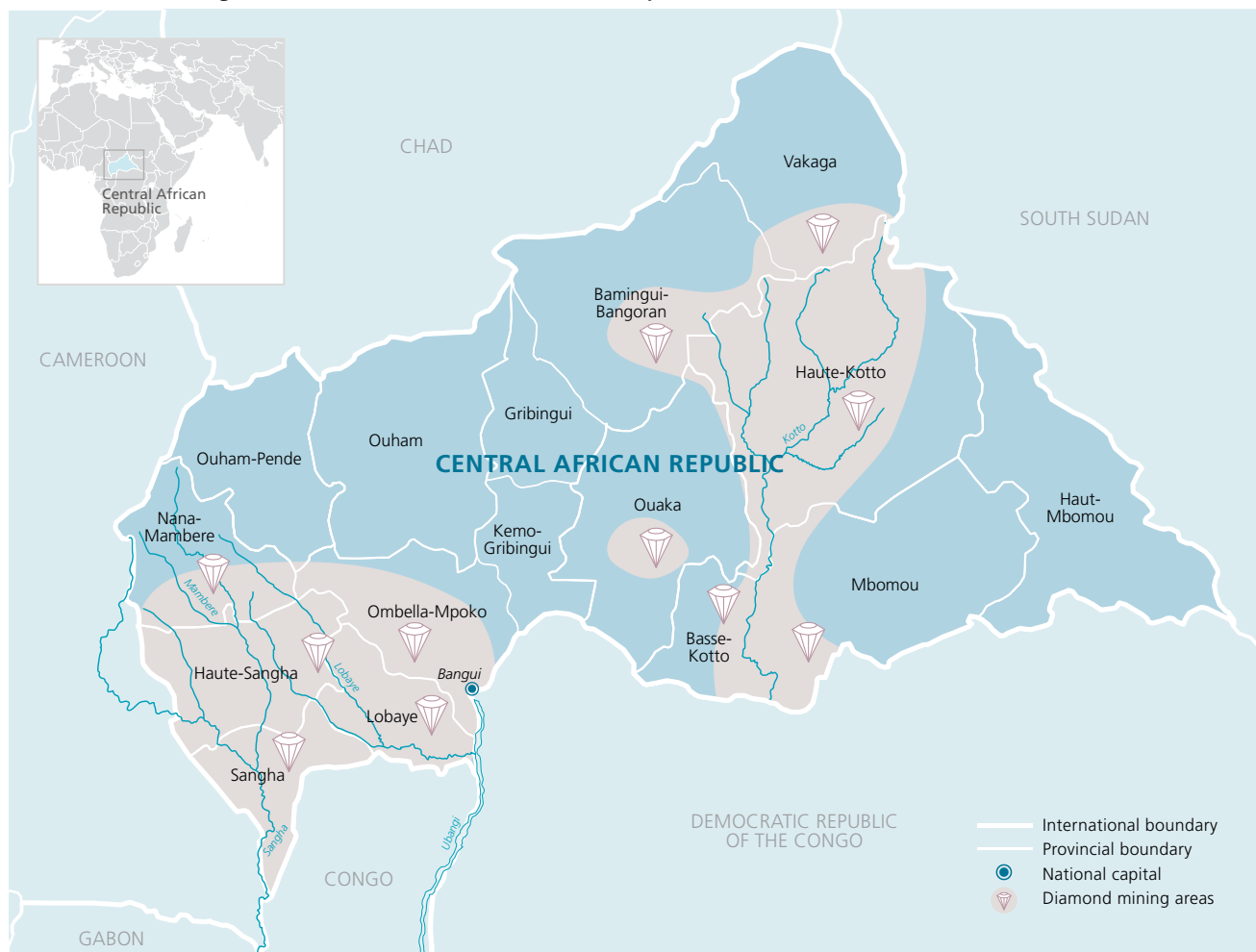
228 Loi No. 9-005 du 29 avril 2009 portant code minier de la République centrafricaine. Articles 19, 31, 152.

229 United States Geological Survey. *Alluvial Diamond Resource Potential and Production Capacity Assessment of the Central African Republic*. Scientific Investigations Report 2010-5043. p. 8.

230 International Crisis Group. *Dangerous Little Stones: Diamonds in the Central African Republic*. Report No. 167, (Brussels, 16 December 2010).

231 Spittaels, Steven and Filip Hilgert. *Mapping Conflict Motives: Central African Republic*. (Antwerp: IPIS, 17 February 2009.) p. 27.

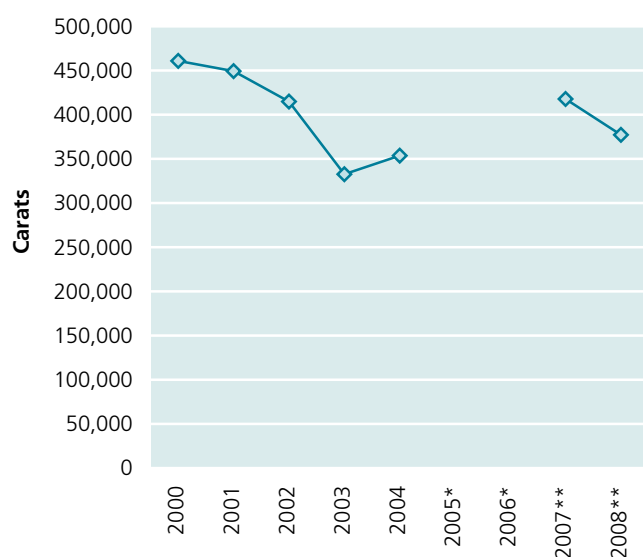
Diamond mining areas in the Central African Republic



Source: IPIS

Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

CAR diamond production from 2000-2004, 2007-2008



Source: Initial and Cumulative Report of the Central African Republic on the African Charter on Human Rights and People Rights. January 2006

*No data available for 2005, 2006

**Source: Premier Rapport de l'ITIE-RCA- Collecte et reconciliation des données statistiques du secteur minier, année 2006 (released 2009)

mond certification scheme that was set up in 2003 to eradicate conflict diamonds from the legitimate diamond trade, estimated that illegal exports rose from 20 per cent of all exports to over 30 per cent after the revocation. Less competition meant that *comptoirs* offered lower prices, which encouraged miners and *négociants* to sell their stones to smugglers.²³² Diamond exports have not yet rebounded to pre-2008 levels.

Zimbabwe's diamond story is different from that of CAR or the DRC. Zimbabwe's diamond mining dates back to the mid-nineteenth century, but diamond production pre-2004 was mainly limited to accidental or artisanal finds, with the exception of the River Ranch kimberlite mine near the South African border. In 2004, Rio Tinto Zimbabwe discovered the Murowe kimberlite cluster in the centre of the country, which produces diamonds that have an average value of US\$65 per carat.²³³

In June 2006, diamonds were discovered in the Marange

232 International Crisis Group. *Dangerous Little Stones: Diamonds in the Central African Republic*. Report No. 167, (Brussels: 16 December 2010). p. 6-7.

233 Partnership Africa Canada. *Diamonds and Clubs: The Militarized Control of Diamonds and Power in Zimbabwe*. (Ottawa: PAC, June 2010). p. 3.

Diamond mining areas in Zimbabwe



Source: Partnership Africa Canada

Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

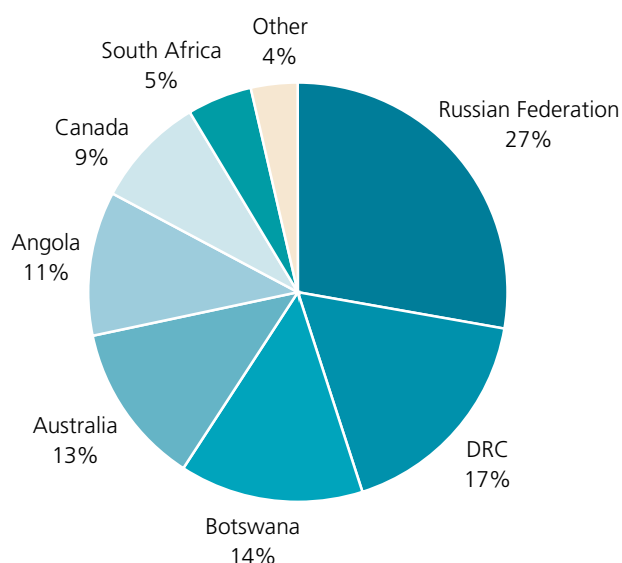
region, close to the Mozambican border. The actual size and value of the deposit, however, is unknown. The Marange fields stretch over 66,000 hectares in the east of Zimbabwe. African Consolidated Resources (ACR), which won the prospecting rights in 2006 from De Beers, has estimated that Marange produces 4,000 carats of diamonds per 100 tons of ore. Comparatively, the kimberlite sites in Murowe and River Ranch produce 60-80 carats and 25-30 carats per 100 tons of ore, respectively. Most of the Marange diamonds are industrial grade, but the top 5 per cent are of excellent gem quality. The top gems could fetch US\$200 per carat. ACR has suggested that the Marange output could be up to three million carats a month for 14 years.²³⁴

In 2006, thousands of artisanal miners flocked to the diamond find at Marange. By mid-December 2006 there were 15,000 to 20,000 illegal artisanal miners working on small plots, and a thriving black market developed. The military took control of the site, and Marange has since been subject to much critical attention by governments and civil society groups involved in the Kimberley Process. A Kimberley Process review mission visited the site in July 2009 and voiced concern over perceived government involvement in human rights abuses, smuggling and lax controls that jeopardized the production chain.²³⁵ In 2010, the Kimberley Process allowed two special, monitored sales of diamonds from Marange, and in March 2011 the Chair of the Kim-

²³⁴ Ibid, p. 14.

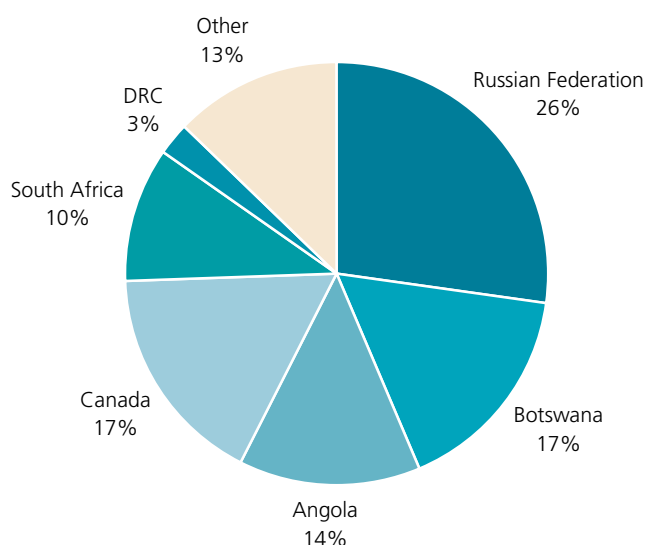
²³⁵ Partnership Africa Canada. *Diamonds and Clubs: The Militarized Control of Diamonds and Power in Zimbabwe*. (Ottawa: PAC, June 2010). p. 4.

National shares of global diamond production by volume in 2009



Source: Kimberley Process. Rough Diamonds Statistics On-line database

National shares of global diamond production by value in 2009



Source: Kimberley Process Rough Diamond Statistics On-line database

berley Process authorized sales from Marange to go forward, causing significant controversy and divide within the Kimberley Process.²³⁶

In terms of volume, the DRC has the largest known diamond reserves in the world: 150 million carats, or 25 per cent of the world total.²³⁷ It is the second largest producer of rough diamonds by volume in the world, generating over 21 million carats in 2009, 17 per cent of global output.

Since only about 6 per cent of these diamonds are of gem quality, however, this output was valued at only US\$226 million, just 3 per cent of the global value produced that year. On a per carat basis, South Africa's diamonds were worth 14 times as much as those produced in the DRC.²³⁸

These figures refer to official outputs accounted for under the Kimberley Process and do not include the amounts smuggled from the DRC illegally. As the World Bank observes:

Since gem-quality stones could attract a price as high as US\$100+ per carat (versus US\$12 per carat for industrial stones), it is not surprising that the most valuable stones are never declared to the authorities. Considering that artisanal miners target mainly gemstone quality diamonds and realize an average sale price of US\$30

*per carat, they annually produce approximately 60 million carats. This figure is in accordance with the statement by the Diamond and Precious Metals Evaluation Centre (CEEC) that the Kimberley Process only catches 60 percent of the country's production, by volume.*²³⁹

The CAR produced much smaller volumes and value: some 300,000 carats in 2009, valued at US\$47 million.²⁴⁰ On average, these diamonds were of much higher quality than in the DRC, with a per-carat value comparable to those of South Africa. As a share of GDP, however, the value of this output is about the same: around 2 per cent of GDP in both countries.

The Kimberley Process and the United States Geological Survey (USGS) estimate that CAR's annual production capacity is 600,000 to 840,000 carats, with an average price of US\$140 per carat.²⁴¹ This quantity has never been officially exported through the Kimberley Process, however, so either production capacity has not been reached or significant quantities are being smuggled out of the country. In 2009, the USGS estimated that 39 million carats of alluvial diamonds remain in the CAR, which is roughly twice the total amount of diamonds reportedly exported from the country since 1931.²⁴²

²³⁶ Nyaira, Sandra. "Kimberley Process in Turmoil as South Africa approves Zimbabwe Diamonds." VOA News, 3 June 2011. Available: <http://www.voanews.com/zimbabwe/news/Kimberley-Process-In-Turmoil-As-South-Africa-Approves-Marange-Stones-123128738.html>

²³⁷ The United States Geological Survey suggests that there may be an additional 500 million carats in undetected reserves. See as well World Bank, *Democratic Republic of Congo: Growth with Governance in the Mining Sector*. Report No. 43402-ZR, (Washington, D.C.: The World Bank, May 2008).

²³⁸ All figures and calculations made on the basis of Kimberley Process statistics. Note that while Kimberley Process statistics likely cover the bulk of official production, they do not include production in non-members, such as the Bolivarian Republic of Venezuela.

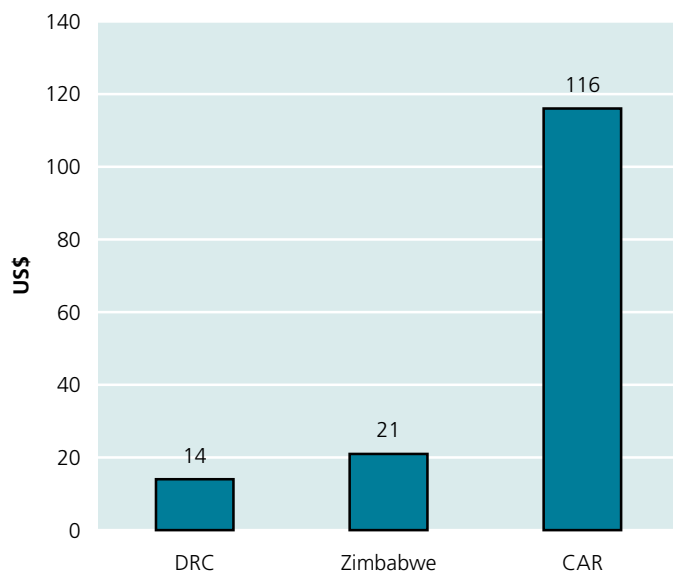
²³⁹ World Bank, *Democratic Republic of Congo: Growth with Governance in the Mining Sector*. Report No. 43402-ZR, (Washington, D.C.: The World Bank, May 2008).

²⁴⁰ Kimberley Process Statistics, 2009. Available: <https://kimberleyprocessstatistics.org/static/pdfs/AnnualTables/2009GlobalSummary.pdf>

²⁴¹ United States Geological Survey, *Alluvial Diamond Resource Potential and Production Capacity Assessment of the Central African Republic*. Scientific Investigations Report 2010-5043. p. 19.

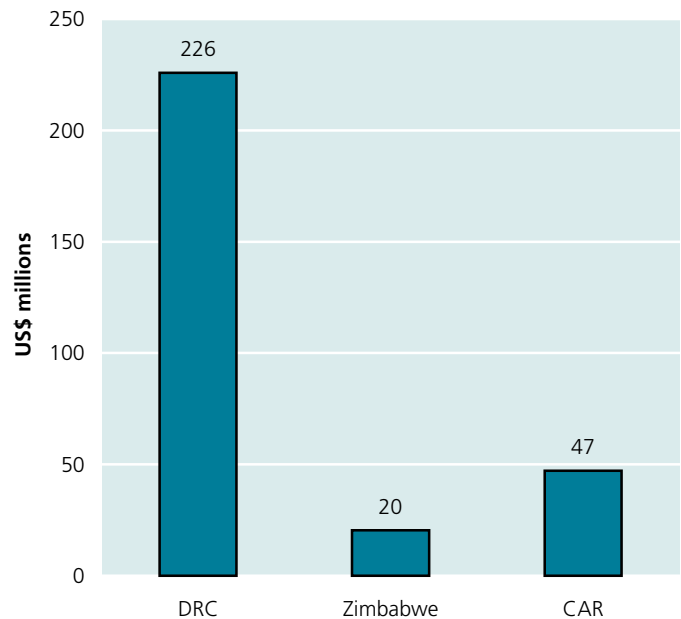
²⁴² United States Geological Survey, *Alluvial Diamond Resource Potential and Production Capacity Assessment of the Central African Republic*. Scientific Investigations Report 2010-5043. p. 19

Value per carat of diamond exports, 2009



Source: Annual Global Summary, Kimberley Process Statistics, Rough Diamonds Statistics On-line database

Value of total official diamond production, 2009



Source: Annual Global Summary, Kimberley Process Statistics, Rough Diamonds Statistics On-line database

How is the trafficking conducted?

In all three countries, official diamond exports follow the Kimberley Process guidelines, which provides a set of internal controls to ensure that diamonds can be traced from the mine to the consumer. In the DRC, record-keeping of production statistics that are submitted to the Kimberley Process starts at the *comptoirs*, where “production statistics” are in fact statistics of the amounts registered by the *comptoirs*, and not of official diamond production at the mine itself. As a result, the production figures are associated with the physical location of the licensed *comptoir* where a diamond has been purchased from either a digger or *négociant*. On average, 45 to 60 per cent of the country’s total diamond production by value enters the trading system at Kinshasa, which is where most of the *comptoirs* have their offices. This means that approximately half of the DRC’s diamond production is recorded only when it arrives in the capital,²⁴³ which has no diamond deposits of its own.

There is no official standard lot size for the sale or shipment of rough diamonds as they vary considerably in size, quality and value. The origin of diamonds can be easily concealed as parcels of rough diamonds from one mine may be mixed with diamonds from other mines, at any stage of the trade flow, from mine to cutting and polishing factories. While the Kimberley Process covers the trade in rough diamonds, once a diamond has been cut, determining its origin is virtually impossible.

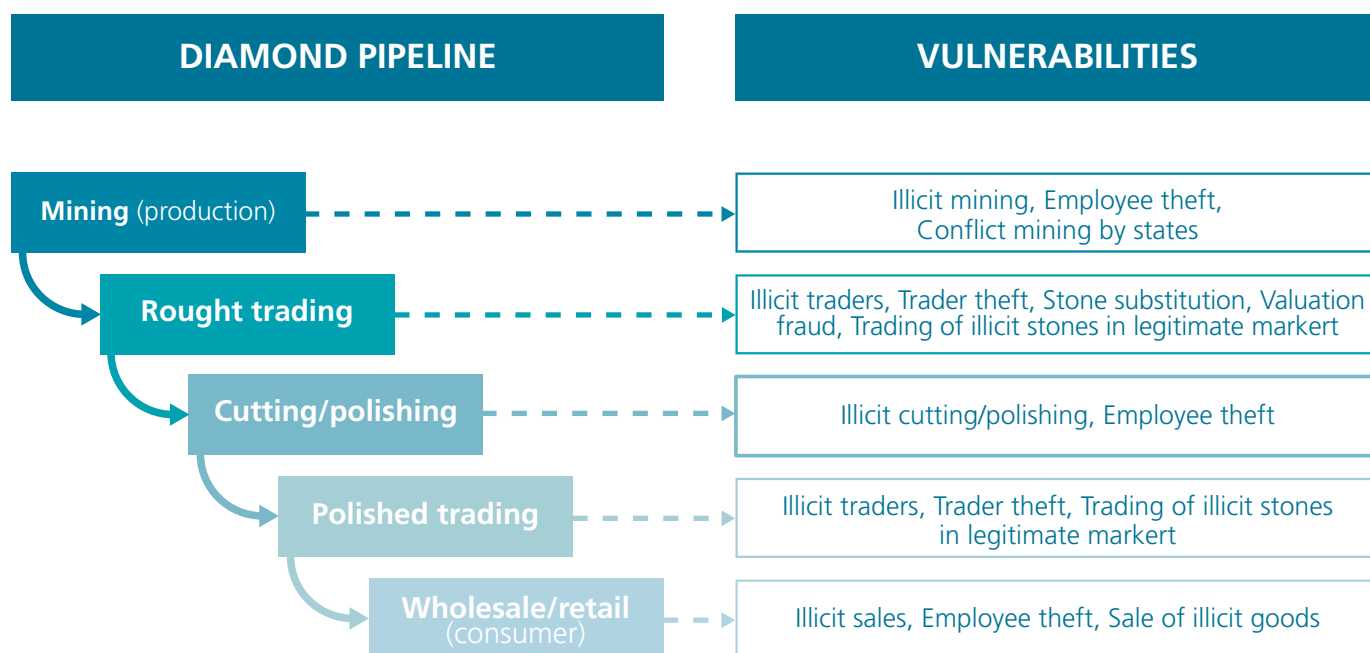
Kimberley Process in the DRC

The Centre for Evaluation, Expertise and Certification (CEEC) is the state agency tasked with evaluating and certifying diamonds, and supervises the work of the *comptoirs* while monitoring the export process. The *comptoirs* that are licensed to export diamonds have offices in Kinshasa and some also have satellite offices in the five main diamond trading centres. Many of these satellites were closed during the 2008 economic downturn, and the rough diamonds were sent directly from the mine to Kinshasa. In effect, the economic crisis altered the supply chain, cutting out the middlemen and opening a direct trade route to the exporters.

An annual diamond export license costs US\$250,000, and *comptoirs* are required to have one in order to export rough diamonds. One official from the CEEC and one from the Ministry of Mines are present at each *comptoir* buying office during its opening hours, keeping track of all purchases. Following the purchase, the diamonds are sealed in an official CEEC envelope and kept in the *comptoir* safe. The *comptoir* is responsible for its own security. When the *comptoir* sends a shipment to Kinshasa, the goods are re-weighed, packed in a large envelope, and shipped. The CEEC in Kinshasa weighs the goods again upon arrival. The process is witnessed by officials from the customs office, the quality control office of the Ministry of Commerce, and a Ministry of Mines representative. Photographs of the diamonds are taken before they are packed and sealed into a bag with a wax seal. These photos are sent, along with the Kimberley Certificate, to the importing country. The Kimberley Certificate is issued after the taxes are paid.

²⁴³ Partnership Africa Canada. *Annual Review, 2009*. Available: http://www.pacweb.org/Documents/annual-reviews-diamonds/AR_diamonds_2009_eng.pdf. p. 12

Vulnerabilities of the diamond pipeline to illicit activity



Source: Australian Crime Commission

Diamonds are typically exported to cutting and polishing centres, most of which are located in Armenia, Belgium, China, India, Israel, the Russian Federation, Sri Lanka and the United States. Once the diamonds are cut, polished, and categorized, they are sold through one of the 24 registered diamond exchanges ('bourses') or directly to wholesalers or jewellery manufacturers.²⁴⁴

Prior to the establishment of the Kimberley Process, diamonds mined in the DRC were exported via neighbouring countries, particularly the Central African Republic and the Republic of Congo. Today, most of the DRC's diamonds are destined for Belgium, India, Israel, South Africa and the United Arab Emirates (UAE). CAR diamonds are exported to Belgium and Israel, while most of Zimbabwe's legitimate diamonds go to Belgium. Smuggled Zimbabwean diamonds transit through the DRC, Mozambique or South Africa before ending up in the UAE, India, Lebanon or China.²⁴⁵

Transporting illicit diamonds without detection requires particular skill. It may also be facilitated by corrupt or unmotivated security and customs officials. Most cross-border diamond smuggling is done via the air mode. Methods vary, but a single, valuable stone may be swallowed by the digger that mined it²⁴⁶ in order to transport it to a *comptoir*, keeping it out of the legitimate trade cycle. A typical diamond smuggling operation will use a trusted

courier to bring rough diamonds from their country of origin to another country, where they will be mixed with local production. Most smuggling occurs to evade high export taxes in originating countries, or if the diamond originates in a state sanctioned by the Kimberley Process. Alternatively, the diamond exporter may pay the producing country's national diamond valuator to declare a much lower value on the diamond parcel to ensure that a lower rate of tax is paid. Some of the valutors in the DRC have allegedly been valuing diamonds below market value. Many were initially recruited from private *comptoirs*, potentially leading to conflicts of interest.²⁴⁷

In the Marange diamond fields in Zimbabwe, there are several companies that have been approved to participate in a joint venture with the government through Zimbabwe Mining Development Corporation (ZMDC). There is speculation that these joint ventures are fronts for the military's interests in Marange.

In 2007, police stationed in the Marange fields allegedly began to force miners to work in syndicates under their control, demanding bribes and beating nonconformists.²⁴⁸ The violence reached a peak in autumn of 2008 when the military arrived to take control of the fields. The Zimbabwean security sector is under the control of President Mugabe's political party ZANU-PF.²⁴⁹ The army reportedly rotates its brigades on a two to three month cycle, ostensibly to diffuse charges of favouritism and prevent discontent

²⁴⁴ Diamondfacts.org

²⁴⁵ Email correspondence with Christine Gordon, former UN Group of Experts member and member of the Kimberley Process review team to Zimbabwe, 14 February 2011; Phone interviews with members of the World Diamond Council technical committee, 18 January 2011.

²⁴⁶ Interview with Agim de Bruycker, Antwerp Diamond Police and member of UN Group of Experts for Cote d'Ivoire; Phone interview with Paul Motmans, former head of security for Angolan Diamond Selling corporation.

²⁴⁷ World Bank, *Democratic Republic of Congo: Growth with Governance in the Mining Sector*. Report No. 43402-ZR, (Washington, D.C.: The World Bank, May 2008). p. 42.

²⁴⁸ Human Rights Watch, *Diamonds in the Rough*. June 2009. Available: www.hrw.org/en/node/83957/section/1

²⁴⁹ Institute for Security Studies. *The security sector in Southern Africa: Chapter 8 – Zimbabwe*. Monograph 174, (October 2010).

in the ranks and allow all members of the military to supplement their incomes at the mines.²⁵⁰

Profit-sharing between elements in the military and the mining syndicates may be constituted in several ways. Previously, it was common for a syndicate of ten diggers to work with one or two soldiers or policemen and pay a flat fee of \$1,000 or more to dig for one night. After paying the flat fee, the diggers could keep the remainder of any find. As the diamond boom continued, the terms of the agreements between armed forces and the syndicates have become more exploitative and most syndicates now engage in 50-50 profit sharing arrangements with their military or police associates. The armed forces often accompany the diggers to the market to negotiate any sales.²⁵¹

Illicit Zimbabwean diamonds used to be destined primarily for South Africa, but now the first border to be crossed tends to be Mozambique, to Vila de Manica.²⁵² Mozambique is not a member of the Kimberley Process. Diamonds that end up in Vila de Manica arrive without a Kimberley Process certificate, and the illicit trade is conducted openly with the complicit knowledge of both Zimbabwean and Mozambican officials. On the Mozambican side, taxis ferry Zimbabwean diggers across the Forbes-Machipanda border to many diamond buyers in Vila de Manica, 18 km away. The diggers are reportedly taken free of charge to the buyers, who pay the taxi drivers if a deal is secured. Diamonds are flown to Maputo, but Johannesburg is also a regular departure point for exports.²⁵³ Dubai and India also receive significant quantities of rough diamonds from Zimbabwe.

Back in 2006, there were allegations that traders were laundering Zimbabwean diamonds from Marange through the DRC in order to get Kimberley Process paperwork.²⁵⁴ The Marange stones are comparatively dark, and would be easily recognized if they were inserted into a DRC diamond parcel in any substantial quantity. That said, DRC is a conduit for smuggled diamonds from elsewhere, notably from Angola and CAR, so there is potential for the country's diamond infrastructure to be used exploitatively by organized criminals.²⁵⁵

Zimbabwe has been the subject of considerable export-related debate within the Kimberley Process over the last two years, as many thousands of carats have been mined and stockpiled, with millions of dollars worth of diamonds leaving the country.²⁵⁶ Negotiations conducted through the

Kimberley Process that would allow exports from Zimbabwe failed in November 2010. As aforementioned, the new chairman of the Kimberley Process, Mathieu Yamba of the DRC, has been quoted in a letter to members of the Kimberley Process stating that Zimbabwe should "go ahead until an administrative decision is passed." Two of the companies permitted to continue operations are on sanctions lists in both the United States and Europe.

In the CAR, many legal *négociants* sell only some of their diamonds to buying offices, and sell the rest to politicians, businessmen and foreign buyers in Bangui. Illegal *négociants* (known as *débrouillards*) buy directly from the mines at higher prices, and sell to both registered and illegal buyers. Due to the higher price artisanal miners can extract from the *débrouillards*, they prefer to do business with them, and even reportedly help protect them from the mining police.²⁵⁷

From the CAR, individuals smuggle diamonds through Bangui airport or overland across the vast, uncontrolled border areas. The increase in airlines – now six, including Air France, Ethiopian Airlines and Kenya Airways – servicing Bangui has allowed smugglers to smuggle diamonds more easily to Europe or other African capitals, notably in the Francophone west.²⁵⁸ CAR diamonds also find their way further afield, to Dubai, Mumbai, Beirut and Tel Aviv. Chinese, French, Indian and Lebanese nationals visit Bangui to purchase diamonds illegally, using intermediaries to contact *négociants* or *débrouillards* and use private homes to make the transactions. Alternatively, the foreign buyers make arrangements to buy rough and cut diamonds from abroad and pay Central African middlemen to smuggling them out.²⁵⁹

Diamonds smuggled overland from CAR tend to cross the border into Cameroon, using well-established routes through remote areas to buy gold and diamonds. These diamonds end up in Douala, the Cameroonian capital, or in markets at Kentzou and Gbiti near the border, which are well-known trade hubs. Smugglers with familial ties to Mozambique and Tanzania also sell diamonds from Central Africa in Sudan, usually in Nyala, South Darfur. Sudanese traders smuggle an estimated 30 per cent of the diamonds from the Kotto River diamond fields. Chadian *négociants* also smuggle diamonds back into Chad. Diamonds from CAR are also smuggled, in smaller numbers, to the Republic of Congo and the DRC, where the export taxes are lower (3.5 per cent and 5 per cent, respectively, significantly lower than in the CAR). Detection of CAR diamonds in the DRC is much lower, as the stones look similar to local stones.²⁶⁰

Antwerp, Belgium, 18 February 2011.

257 International Crisis Group. *Dangerous Little Stones: Diamonds in the Central African Republic*. Report No. 167, (Brussels: 16 December 2010).

258 Ibid, p. 13-14.

259 Ibid.

260 International Crisis Group. *Dangerous Little Stones: Diamonds in the Central*

250 ReliefWeb. Diamonds in the rough: Human rights abuses in the Marange diamond fields of Zimbabwe. (June 2009). Available: <http://reliefweb.int/node/315013>

251 Partnership Africa Canada. *Diamonds and Clubs: The Militarized Control of Diamonds and Power in Zimbabwe*. (Ottawa: PAC, June 2010). p. 12.

252 Ibid, p. 19.

253 Ibid.

254 PACT. *Researching Natural Resources and Trade Flows in the Great Lakes Region*. (June 2007). p. 41.

255 Email correspondence with Christine Gordon, 14 February 2011.

256 Telephone interview with senior member of the World Diamond Council.

Who are the traffickers?

There have been frequent allegations that government officials in CAR, the DRC and Zimbabwe, in addition to armed groups, extort artisanal miners for diamonds on site. Once a diamond has been mined and the artisan sells it to a *négociant*, broker, or *comptoir*, these intermediaries also find themselves subjected to a variety of extra-legal payments demanded throughout the supply chain by numerous layers of officialdom to transport the product or authorize it for export.

A large portion of the illicit rough diamond trade is financed by entities and individuals in Belgium, India, Israel, Lebanon, the Russian Federation, Switzerland and the United Kingdom, as well as in Angola, the DRC, Mali, Senegal and South Africa. Sponsors of illicit diamond buying operations use experienced diamond purchasers, often of Lebanese or Israeli origin.²⁶¹

Conflict in CAR has not been solely focused on the country's diamond mining areas. In 2005, rebellions sprung up in the north-west, where there are no diamonds, and there is no insurgent activity in the diamond-rich south-west region. There are, however, two rebel groups in the eastern diamond zone, on the Kotto River system. The ethnic Gula-dominated *Union des Forces Démocratiques pour le Rassemblement* (UFDR) has used its guns to extort diamonds from miners and *négociants*, robbing towns in diamond mining areas but not seizing control of the mines. More frequently, when rebels hear of diamond finds, they force the digger to hand over the gems or drive them out and pay others to mine for them. UFDR members pay diggers much less than regular chief miners do, which contributes to discontentment and unrest. The UFDR sells diamonds to legal buyers, favouring legitimate Gula-operated *comptoirs*, and illegal buyers who smuggle the stones out to Bangui or Nyala. The non-Gula militia, the *Convention des Patriotes pour la Justice et la Paix* (CPJP), is led by individuals with diamond mining experience, and extorts money and supplies from villagers while taking over diamond mining areas in the area around Ndélé.²⁶² This situation warrants close attention in the CAR, as control over diamond mining areas is a lucrative prospect that may attract other disenfranchised groups.

In Zimbabwe, illegal diamond dealers from several African countries have been arrested. Chinese traders have become the largest purchasers of Zimbabwe's diamonds over the last year, while South African and Lebanese traders have also been heavily involved.²⁶³

Two major international rough diamond seizures took place

in late 2008. In September 2008, India's Directorate of Revenue Intelligence apprehended two Lebanese nationals at a hotel in Surat, the centre of India's diamond industry. The pair had US\$80,000 worth of diamonds – 3,600 carats – that they had brought from Zimbabwe over several trips through Dubai to Mumbai. The diamonds were not accompanied by a Kimberley Process certificate.²⁶⁴ One month later, Dubai Customs discovered bags of diamonds wrapped around the body of a Zimbabwean woman who was transiting the Emirate. The bags contained 53,500 carats of diamonds, with a value of US\$1.2 million.²⁶⁵

In North Kivu, DRC, one of the armed groups (the FDLR) does not necessarily control diamond mining sites, but will occasionally enter the mines and demand that diggers hand over any diamonds in their possession. The FDLR likely sells these extorted diamonds to willing *négociants*, who pass them along to *comptoirs*. The volume of diamonds that come into rebel possession in the DRC is relatively low.²⁶⁶

Extortion at the mine site can be egregious, however, notably in the DRC. For example, if a diamond-dredging operation can produce 50 sacks of diamond-bearing gravel per day, as many as 30 sacks (60 per cent) may be given over to various officials. While each sack varies in terms of carat weight and value, each is worth approximately US\$30, which puts at least US\$900 per day into the pockets of the extortionists.²⁶⁷

How big is the flow?

The Reserve Bank Governor of Zimbabwe has estimated that the value of smuggled Marange diamonds was US\$400 million in 2007 alone.²⁶⁸ In 2008, approximately 6 million carats were produced at the Marange fields, and all were smuggled out except those produced officially by the ZMDC. The value of 90 per cent of the Marange stones is US\$6-10 per carat, so the smuggled value could be up to US\$60 million for that year.²⁶⁹ In August 2010, the government sold 900,000 carats of rough diamonds, generating

264 Mint, Soumitra Trivedi. "Two blood diamond smugglers convicted." *Allbusiness.com*, New Delhi, 26 November 2010. Available: <http://www.allbusiness.com/crime-law/criminal-offenses-misc-smuggling/15320698-1.html> and "Lebanese Diamond Smugglers caught in Surat." *IDEXonline.com* 24 September 2008. Available: http://www.idexonline.com/portal_FullNews.asp?id=31222

265 Morris, Loveday. "Diamond Smuggler Caught in Dubai." *The National*, 28 October 2008. Available: <http://www.thenational.ae/news/uae-news/diamond-smuggler-caught-in-dubai>; Partnership Africa Canada, "Diamond Watch List: Zimbabwe." Available: http://www.pacweb.org/Documents/diamond_watch_list/Zimbabwe.doc.

266 Partnership Africa Canada. *Annual Review*, 2009, p. 8. Available: http://www.pacweb.org/Documents/annual-reviews-diamonds/AR_diamonds_2009_eng.pdf

267 World Bank, *Democratic Republic of Congo: Growth with Governance in the Mining Sector*. Report No. 43402-ZR, (Washington, D.C.: The World Bank, May 2008), p. 63.

268 "Zimbabwe loses \$400 million in diamonds." *News24.com*, 5 April 2007. Available: [http://www.news24.com/Africa/Zimbabwe/Zim-loses-\\$400m-in-diamonds-20070405](http://www.news24.com/Africa/Zimbabwe/Zim-loses-$400m-in-diamonds-20070405)

269 Email correspondence with Christine Gordon, 14 February 2011.

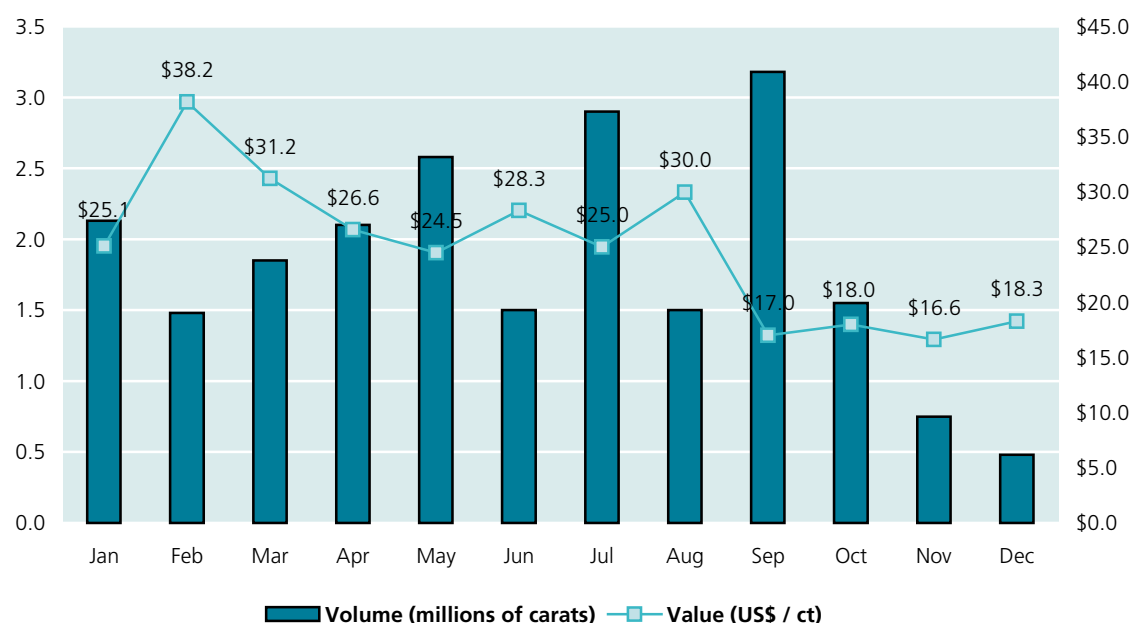
African Republic. Report No. 167, (Brussels: 16 December 2010), p. 14.

261 Telephone interview with Antwerp-based diamond company, 18 February 2011.

262 International Crisis Group. Op cit, p. 16-18.

263 Interview with Christine Gordon, 14 February 2011.

DRC diamond production by volume and average carat value for 2008



Source: Partnership Africa Canada (based on statistics from CEEC annual reports)

US\$56 million in potential revenue.²⁷⁰

In the CAR, most miners are obliged to sell their diamonds at the price offered by the *négociant* who has financed the work. For example, the *négociant* may purchase a one-carat diamond from a miner for 80,000 CFA francs (approximately US\$160) and sell it to a buying office for 200,000 to 300,000 CFA francs (US\$400 to \$600).²⁷¹

In the CAR, official records from 1983 showed that countries importing diamonds from CAR had received 495,000 carats more than CAR's official exports.²⁷² This was a clear sign of massive smuggling taking place, and the World Bank introduced a certification system that was a forerunner of the Kimberley Process to cut down on the traffic. The export tax was also lowered from 20 to 8 per cent on diamonds, again with the intent to discourage smuggling.²⁷³ By 1995, the amount by which imports from the CAR exceeded exports was down to 140,000 carats.²⁷⁴ Today, it is estimated that 120,000 to 150,000 carats are exported illegally on an annual basis. This represents 25 to 40 per cent of the licit production, worth US\$20 million per year and a direct loss to the state of US\$2.5 million in taxes. This number could be much higher, however, as the smug-

gled stones are almost always the most valuable ones.²⁷⁵

Based on the 2007 production levels in the CAR, if 20 to 25 per cent of the diamonds were smuggled, this means that between 83,000 and 100,000 carats were illegally taken out of the country. Following the closing of the *comptoirs* and the dramatic decrease in exports as a result, the Kimberley Process estimated that 30 per cent of the diamonds were smuggled out of the CAR. This translated into just over 113,000 carats of diamonds being stolen from the country in 2008, which, with an average price of US\$140 per carat,²⁷⁶ is a loss of almost US\$16 million per year.

In the DRC, at least US\$21 million worth of diamonds are unaccounted for due to an accounting discrepancy between the CEEC and the Kimberley Process. This value serves as the 'best estimate' of the illicit diamond trade.

In turn, the Kimberley Process is only accounting for approximately 30 million (60 per cent) of the roughly 50 to 60 million carats of diamonds produced in the DRC (by volume). As such, 40 per cent - or 20 to 24 million carats - remains unaccounted for. With an average carat sales price of US\$30, this discrepancy could be worth up to US\$720 million every year in diamond wealth alone.²⁷⁷

While US\$720 million is an extraordinarily large figure, it

270 "A multi-faceted business." *Africa Confidential*. 19 November 2010, Vol 51, No. 23, p. 2-3.

271 International Crisis Group. *Dangerous Little Stones: Diamonds in the Central African Republic*. Report No. 167, (Brussels, 16 December 2010).

272 Ibid, p. 3.

273 Berthelemy, F. and J.M. Eberle, F. Maldan. "Transborder artisanal and small-scale mining zones in Central Africa: some factors for promoting and supporting diamond mining," in K. Vlassenroot and S. Van Bockstael (eds). *Artisanal Diamond Mining: Perspectives and Challenges*. (Gent, Belgium: 2008). p. 35.

274 Report of the Review Mission of the Kimberley Process to the Central African Republic, 8-15 June 2003. Kimberley Process 2003, p.3

275 Email correspondence with U.S. Government mining consultant in CAR. 25 November 2010.

276 Calculations based on \$140 per carat value provided by United States Geological Survey. *Alluvial Diamond Resource Potential and Production Capacity Assessment of the Central African Republic*. Scientific Investigations Report 2010-5043. p.19

277 Calculations based on figures provided by the Kimberley Process and the World Bank, *Democratic Republic of Congo: Growth with Governance in the Mining Sector*. Report No. 43402-ZR, (Washington, D.C.: The World Bank, May 2008).

DRC diamond exports, as recorded by Kimberley Process (KP), CEEC, Ministry of Mines

Year	Volume (millions of carats)			Value (millions of US\$)		
	KP	CEEC	Ministry of Mines	KP	CEEC	Ministry of Mines
2003	n/a	27.1	27.8	n/a	642.7	650.3
2004	30.2	30.0	29.6	720.9	727.5	708.6
2005	32.9	31.7	32.8	895.5	870.3	885.0
2006	30.2	28.3	28.3	679.5	671.7	671.7
2007	28.3	28.3	25.9	609.8	613.1	565.9
2008	21.3	22.1	n/a	551.8	553.8	n/a

Source: Partnership Africa Canada

In an ideal world this chart would have identical volumes and values across the agencies. Over the course of the six year period between 2003 and 2008, the difference between the statistics of the CEEC and those submitted to the Kimberley Process was over 2.5 million carats, with a value of US\$21 million. The difference between the Ministry's data and the numbers provided to the Kimberley Process is even greater. From 2004 to 2008, an average of over half a million extra carats per year appear in the numbers submitted to the Kimberley Process. Yet according to the CEEC, these diamonds were never exported.*

As there are no diamond cutting or polishing capacities in the DRC, it should be expected that production and export statistics are closely aligned, so this discrepancy points to a significant challenge to the system. There has been a significant decline (30 per cent) in the stated exports from 2004 onwards, from almost 33 million carats in 2004 to just over 21 million carats in 2008. Production may have declined, resulting in fewer exports. Alternatively, if production has remained steady, more diamonds are being smuggled out of the country and are thus not accounted for in the export statistics.

* Partnership Africa Canada. *Annual Review 2009*, p. 10-11. Available: http://www.pacweb.org/Documents/annual-reviews-diamonds/AR_diamonds_2009_eng.pdf

represents the upper limit of the potential loss to the DRC. Given the uncertainties in the global diamond market, and the price differentials between the value of diamonds at production and export, for the purposes of this report it is better to be conservative and estimate the flow at the low - but nonetheless significant - end of the loss ledger, which is approximately US\$21 million from the DRC.



Environmental resource flows

In addition to its mineral wealth, Central Africa is rich in biologic resources. The unique flora and fauna of the region are a global treasure, irreplaceable once lost. Threats to this ecosystem are a matter of great concern. In addition, Central Africa's vast forests are a source of livelihood to millions, and a habitat for wildlife that could provide the basis for a largely untapped tourism industry. Like its mineral resources, the region can ill-afford to lose this wealth to looters and profiteers.

It is difficult to distinguish legal from illegal environmental resource exploitation in Central Africa, however, because some countries lack clear and consistent guidelines on logging and harvesting of wildlife. Even when these regulations are published, they may be ignored by officials who are either corrupt or indifferent. And when the officials want to enforce the rules, they may lack the capacity to do so, or lack knowledge of the extent to which the rules are being violated.

Some of the environmental looting is well organized, some involves transnational corporations. Much of this activity falls into a grey area: legally sanctioned but not necessarily equitable or environmentally sound. Exploitation rights may be granted to firms in exchange for kickbacks, or in exchange for political support, with the knowledge that compliance with regulations will not be monitored carefully.

But much of the damage is being done in a less organized way, by displaced populations forced to survive on what they can gather, or by locals suffering from the economic disruption brought on by long-term instability. This period of vulnerability represents a window of opportunity for organized crime. There is no need to arm and train an army of poachers and loggers to harness these inaccessible

resources. Traffickers need only make it clear that certain commodities have a cash value, and allow the market to take care of the rest.

Clearly, these are not problems that can be solved with law enforcement alone. The people of Central Africa must never be forced to choose between feeding their children and protecting their environmental heritage, and freeing them from this dilemma is a multifaceted project. The power of the criminal law can be applied to the groups that seek to profit from this trade, however, and simply removing the cash incentive could go a long way toward protecting the biologic resources of the region.



TIMBER FROM THE DRC TO EAST AFRICA

Route

Source: *Eastern DRC*
 Vector within Central Africa: *Land*
 Destination: *Burundi, Kenya, Rwanda, Sudan, South Sudan, Uganda*

Value

Volume: *50,000 cubic metres per year*
 Value at destination: *US\$30 million per year*

Traffickers

Groups involved: *Elements of the Congolese army, FDLR, external timber dealers*
 Residence of traffickers: *Eastern DRC, Kenya, Uganda*

Threat

Estimated trend: *Increasing*
 Potential effects in region: *Deforestation, loss of livelihoods, species extinction, continued funding of armed groups*
 Likelihood of effects being realised: *High*

What is the nature of this market?

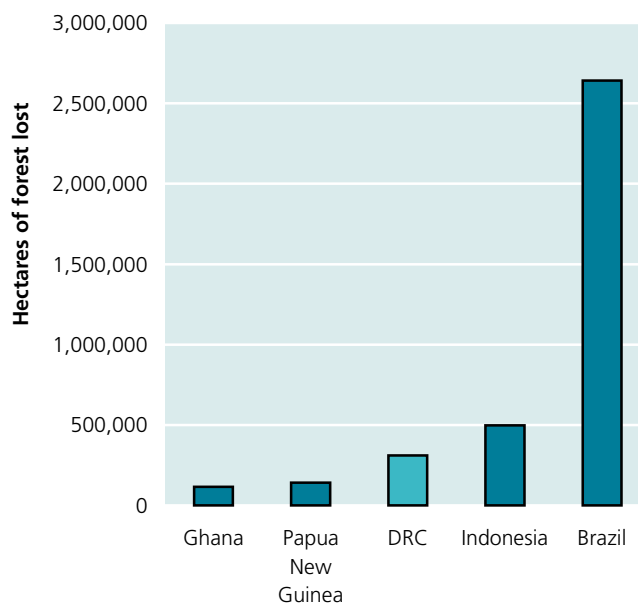
Central Africa is home to one of the largest rainforests in the world, second only to the Amazon, and has been dubbed “the second lung of the planet.” About half of this forest is found in the DRC. Some two thirds (68 per cent) of the DRC is under forest cover, and it is estimated that about two thirds of the population is dependent on the forest for their livelihood. While it cannot compare to Brazil, the region is one of the most rapidly deforesting areas of the world, with the DRC losing an estimated average of 300,000 hectares per year for the past two decades. Five national parks in the DRC are listed by UNESCO as World Heritage in Danger because of threats from conflict and mining.

Ironically, the conflict has likely slowed the pace of deforestation, because there are few industrial-scale logging operations in the country today. Roads are essential for major logging, and many of the roads that do exist in the Eastern DRC are in desperately poor repair or are controlled by armed groups, and are thus considered virtually impassable for commercial purposes. Rivers – the leading conduit for industrial logging operations in some parts of the country – have similarly been plagued by armed groups.

Commercial logging in the Eastern DRC is in a state of disarray. Since past concessions were awarded by corrupt regimes, or even rebel armies, many have since been declared invalid. A moratorium was imposed on the granting of logging concessions before the passage of the national Forestry Code in 2002. This moratorium was widely ignored, however. A review of the existing concessions, which ran between 2005 and 2009, determined that 91 of them were invalid, while validating 65.²⁷⁸ Since virtually all of the active concessions were validated, the review changed little.²⁷⁹ Today, the Code remains largely disregarded because many of the decrees needed to make it operational have yet to be issued.²⁸⁰

As in the mining sector, this regulatory disorder discourages industrial scale production, so most of the logging today is artisanal.²⁸¹ Less than 200,000 cubic meters (round wood equivalent - RWE) were exported by commercial concerns in 2009. Although most artisanal loggers have a permit to fell trees in specified areas of forest,²⁸² it is very difficult to

Hectares of forest lost per year, 2000-2010



Source: FAO: *State of the World's Forests 2011*

operate entirely within the law, since the law itself is unclear, and the authorities that are supposed to regulate it are minimal.

Artisanal logging predominates in the East of the country, yet much of this is illegal as many loggers do not operate within demarcated concessions. There is only one industrial-scale logging concession: some 52,000 hectares owned by ENRA, a firm linked to a former vice-president and ICC indictee.

During the war, logs were taken as spoils by the invading armies and rebel groups granted concessions in the areas they controlled. One war-time concession was DARA-Forêt, jointly owned by Thai and Ugandan interests. It procured substantial volumes from artisanal loggers.²⁸³ Allies in Zimbabwe were also to be compensated for their support with a specially created company called COSLEG, but it does not appear that these concessions were ever used.²⁸⁴ Some of the timber taken during the war was transported northwards into the Central African Republic (presumably for re-export via Cameroon).²⁸⁵ Such trafficking will have ceased when the Congo River re-opened for commerce and the logging industry started operating again.

278 “Historique des recommandations sur les titres soumis au processus de conversion” Ministère de l’Environnement, Conservation de la Nature et Tourisme (February 2009). Available: http://siteresources.worldbank.org/INTFORINAFR/Resources/Wri_Carte_Processus-originale_imprime.pdf

279 “Stop Forest Crime! Impunity still prevails in logging operations in the Democratic Republic of Congo.” Greenpeace (March 2010).

280 Global Witness. *DRC’s forests: “towards satisfactory management and governance standards?”* (December 2007). Available: <http://www.illegal-logging.info/uploads/DRCpolicybrief.pdf>

281 Cerutti, Paolo Omar et al. “Opportunities and challenges of chain-saw milling in the Congo Basin.” IUFRO Congerence. (6 June 2010). Available: http://www.gozdis.si/ssfett2010/pdf/C5_8_Cerutti.pdf

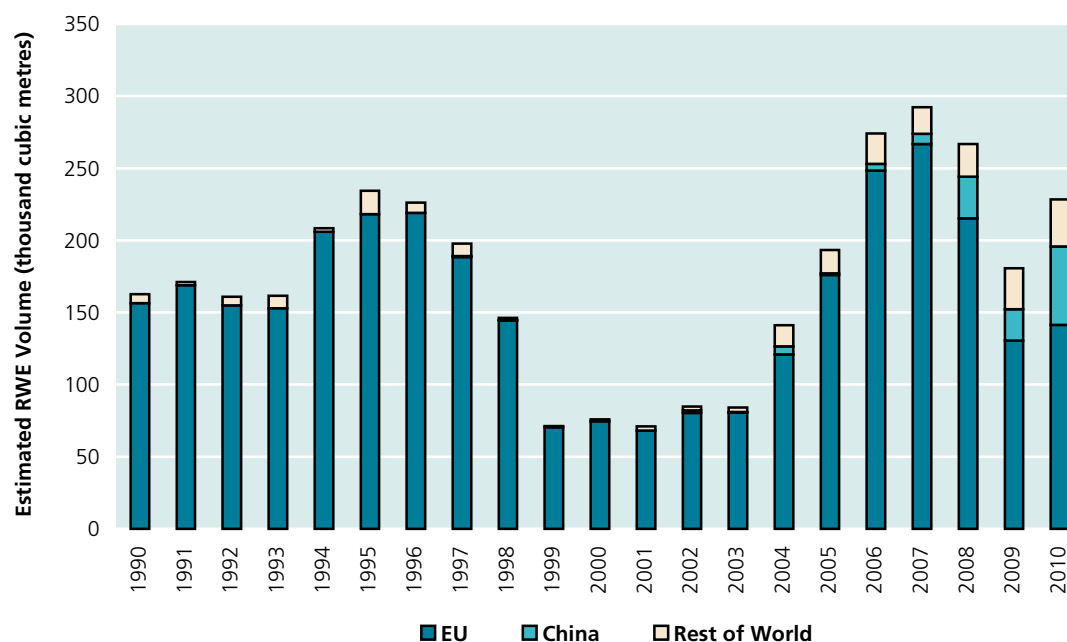
282 Brown, Ellen and Jean-Remy Makana. “Experience from a pilot project to improve forest governance in the artisanal logging sector in north eastern Democratic Republic of Congo.” Wildlife Conservation Society, March 2010. p. 4.

283 *Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo.* (United Nations publication, April 2001). paras. 47, 54.

284 “Conflict Timber - Dimensions of the Problem in Asia and Africa - Volume III - African Cases.” ARD Inc. (Burlington, VT, USA: ARD Inc. June 2003). Available: http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/pubs/vol3afr.pdf; Global Witness. *Same Old Story - A Background Study on Natural Resources in the Democratic Republic of Congo.* (June 2004), p. 37-38.

285 Global Witness. *DRC’s forests: “towards satisfactory management and governance standards?”* (December 2007). Available: <http://www.illegal-logging.info/uploads/DRCpolicybrief.pdf> p. 36.

Destination of exports from industrial-scale logging in the Democratic Republic of the Congo



Source: China Customs Statistical Yearbook; Eurostat; World Trade Atlas

The regional demand for wood and charcoal is likely to grow as neighboring states have much less forest cover from which to draw. For example, an estimated 90 per cent of households in Rwanda rely on firewood as their main source of energy²⁸⁶ and the Rwandans face dwindling reserves. To date, however, it seems that most of the illicit charcoal made in the DRC is consumed domestically. It is clear that timber from the DRC is used in local construction, and demand for this timber is likely to grow as populations rise and development continues apace.

How is the trafficking conducted?

Of all the commodities discussed in this report, timber has the least favorable value to volume ratio. To make money, large volumes are required, and this means roads are indispensable. Much of the forest of the DRC is protected due to the simple fact that it is not economical to extract it due to the paucity of roads. Today, perhaps 80 per cent of the timber exported from the Eastern DRC comes from the Ituri region of Orientale province, close to the road between Kisangani and Beni.²⁸⁷ The remainder is felled in North and South Kivu.²⁸⁸ The timber travels eastwards, to and through the DRC's eastern African neighbours. The majority is transported over land to Burundi, Kenya, Rwanda, South Sudan and Uganda for use in the construction and furniture industries.

The bulk of this logging is artisanal, conducted by amateur crews, often either comprised of, or under the "protection"

of, the armed groups, including elements in the national army.²⁸⁹ Rival militias have competed in order to gain control of protection payments.²⁹⁰ The sole commercial logging concern in this region – ENRA – has not produced more than 10,000 cubic meters in any year since the Second Congolese War.²⁹¹ Despite its artisanal nature, the scale of this eastwards trade is similar to the quantity of tropical timber from industrial-scale logging which is exported via the Atlantic coast.

It is estimated that about 20 per cent of the timber felled remains within the DRC, a much higher share than during the war, when wood was looted and traded for arms. Transnational exports also appear to have reduced drastically since the end of the war.²⁹² Today, it is more profitable to import wood from the Atlantic coast of the DRC or other countries of the Congo basin. Less than 1,000 cubic metres of sawn wood from all sources were officially exported annually from Kenya last decade.²⁹³

Today, most of the timber trafficked from the DRC appears to be used in Uganda and Kenya, about half each. Many of

286 Ndoli, F. "90 per cent still use firewood as a source of energy." *The New Times*, 27 November 2010.

287 Personal communication with Jean-Remy Makana. (December 2010)

288 "The timber trade and poverty alleviation: Upper Great Lakes region." *Forests Monitor*, (June 2007), p. 48.

289 *Interim report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 25 May 2010, S/2010/252), p.20.

290 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010, S/2010/596), para. 248-251.

291 Makana et al. *Pre-harvest forestry and botanical inventories in ENRA logging concession in the Ituri Forest Landscape, North Eastern Congo Basin Rainforest*. (September 2006), Figure 3. Available: http://carpe.umd.edu/resources/Documents/SI_Ituri_ForestryInventory_TechnicalRpt_Sept2006.pdf

292 "The timber trade and poverty alleviation: Upper Great Lakes region." *Forests Monitor*, (June 2007), p. 54.

293 UN COMTRADE data. Available: http://comtrade.un.org/db/dqQuickQuery.aspx?cc=4407*, per cent20-4407&px=H0&tr=404&y=2009&p=ALL&rg=2&so=8 (Note: The statistics for export value are more robust than the data for weight or volume (which are largely unusable).)

the loggers focus on a few species in demand in these destination countries, particularly African mahogany (*Entandrophragma cylindricum* – known as sapelli) and African teak (*Milicia excelsa* – known as iroko).²⁹⁴ Most of the export is in the form of sawn wood. The volume of sawn timber declared as imports by Uganda is negligible – on the order of 1,000 cubic metres per year.²⁹⁵ This implies that much of the timber trade to this country is illegal.

The charcoal trade, which also funds the armed groups, appears to be mainly domestic, and most is consumed in the large towns. For example, Goma, the capital of North Kivu province, is said to consume about 50,000 tons of charcoal each year. As much as 80 per cent of this (worth roughly US\$30 million in Goma) has been illegally felled in Virunga National Park. Charcoal production within the Park is controlled by the armed groups. Such production is likely to have declined by half during 2010, however.²⁹⁶

The wood destined for Uganda leaves by road, much across the border between Kasindi and Mpondwe.²⁹⁷ The destination for about half of this is Kampala. The wood is purchased because Ugandan forests have been depleted and because it is cheaper than alternatives. Most of the rest continues on to Kenya, particularly Nairobi, or to Rwanda.²⁹⁸

Who are the traffickers?

As with some other extractive flows from the DRC, it appears that the illegal extraction of timber is orchestrated by players from the outside. Dealers based in the larger towns (Beni, Bunia, Goma) with buyers in Kenya and Uganda appear to determine the scale of timber production – by financing or equipping artisanal loggers in return for supplies of timber at low prices. This relationship is exploitative, as the loggers receive far less than the value of the timber they deliver. Most artisanal loggers appear to have been continuously active for less than five years.²⁹⁹

High-ranking officials in both the rebel groups and among the military have been tied to the trade. Three have been indicted by the International Criminal Court. At least one Ugandan officer continued to participate in the trafficking timber from the Democratic Republic of Congo after the Ugandan People's Defence Force withdrew in 2003.³⁰⁰ There is also some evidence that armed groups in the Eastern DRC benefit from unofficial taxes levied on timber.³⁰¹

How big is the flow?

Owners of trees are paid between US\$2 and US\$10 per tree depending on its species, size, quality and location. Estimates for the volume of logs into which a typical tree is cut vary from three to nearly seven cubic metres.³⁰² Between two thirds and three quarters (or more) of each log is abandoned after it is cut.³⁰³ The price on the local market for the resulting sawn wood tends to be between US\$80 and US\$180 per cubic metre depending on the species, quality, dimensions of the timber and its destination.³⁰⁴ Much of that price covers the artisanal loggers' costs, which, on average, amount to US\$110 per cubic metre.³⁰⁵

Most of the value of this market resides further down the market chain. For example, the *Entandrophragma* species (primarily sapelli) are likely to have comprised most of the total from North Kivu and the Ituri region. During recent years, the export value of sawn sapelli recorded at points of export on the Atlantic Ocean from range states including the Democratic Republic of Congo has been in the order of US\$250 per cubic metre.³⁰⁶ The costs of transportation vary greatly – depending on the itinerary and the availability of cargo space. For sapelli sawn in industrial-scale mills which is exported from Cameroon and the Republic of Congo, the range of import values during 2009 varied from US\$550 per cubic metre in China³⁰⁷ to US\$800 per cubic

300 "The timber trade and poverty alleviation: Upper Great Lakes region." *Forests Monitor*, (June 2007).

301 Ibid.

302 World Bank Inspection Panel. "Investigation Report – Democratic Republic of Congo: Transitional Support for Economic Recovery grant (TSERO) (IDA Grant No. H 1920-DRC) and Emergency Economic and Social Reunification Support Project (EESRSP)." World Bank Inspection Panel Report 40746-ZR, (August 2007). Available: <http://siteresources.worldbank.org/extinspectionpanel/resources/finalinvrepwhole.pdf>; Lescuyer, Guillaume. "Analyse économique de l'exploitation forestière artisanale dans la Province Orientale de la RDC: Diagnostic succinct et leçons à tirer pour la foresterie communautaire." *Forests Monitor* (May 2010), p. 7.

303 Hardcastle, P.D. et al. "Improving the Investment Environment for Private Sector Plantation Forestry Development in Uganda." (2005), para. 192. Available: [http://www.sawlog.ug/downloads/Papers/LTS per cent20Investment per cent20Report per cent20for per cent20SPGS per cent202005.pdf](http://www.sawlog.ug/downloads/Papers/LTS%20Investment%20Report%20for%20SPGS%202005.pdf); "The timber trade and poverty alleviation: Upper Great Lakes region." *Forests Monitor*, (June 2007), p. 20.

304 Lescuyer, Guillaume. "Analyse économique de l'exploitation forestière artisanale dans la Province Orientale de la RDC: Diagnostic succinct et leçons à tirer pour la foresterie communautaire." *Forests Monitor* (May 2010), p. 5.

305 Ibid, p. 9.

306 Based on analysis of prices presented in "Tropical Timber Market Report," ITTO. (2007 to 2010).

307 General Administration of Customs for the People's Republic of China. Import statistics for sapelli sawn wood. (2006 to 2010).

294 Some reports indicate that African mahogany (Acajou d'Afrique, *Khaya spp.*) is the commonest export species. This seems to be because sapelli is sometimes referred to loosely as mahogany. "The timber trade and poverty alleviation: Upper Great Lakes region." *Forests Monitor*, (June 2007), p. 7.

295 "News of the commercial forest sector in Uganda." Sawlog, Uganda. Issue No. 29, September-November 2010. Available: [http://www.sawlog.ug/downloads/SPGS per cent20Newsletters/SPGS-Issue-29-LOW.pdf](http://www.sawlog.ug/downloads/SPGS%20Newsletters/SPGS-Issue-29-LOW.pdf) (at 1.3 cubic metres per ton).

296 *Final report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010. S/2010/596), paras. 253-258 (Note - the volume of timber used in making 50,000 tonnes of charcoal is probably 300,000 cubic metres, ten times less than the volume cited in paragraph 254. See also Nellesman, Christian et al. "The Last Stand of the Gorilla – Environmental Crime in the Congo Basin." (2010) p. 6 et seq.

297 Roda, Jean-Marc and Katrin Erdlenbruch. "Analyse des conditions de reprise économique du secteur forestier en République Démocratique du Congo." Unpublished paper by the World Bank. (September 2003), p. 10.

298 Assuming no substantial change in proportions since 2006 – see "The timber trade and poverty alleviation: Upper Great Lakes region." *Forests Monitor*, (June 2007).

299 Lescuyer, Guillaume. "Analyse économique de l'exploitation forestière artisanale dans la Province Orientale de la RDC: Diagnostic succinct et leçons à tirer pour la foresterie communautaire." *Forests Monitor* (May 2010), p. 5, 8.

metre in the EU.³⁰⁸ Within the EU, sawn sapelli retails for as much as US\$1,500 per cubic metre. Finished products made solely from sapelli, retail at considerably greater prices - for example US\$4,000 per cubic metre for flooring and an order of magnitude more for high quality furniture.³⁰⁹

Estimates of the volume of trafficked timber vary greatly. The Ministry of the Environment estimates that 80,000 cubic metres of (roughly sawn) timber is likely to have been produced during 2010 from the north-eastern part of the country.³¹⁰ A somewhat earlier estimate suggests that, during 2006, 50,000 cubic metres of roughly sawn wood was recorded as having been exported north eastwards from the DRC, and that the actual volume supplied was probably much greater.³¹¹

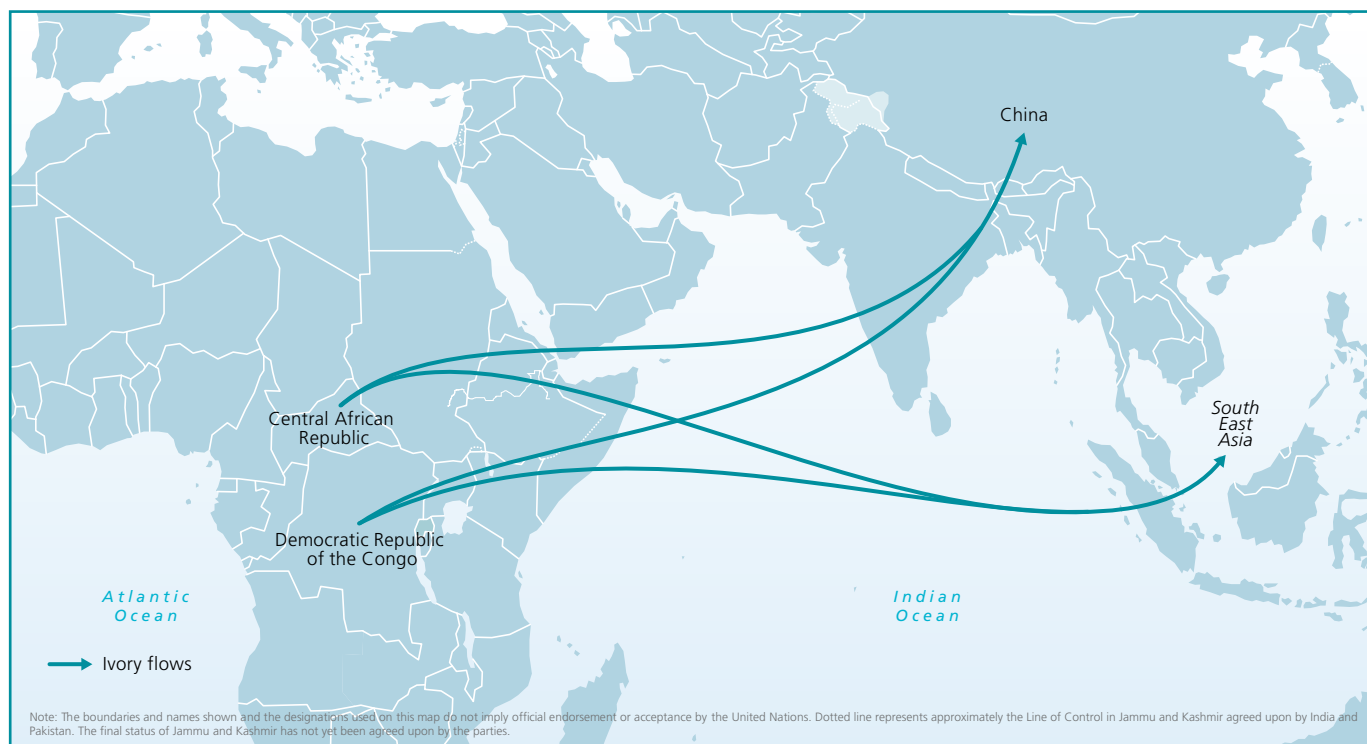
The volume of such roughly sawn timber which was illegally exported during 2010 was probably in the order of 50,000 cubic metres. The market value of this flow would have been in the order of US\$30 million (assuming US\$550 per cubic metre).

308 Eurostat. Import statistics for sapelli sawn wood. Available: <http://epp.eurostat.ec.europa.eu/newxtweb/>

309 Based on assessment of prices in various EU member state published on retailers' websites. (December 2010).

310 Personal communication with Jean-Remy Makana, citing the ministry of the environment in Orientale province, December 2010.

311 "The timber trade and poverty alleviation: Upper Great Lakes region." *Forests Monitor*, (June 2007), footnote 54, table 20.



WILDLIFE FROM CENTRAL AFRICA TO EAST ASIA

Route

Source: *DRC, CAR*
 Vector from Central Africa: *Air, land, sea*
 Vector within Central Africa: *Air, land, lakes*
 Destination: *East Asia, including China, Thailand and Viet Nam*

Value

Volume: *3.4 tons of ivory from the DRC per year*
 Value at destination: *US\$3 million annually*

Traffickers

Groups involved: *Elements of the Congolese Army, Mai Mai groups, FDLR, poachers in source countries, Asian expatriate communities*
 Residence of traffickers: *CAR, DRC, Sudan, wholesalers/retailers in Asia*

Threat

Estimated trend: *Increasing*
 Potential effects in region: *Species extinction, continued funding of armed groups*
 Likelihood of effects being realised: *High*

What is the nature of this market?

Criminals traffic wildlife for the purposes of material gain. The appropriate response to these individuals lies in the criminal justice system. Detecting, documenting, and prosecuting the transnational networks that traffic wildlife is essentially a law enforcement mission. In some parts of the world, this mission has been largely neglected to date.

There are reasons for this neglect. Even within countries with substantial law enforcement capacity, poaching by its nature takes place in areas with low density of law enforcement personnel: in the wilderness and in national parks. But the activity is particularly intense in countries where the rule of law is generally weak, especially in areas where the state does not maintain full control of its territory. For example, the so-called “cease fire zones” of Myanmar are especially vulnerable to wildlife trafficking and other forms of environmental crime, because the rebel groups that control these areas are not accountable to national or international authorities. These contested areas are found throughout the world, but are particularly prevalent in Africa, including large swathes of the Central African Republic and the Eastern DRC.

The wildlife trade typically proceeds from countries with low capacity for enforcement to markets where the animals or their parts can be sold for the greatest profit. For the countries that receive these goods, the trade does not cause any harm, so the incentives for arresting it are low. It is only through the work of activists and the international community that consumer states can be pressured into taking this matter seriously.

Not all forms of wildlife crime could be classed as transnational organized crime. One of the most damaging in the region is the bushmeat trade: wildlife poached as food. Reliance on bushmeat as a food source increases in times of conflict. Its environmental impact is great, but the meat rarely crosses international borders, and while some bushmeat is sold in local markets, the primary motivation is nutrition, not material gain. In addition, wildlife is threatened by habitat loss due to logging or mining activities. This impact is incidental, but may pose the single greatest threat to some protected species.

In contrast, some wildlife crime has a clear commercial motive, the most prominent of which is the ivory trade. The supply of ivory is almost exclusively in Africa,³¹² and the demand for ivory is primarily in the Far East. The flow of ivory from Africa to the Far East has been estimated at 72 tons per annum, worth some US\$62 million, resulting in the deaths of about 7,000 elephants each year.

³¹² Among Asian elephants, only males have tusks, and these are much smaller than those of African elephants. In addition, elephants are often used as beasts of burden in Asia, worth more alive than dead, and so Asian elephant ivory is largely absent from the market.

In Central Africa, the DRC stands out as source of ivory. Although the elephant population of the DRC is small in comparison to that of countries to its south and east, it appears to contribute disproportionately to the illicit ivory supply. All the countries of the region have signed the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and signatories are bound to report seizures of ivory to the Secretariat. These data are entered into the Elephant Trade Information System (ETIS). Although the DRC has only reported six cases to ETIS, it was implicated in 396 other cases reported by other countries between 1989³¹³ and 2009, far more than any other country. Over 15 tons of ivory seizures have been traced back to the DRC between 1989 and early 2010. Some 58 per cent of the DRC-related ivory seized was taken in the context of large seizures, suggesting a highly organized activity. The DRC has the largest unregulated domestic ivory market in the world.

Given the relatively small population and the high rate of poaching, the elephant population of Central Africa is gravely threatened. At least 24 elephants were killed in Virunga National Park in 2008, which was about 10 per cent of the elephant population at that time.³¹⁴ With this rate of loss, there may be little wildlife left on which to build a potential tourism industry once the country emerges from conflict.

In addition to the ivory trade, Central Africa is a source of other trafficked wildlife. There are no rhinos in the region, but gorillas are indigenous, and have been targeted for poaching. From March to May 2010, there were at least 144 documented killings of wild animals in the DRC, including 26 elephants, 28 hippopotamuses and two lions.³¹⁵ Animals are also targeted for the pet trade, such as the grey parrot.

How is the trafficking conducted?

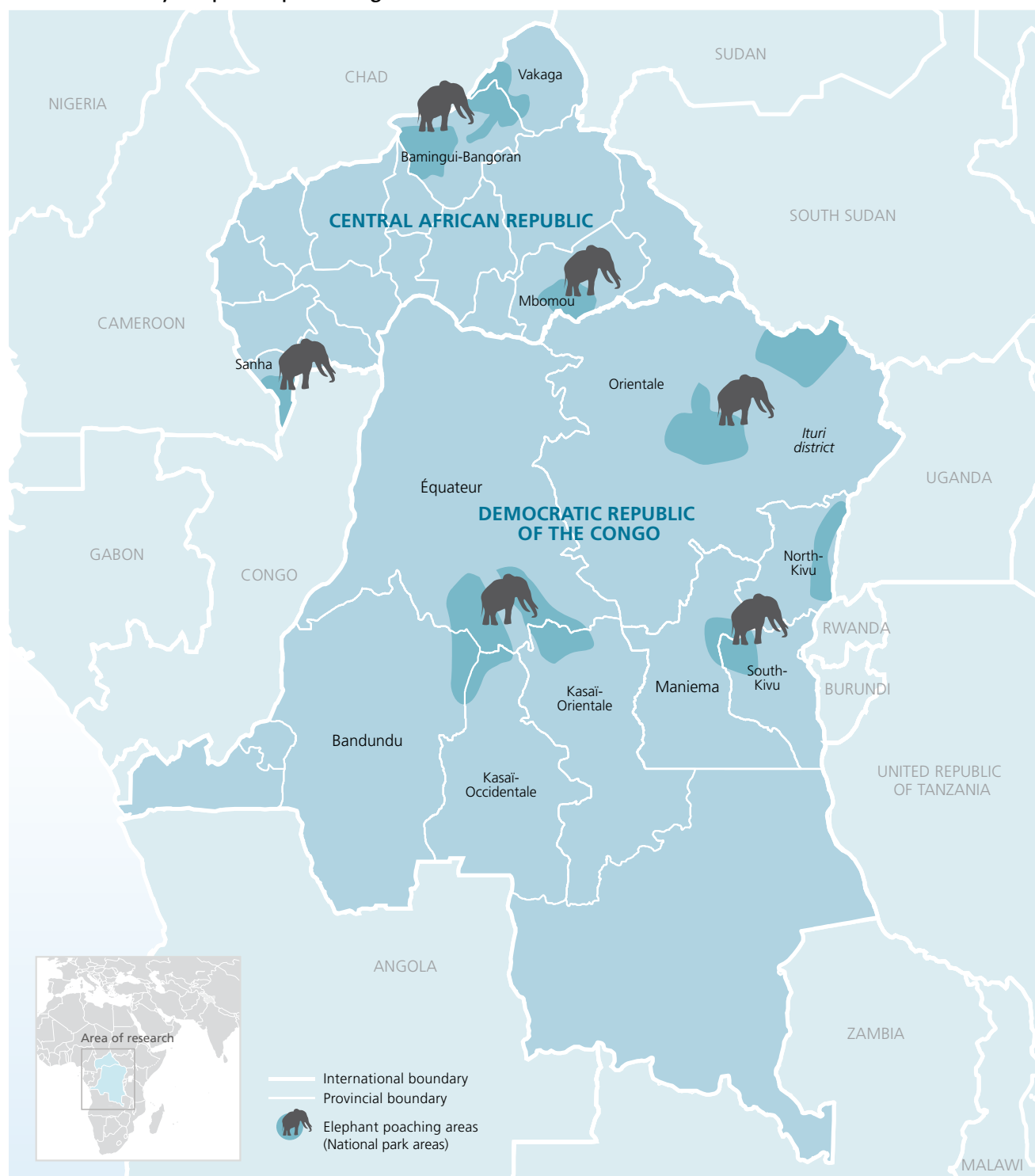
As in other parts of Africa, the wildlife trade in Central Africa is both supply and demand driven. Armed groups roaming through wilderness and park areas encounter wild animals with commercial value and kill them with their automatic weapons. Animal parts may also be acquired while hunting for bushmeat, a common subsistence strategy for both armed groups and the local population. For example, hippos are both a food source and a source of “ivory,” derived from their teeth. As a result, small amounts of wildlife products are continually entering the supply chain.

³¹³ A ban on the trade in ivory was put in place in 1989, after dramatic declines in elephant populations in the 1970s and 1980s.

³¹⁴ Alsop, Z., ‘Elephants Decimated in Congo Park; China Demand Blamed’. *National Geographic News*, (29 August 2008). Available: <http://news.national-geographic.com/news/2008/08/080829-africa-elephants.html>

³¹⁵ *Final report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010. S/2010/596), para. 265

Areas of heavy elephant poaching in DRC and CAR



Source: UNODC

Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Elephant population data for Central African countries

Country	Elephant population (1979)	Elephant population (1989)	Elephant population (2007)	Population change (1979-1989)	Population change (1989-2007)
DRC	377,000	85,000	23,714	-292,700	-61,286
CAR	63,000	19,000	3,334	-44,000	-15,686
Uganda	6,000	3,000	6,559	-3,000	3,559
Rwanda	150	70	117	-80	47

Source: Lemieux and Clarke, 2009. "The international ban on ivory sales and its effects on elephant poaching in Africa." *British Journal of Criminology*, 49.4, 2009. Appendix I.

In 2007, selected countries in East Asia accounted for 62 per cent of the ivory recovered in the 49 largest recorded seizure cases in the ETIS database, suggesting that at least half of the ivory trafficked in bulk is destined for Asian markets. These large seizures demonstrate that well resourced and organized groups are consolidating the product of many individual poachings, and they continue unabated. In April 2011, two tons of ivory were seized in Thailand, the product of at least 120 elephants.³¹⁶ In addition, Asian dealers are prominent in African ivory markets, and there appears to be a parallel “ant trafficking” – movement of small amounts of ivory by a large number of individuals, for personal use or re-sale in Asia.

There is also evidence that dedicated poachers actively seek products based on standing orders. This is probably less the case for the Eastern DRC than for other areas on the continent, given the dangers of operating in the conflict zone. But there are clearly agents involved in consolidating outputs, and a wide range of actors are aware of how to locate these agents when they have products to sell. Without this demand, the rate of poaching would surely diminish greatly.

Due to low levels of enforcement in the DRC, ivory can be sold openly: one recent assessment mission found 2,650 ivory items weighing some 345 kg in Bikeko market in Kinshasa. Congolese ivory works may also be sold in open markets in neighboring states.³¹⁷

As with most commodities extracted from the Eastern DRC, it appears that most of the ivory finds itself trafficked through neighbouring states to the East before being shipped from Mombasa or Dar Es Salaam. The Congo River is also a possible extraction vector for products acquired further to the West. Smaller and more fragile items, such as live birds, may be flown from Goma to neighbouring states.

In the end, most of the wildlife products that are not used locally find their way to Asia. China appears to be the largest national destination. In 2008 and 2009, China itself made 51 ivory seizures but was mentioned as destination in 120 other seizures that took place elsewhere in the world, many of which resulted in the arrest of Chinese citizens.

Who are the traffickers?

In the DRC, much of the poaching is conducted by criminal elements of the national military. A recent wave of poachings in Virunga National Park were all attributed to soldiers, many of whom go unpaid for months at a time, and resort to making whatever use they can of their sole resource: their weapons.³¹⁸ Middlemen in Butembo and

Goma buy directly from these soldiers, shipping some to Asia and selling other products on the local market.³¹⁹

Rebel groups have also been implicated in regional trafficking. In general, rebel groups residing in wildlife areas have few disincentives to harvesting this wealth, and they have the arms and networks to do so. Even in countries without insurgency problems, wildlife is often brokered by people active in other areas of criminality. Compared to other forms of contraband, wildlife trafficking and markets are relatively easy to detect, and may provide a route of entry in prosecuting criminal individuals and organizations.

PARECO, a coalition of Mai Mai groups, is said to be involved in poaching in Virunga National Park.³²⁰ The FDLR is believed to be poaching hippopotamuses for their ivory in areas under its control along Lake Albert in Luberu.³²¹ In the CAR, Sudanese poachers raid the Vakaga and Bamingui-Bangoran prefectures in particular, and are said to have taken up to 2000 elephants in 2007 alone.³²² The Janjaweed militia have long been implicated in poaching elephants in Chad, and on 15 May 2007, they attacked the national storehouse of confiscated ivory in Zakouma, killing three rangers before being repelled. Similar battles have been fought between Kenyan rangers and Somali poachers, some of whom are linked to militant groups.³²³

Given the demand in Asia, it should come as no surprise that many of the traffickers and brokers are Chinese. Chinese firms largely use Chinese labour in their African projects, and as many as one million Chinese have immigrated to the region in recent years, many of whom never leave. Some of them appear to facilitate the illicit trade in wildlife to buyers in China. Vietnamese nationals have also been detected working in local wildlife markets.

How big is the flow?

As mentioned above, the flow of ivory from Africa to the Far East has been estimated at 72 tons per annum, worth some US\$62 million, resulting in the deaths of about 7,000 elephants each year. The share of this that is attributable to the DRC can be estimated based on the share of reported ivory seizures that have been attributed to the DRC. Out of 7,150 seizures either made in, or associated with, African countries between 1989 and the beginning of 2010, only 402 were associated with the DRC,³²⁴ or about 5 per cent.

³¹⁹ Ibid.

³²⁰ *Interim report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 12 December 2008. S/2008/772) para. 66.

³²¹ *Report of the Group of Experts submitted pursuant to resolution 1698 (2006)*. (United Nations publication, 13 February 2008. S/2008/43) para. 46f.

³²² Spittaels, Steven and Filip Hilgert. *Mapping Conflict Motives: Central African Republic*. (Antwerp, Belgium: IPIS, 17 February 2009), p. 19-20.

³²³ Testimony of William Clark, Chairman of the INTERPOL Working Group on Wildlife Crime, before the United States House of Representatives Committee on Natural Resources, 5 March 2008.

³²⁴ Milliken, T., R.W. Burn and L. Sangalaku. “The elephant trade information system (ETIS) and the illicit trade in ivory.” COP15, Doc. 44.1, CITES, 14 October 2009. p. 3.

³¹⁶ “Thailand: 2 tons of tusks seized.” *New York Times*, 1 April 2011.

³¹⁷ Milliken, T., R. Burn and L. Sangalaku. *The Elephant Trade Information System (ETIS) and the Illicit Trade in Ivory*. COP15 Doc. 44.1 (Annex), 14 October 2009.

³¹⁸ *Final report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010. S/2010/596), para. 265.

This would amount to about 3.4 tons, or the production of 340 elephants per year, worth about US\$3 million. In the same time period, 45 seizures were made in or were associated with the CAR, and 47 to Rwanda. Of these, CAR made 4 and Rwanda made 5 seizures, but were implicated in 41 and 42 seizures respectively. For the DRC, 58 per cent of the ivory has been seized in the context of large-scale (one ton or more) movements of ivory, which suggests the involvement of organized crime.³²⁵

³²⁵ Ibid, p. 17.



Product flows

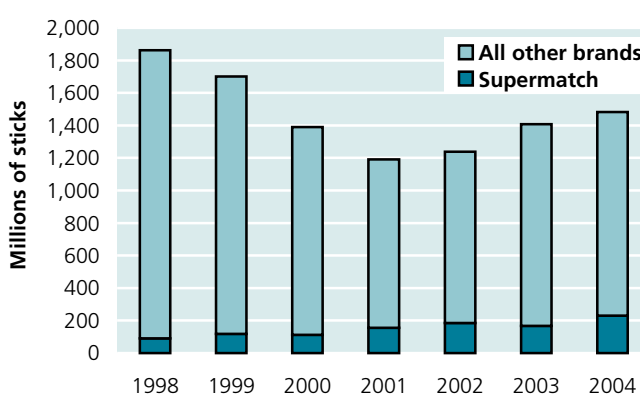
Manufacturing exports from Central Africa are limited, so most of the product flows affecting the region involve imports. Unfortunately, this means that records of these flows are scant. Products can come from anywhere in the world, cross borders with little chance of detection, and be consumed without record.

Poorer countries have little capacity to prevent fraudulent products from entering their markets. Substandard or expired goods, as well as intentional counterfeits, can be imported with near impunity. This means consumers cannot be sure that the products they buy are what they are purported to be.

One of the most troubling of these products is fraudulent pharmaceuticals: products that resemble medicines, but do not contain what the packaging indicates. The prevalence of fraudulent drugs in the medical supply in Central Africa is unknown, but studies in other parts of the continent have found disturbingly high levels of pharmaceuticals to contain little or none of the active ingredient claimed. Given the lack of capacity for detection or interdiction of these products in much of the region, it is likely the situation is as bad in Central Africa as anywhere on the continent. There is a great need for research on the nature and extent of fraudulent drugs trafficking in Central Africa, but until dedicated studies are done, not much more can be said on the subject.

Another product of concern is smuggled cigarettes. While not as damaging to health as fraudulent drugs, the sheer volumes involved made them a very lucrative commodity to traffic, and this money directly fuels corruption in the region. They have been traded for minerals in the DRC, and so may also be subsidizing the armed groups. Some military officials are so deeply involved that cigarette sei-

Legal cigarette sales in Uganda



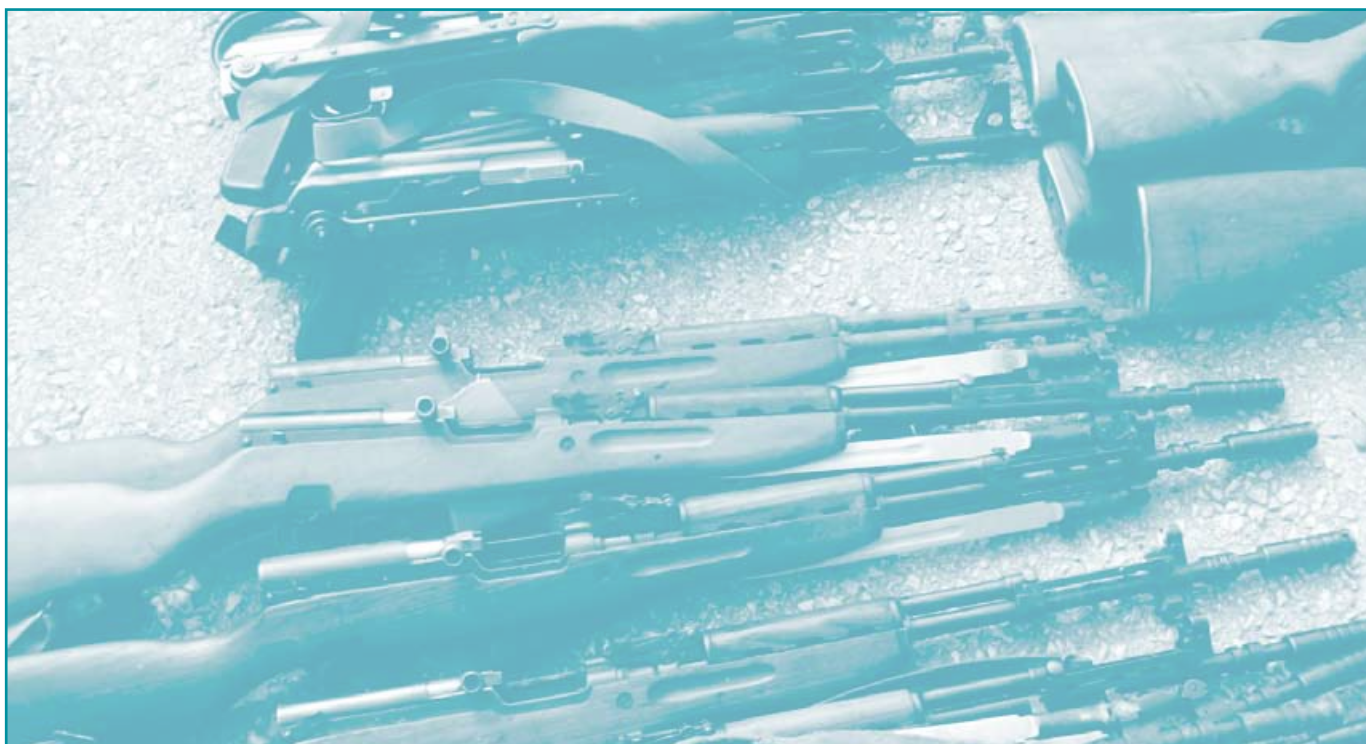
Source: Obwona et al.³²⁶

zures have provoked international incidents.³²⁷ Supermatch, a brand highly associated with trafficking, commands a large and growing share of the regional market. The brand has been linked to highly placed people in Rwanda, and profits from its sale may be directed to rebel groups. But like counterfeit medicines, there are no studies assessing their prevalence in the market.

One import that has been monitored systematically is firearms. Sanctions have been in place against both governments and armed groups in the region, and this has meant weapons flows have been scrutinized by the international community. The following section looks at the firearms market in the Eastern DRC based on the reports of the bodies assigned this task.

³²⁶ Obwona, M., Wasswa F., Nabwwayo, V. "Taxation of the Tobacco Industry in Uganda: The case for excise duty on cigarettes." Economic Policy Research Centre, Research Series no. 44.

³²⁷ Titeca, K., L. Joossens, and M. Raw, "Blood cigarettes: Cigarette smuggling and war economies in central and eastern Africa." *Tobacco Control*, 2010.



FIREARMS FROM THE WORLD TO THE REGION

Route

Source: *Stockpiles and caches in Central Africa*
Vector within Central Africa: *Air, land, lakes*
Destination: *Central African region*

Traffickers

Groups involved: *Elements of national militaries, police, FDLR*
Residence of traffickers: *Central African region*

Threat

Estimated trend: *No appreciable flow of firearms to the region*
Potential effects in region: *Weapons rented/stolen from stockpiles, ongoing violence*
Likelihood of effects being realised: *High*

What is the nature of this market?

Of all the trafficking flows influencing the conflict, one might assume that the flow of firearms would be the most significant. Although the Rwandan genocide demonstrated that mass violence can be perpetrated with less sophisticated weapons, the proliferation of firearms has surely increased the rate of killing. And without guns and ammunition, armed groups would very quickly be overrun by state forces.

It appears, however, that the armed groups do not have to look to international traffickers to find their guns. Firearms have flowed into the region over the years, and many stockpiles remain. As far back as 2005, leaders of armed groups have stated that they were not purchasing weapons due to sufficient stocks in the region left over from the wars.³²⁸ While ammunition is expended, a well-tended AK-47 will last indefinitely. A recent survey of 10,000 households in five areas of the Eastern DRC suggests that as many as 300,000 small arms remain in the hands of civilians.³²⁹

In addition, as in other parts of Africa, rebels and criminals often get their weapons and ammunition from the very people meant to be combating them: the military and the police.³³⁰ Sometimes these transfers come from sympathy for the rebel's cause, or because informal obligations transcend professional responsibilities.³³¹ In some cases, the 'donors' may be neighbouring authorities or political movements, who support co-ethnics across borders or use rebel groups to undermine regimes they dislike. At other times, the weapons are simply sold or rented, as unpaid security officials look for other means to pay their bills. If all else fails, arms can be stolen from military stocks or seized in raids.³³²

In the DRC, for example, thousands of weapons were imported during the rebellions, the Hutu flight from Rwanda, and the two Congolese wars. Even before these events, it has been alleged that President Mobutu handled the arms shipments to UNITA in Angola, keeping a portion as a handling fee, and that these stockpiles have entered the open market. In addition, even before the process of integrating armed groups into the Congolese army, co-

ethnics or corrupt military officials gave or sold weapons to combatants. Today, with large numbers of rebels "integrated" into the military and police, the flows between the military and the rebels are likely to have grown. For example, the UN Group of Experts on the DRC has received many reports of arms caches placed under the control of former CNDP (Tutsi militia) officers in the national military, a situation where the risks of leakage are inherently high.³³³

As this report and earlier ones document, many of the integrated rebel forces continue to support their allies who remain outside the government, including through diversion of weapons. According to the 2010 Interim Report of the Group of Experts, "Congolese national security bodies, as well as small-scale trafficking resulting from other existing stockpiles in the region, are the sources of the majority of the weapons and ammunition."³³⁴ Looking in particular at the primary rebel group, the FDLR (Hutu militia), the Group concludes:

.... many of the weapons used by FDLR are in poor condition. Their origins are reported to be as follows:

- (a) Stockpiles from the former Rwandan armed forces;*
- (b) Deliveries by the Mobutu Government and allies (1996);*
- (c) Deliveries by Laurent-Désiré Kabila's Government and allies (1998-2002);*
- (d) Purchased or exchanged with the Congolese armed forces (from 2002);*
- (e) Taken in combat during the war with the Armée patriotique rwandaise/ Rwandan Defence Forces (RDF) and CNDP;*
- (f) Taken in combat during the war with FARDC (after the start of the 2009 Umoja Wetu operation);*
- (g) External sources (marginal).³³⁵*

Speaking of another group, the Group of Experts concluded the weapons were "mainly seized during raids or purchased through private contacts with sympathetic FARDC [Congolese Army] officers."³³⁶

The demand in the rest of the region has been equally weak. A 2007 Small Arms Survey report on the flow of arms between Sudan and the DRC concluded:

Contrary to expectation, small arms trafficking is limited and occurs in small-scale transactions at markets on the Sudanese side of the border. The trade is generally one-way,

328 *Report of the Group of Experts submitted pursuant to resolution 1552 (2004)*. (United Nations publication 25 January 2005, S/2005/30), para. 137.

329 Zeebroek, X., W. Paes, G. Berghezan and L. Guesnet, *Etude sur la prolifération des armes légères en République Démocratique du Congo*. Groupe de Recherche et D'information sur la Paix et la Sécurité and the Bonn International Center for Conversion, April 2010.

330 The FDLR, FRF and other Mai Mai groups have all received arms from the Congolese army. See *Final report of the Group of Experts on the Democratic Republic of the Congo*, S/2009/603, Annex 14.

331 For example, the Group of Experts discovered that Mai Mai Sheka had been receiving weapons from the military, through family ties. See the *Final report of the Group of Experts on the Democratic Republic of the Congo*, S/2010/596, p. 37.

332 For example, groups such as the FRF, not only purchase arms from sympathetic contacts within the FARDC, but have also raided FARDC depots and seized arms and ammunition. See *Final report of the Group of Experts on the Democratic Republic of the Congo*, S/2010/596, p. 67, 71.

333 Ibid, para. 43.

334 *Interim report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 25 May 2010, S/2010/252), para.14.

335 *Final report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010, S/2010/596), para.28.

336 Ibid, para. 20.

*with arms moving from South Sudan to DRC. Demand is weak on both sides of the border, although the potential for an increase exists.*³³⁷

Among the reasons cited for this low demand is the availability of residual arms from past conflicts.³³⁸

Of course, the situation in South Sudan or elsewhere in the region is subject to change as political events unfold. And while arms flows are not presently large, it is important to understand where the weapons are likely to come from should a sudden escalation in violence occur. This is the subject of the balance of this chapter.

How is the trafficking conducted?

Historically, before the region became saturated with weapons, air transport was the main conduit for arms and ammunition coming from various parts of the world to the Great Lakes region. This is not surprising, given the logistic difficulties in accessing the more remote areas of the region. Tripoli and Benghazi (Libya) were identified as preferred transit locations for arms and ammunition destined for Central Africa. Routes typically flown included Benghazi to Tripoli, Larnaca (Cyprus), Cairo (Egypt), Luxor (Egypt) or Khartoum (Sudan), before proceeding to the Great Lakes countries. These flights took circuitous routes, never flying directly to their destinations, including several landings and refuelling stops in order to “confuse the issue.”³³⁹ The most commonly used aircraft were single and twin-engine Antonov aircraft, prized for their ability to land on make-shift runways. Many of the aircraft involved in violations of the arms embargo on the DRC were leased by commercial operators at major regional airports in Burundi, Rwanda or Uganda, or within the Eastern DRC.³⁴⁰

Most recent transnational weapons flows have been intraregional, with guns being used as a kind of currency to pay for other commodities. For example, one of the few documented recent transfers involved the delivery of weapons to the FDLR (Hutu militia) from contacts in the mineral trade based in Tanzania and Burundi.³⁴¹ A range of commodities, including minerals, wildlife, livestock, cannabis, charcoal, and even food, have been exchanged for weapons in the DRC.³⁴²

Some of these transactions have crossed international borders. For example, in 2006, the Group of Experts documented Ugandan businessmen exchanging weapons for timber and coffee from the DRC. Timber, sourced from Ituri district, would transit by road or over Lake Albert, with weapons returning the same way.³⁴³ Similarly, the primary Hutu militia, the FDLR, has used gold from the mines it controls to purchase weapons smuggled across Lake Tanganyika.³⁴⁴

Having assumed the character of a local currency, there have been instances of players in neighbouring countries acquiring weapons further afield to exchange for the commodities they desire. For example, in one incident, some Burundian officials attempted to buy 40,000 Steyer AUG assault rifles from Malaysia, without clear need for these weapons in Burundi.³⁴⁵ It is believed that this supply was intended for their allies or commercial contacts in the DRC.

Because Sudan has been the site of military conflict for so long, it is an obvious source of weapons for the region. Both the rebels and the government have been implicated. Military supplies are known to have been flown to the Congolese military, in violation of sanctions at that time, from Khartoum.³⁴⁶ In 2004, evidence suggested that the Sudanese People's Liberation Army were passing weapons to an allied group in the DRC – the FAPC – in exchange for commodities such as motorcycles.³⁴⁷

Another historic source of arms has been Uganda, where the FDLR has received support from sympathetic officials.³⁴⁸ Elements within the Ugandan army are also believed to have supplied both sides of the ethnic conflict in Ituri over the course of the Second Congolese War.³⁴⁹ There are few provisions to prevent the smuggling of arms and ammunition across the DRC-Uganda border, as local vehicles are rarely stopped or inspected and could potentially ferry weapons and munitions across the border unchecked.³⁵⁰

Today, weapons would most likely enter the DRC by land or over the lakes. Even at official checkpoints, screening is weak.³⁵¹ The border markets, particularly those in remote

337 Marks, J., *Border in Name Only: Arms Trafficking and Armed Groups at the DRC-Sudan Border*. (Geneva: Small Arms Survey, 2007), p.11.

338 Ibid.

339 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 18 July 2006, S/2006/525), paras. 59, 67, 79.

340 *Interim Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 25 January 2005, S/2005/30), para. 141.

341 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 23 November 2009, S/2009/603), paras. 68, 88.

342 For example, in 2005, Col. Nakabaka, the former Mai-Mai commander of the 111th FARDC brigade at Kiliba on the Burundian border, supplied weapons and military equipment to both the FDLR and the Burundian rebel group FNL, from the FARDC stocks. He would occasionally exchange these goods for cows stolen by the rebel groups in Burundi. *Interim Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 25 January 2005, S/2005/30), para. 160.

343 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 18 July 2006, S/2006/525), para. 181-182.

344 *Final report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010, S/2010/596), para. 207.

345 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 23 November 2009, S/2009/603).

346 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 12 December 2008, S/2008/773), para. 145c.

347 *Report of the Group of Experts submitted pursuant to resolution 1533 (2004)*. (United Nations publication, 15 July 2004, S/2004/551), para. 106.

348 Ibid, para. 86.

349 *Final Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo*. (United Nations publication, 16 October 2002, S/2002/1146), para. 122.

350 *Final Report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 12 December 2008, S/2008/773), para. 147.

351 Ibid, para. 46.

areas, have played an important role in the dissemination of arms and ammunition, in addition to other forms of black market trade.³⁵²

The inter-state lakes have also been a common transit corridor for illicit commodities, including arms. Contraband crosses both at remote locations and at official crossing points, facilitated by both lack of capacity and corruption. When the Group of Experts assessed ports on Lake Albert, it determined that many of the Ugandan authorities – notably at Ntoroko, Butiaba and Wanseka – lacked the basic tools to monitor trade activities, or that these authorities had forged alliances with the leaders of armed groups or other Congolese traders to smuggle goods.³⁵³ Covert smuggling also occurs. For example, the Group of Experts describes a scheme whereby arms were smuggled across Lake Kivu from Rwanda, using pirogues at night. The weapons and ammunition were reportedly dropped into the lake with bamboo markers identifying the drop sites.³⁵⁴ In 2005, the Group of Experts believed that the Ubwari peninsula, on the Congolese side of Lake Tanganyika, was a “conduit for arms smuggling and a hub for illicit military activity.”³⁵⁵

Who are the traffickers?

As discussed above, the main weapons “traffickers” today are elements of the armed forces of the DRC. This is true to such an extent that, although the embargo against the state has been lifted, those who do not wish to fuel the conflict might wish to reconsider weapons sales to the government of the DRC. In 2008, the Group of Experts concluded that elements within the national military are:

*... the main source of weapons and ammunition for non-governmental armed groups. The weakness of the Congolese army prompts commanders to call on other armed groups for assistance, occasioning larger transfer of arms. At the same time, poverty and the lack of accountability allows rank-and-file soldiers to sell small quantities of weapons and ammunition for money.*³⁵⁶

In addition, elements within the Congolese army may be exporting weapons and ammunition to other countries in the region. For example, from 20-22 August 2008, there were four flights transporting 53 tons of ammunition to the Zimbabwean army. This was not a violation of the arms embargo on the DRC, but indicates that the country could become a transit point for weapons destined for other countries.³⁵⁷

How big is the flow?

At present, there does not appear to be any appreciable flow to speak of. This is an old conflict, and weapons brought by fleeing Rwandan soldiers after the genocide are still in circulation. While South Sudan was recently arming itself in preparation for a possible confrontation with the north, conflict in other parts of the region appears to be strongly declining, resulting in declining demand for firearms. As is argued in the final section of this report, there are probably less than 15,000 armed group members in the Eastern DRC. Some former members, in particular the thousands of Tutsi CNDP that were integrated into the Congolese army, now have their guns and ammunition provided by the state. If indeed there are 300,000 small arms in circulation, this would appear to be more than enough. Guns will likely continue to provide a store of value in an area where having one can provide a livelihood, but the need for large-scale transnational trafficking is probably limited.

³⁵² Report of the Group of Experts submitted pursuant to resolution 1533 (2004). (United Nations publication, 15 July 2004, S/2004/551), para. 32.

³⁵³ Ibid, para. 34.

³⁵⁴ Ibid.

³⁵⁵ Interim Report of the Group of Experts on the Democratic Republic of the Congo. (United Nations publication, 25 January 2005, S/2005/30), para. 232.

³⁵⁶ Final Report of the Group of Experts on the Democratic Republic of the Congo. (United Nations publication, 12 December 2008, S/2008/773), para. 136.

³⁵⁷ Ibid, para. 146.



Organized crime as a source of conflict finance and instability

This report has shown that armed groups profit from the illegal acquisition and trafficking of a variety of commodities. Transnational organized crime is, no doubt, putting bullets in guns. But the success of joint military operations and the integration process for armed groups have significantly weakened the largest rebel groups, including the Tutsi CNDP and the Hutu FDLR. In 2008, the World Bank placed the number of battlefield deaths in the DRC at just 610, less than half that of the previous year. If the primary motivation for the trafficking was to fund the conflict, the decline in conflict should lead to a decline in criminal commerce.

The fact that trafficking continues unabated should prompt a rethink of what we understand as “conflict finance.” The term should refer to more than just economic activity aimed at paying for bullets. It should also include money flows that provide an incentive to commit violence. The issue is not just criminal activity that finances armed groups. It is also the violence that emerges for the purpose of criminal financial activity.

Rebel groups carve out turf and draw sustenance from it, expanding as revenues provide the fuel for growth. Acquisition of key revenue sites, such as mines, serves both political and economic interests, and these can be difficult to disentangle. Even within the mind of a single rebel commander, motives are likely to be mixed. Expanding the power of the group means achieving professed political objectives, but it also promises personal rewards, including financial ones.

Rebel commanders are not the only ones interested in deriving revenues from looting national resources, however. As the rebel groups have diminished in strength, their position in the markets has been filled by the victors. This

report has shown how elements within the Congolese military have become involved in transnational trafficking. Taking a profitable mine site from a rebel group does achieve the military objective of depriving the enemy of an important revenue source, and these assets need to be protected once acquired. But if this were the only goal, then any military unit could do the job. The fact that soldiers resist redeployment from these high-value sites cannot be explained in terms of any legitimate mandate.

The need for a military presence in the mining areas, even when the military is expressly prohibited from engaging in mining under national law, is based on the threat of violence. Without this threat, military units would be returned to the barracks and commercial firms could engage in exploiting the country’s natural resources. Given that rebel decision makers are also influenced by a desire for personal financial gain, there is a common financial incentive among the antagonists to maintain a credible threat of instability. This report also describes instances of cooperation between corrupt elements of the military and the other armed groups, as well as cooperation between armed groups nominally at war with one another, to make money. The status quo is defended by those profiting from it, and in the Eastern DRC, these armed powers collectively exercise unrivalled authority.

None of this is to say that the people of the Eastern DRC lack legitimate political grievances, or that the civil war was just an illusion. There remain many unresolved disputes that fuel violence. The problem is that many decision makers in the conflict have an economic stake in its continuance. Removing these incentives is necessary, but not sufficient, to bring lasting peace.

The fact that the conflict-related body counts have recently declined illustrates the potential for a negotiated settlement between the antagonists, in which each is granted something in return for acquiescence. This kind of peace is not sustainable, however. The stability of Eastern DRC cannot be built on ceding some areas to warlords and others to corrupt elements of the military. The people of the region deserve a democratic and accountable government, and dislodging entrenched interests by force will likely bring violence before it brings peace.

How much money?

Although individual commanders may command sizable sums, the amounts of money to be made by the rank and file are not vast. In local terms, though, any cash income, or even a consistent source of subsistence, is significant. In addition, for all participants, the prospect of working through the ranks to a real position of power and wealth remains a key motivator.

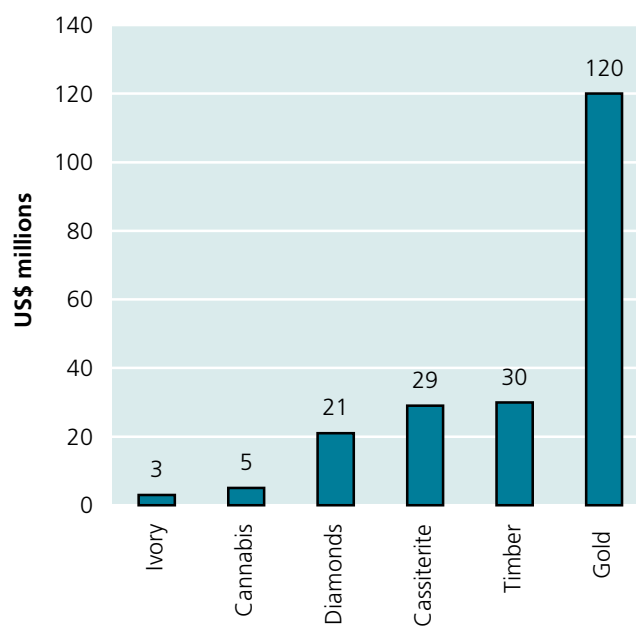
Of course, not all organized criminals are members of armed groups, and not all members of armed groups are organized criminals, at least in the sense of being profit-seeking. It is important to know what share of the illicit activity goes into lining the pockets and stocking the gun barrels of the armed groups. The question is complicated by the fact that, today, corrupt members of the Congolese military, including recently integrated rebel groups such as the CNDP, are also involved.

This report has provided estimates of the value of the various contraband flows. These are gross figures, and not estimates of the profits accruing to any particular group. Since both armed and unarmed elements participate in these markets, it is difficult to say how much of the proceeds are funding conflict. Determining the extent of conflict finance is thus a two-step process: estimating the profits generated by the various markets, and estimating the share of the market commanded by the armed groups.

In some areas, this calculation is relatively easy to do. For example, the Hutu FDLR is active in the production and farm gate sale of cannabis, which this report estimates is worth approximately two million dollars at this level. Aside from the labour involved, which is minimal, this crop is almost entirely profit. In most instances, the FDLR does not cultivate the drug themselves, but takes a share of the farm gate price, either through taxation or by consolidating the outputs and selling them on. In either event, it is unlikely the FDLR makes more than half the farm gate price, and there is surely some cannabis production that is untouched by the FDLR. Gross profits are likely to come in at less than one million dollars, or less than US\$400 per head. Still, individual commanders are likely to make much more.

For other commodities, the calculation is more difficult, because while all cannabis production is illicit, other commodities may be produced and exported legally.

Gross value of contraband flows from the DRC in 2010



Source: UNODC calculations

In sum, transnational criminal activity in the Eastern DRC generates about US\$200 million per year. If half of this profit is going to the armed groups, including renegade elements of the military, this would bring them US\$100 million. According to the best available estimates, there are between 6,500 and 13,000 armed group members active in the Eastern DRC (see next page), and an unknown number of corrupt military officers. If the market were divided evenly between the formal and informal armed forces, this would result in an average income of around US\$5,000 per armed group member. While these profits are not distributed evenly, Gross National Income per capita in the DRC was only US\$160 in 2009. Whatever is being expended on guns and ammunition, this represents a significant source of livelihood for the combatants. In effect, these (approximately) 20,000 men are making a living for themselves and their families out of criminal markets that would not exist if it were not for the ongoing violence and lawlessness.

Breaking the link between crime and instability

Resolving conflict finance issues is not as simple as cutting off the lifeline. Even if it were possible to completely eliminate certain trafficking flows, there would almost certainly be a displacement effect. If deprived of mining revenues, the groups could engage in more extensive poaching, or logging, or cannabis cultivation. If deprived of income from all these markets, men with guns and no other source of employment would likely turn to robbery, looting, and extortion. While the path to peace is by no means clear, it must involve a weaning process, whereby the incentives for brutality are gradually diminished and productive livelihoods become more attractive.

Estimated membership of armed groups³⁵⁸

Group	Estimated membership
FDLR	2,400-4,000
CNDP (unintegrated)	1,000-2,000
FRF	100-120
PARECO	450-500
ACPLS	500-2,000
FPLC	200-500
ADF/NALU	300
FNL (Burundian)	30-40
FRPI	200-250
FPJC	80-120
Mai-Mai Yakutumba	200-225
Mai-Mai Kifuafua	300-1,000
Mai-Mai Simba	100-200
Mai-Mai Mongol	500-1,500
Mai-Mai Kirikitcho	100-150
Mai-Mai Populaire	30-40
Total	6,490-12,945

Similarly, formalization of the mining trade would likely eliminate the jobs of the artisanal miners without offering them alternative employment. Without a mass re-skilling programme, the current batch of miners would not be able to participate in industrial-scale mining, and automation would surely diminish the number of labourers needed. More unemployed and directionless young men could well mean more violence.

³⁵⁸ Source: "DRC: Who's who among armed groups in the east." *IRIN Africa*, 15 June 2010. Available: <http://www.irinnews.org/Report.aspx?ReportId=89494>; "List of armed groups in the Kivus." *Congo Siasa*, 9 June 2010. Available: <http://congosiasa.blogspot.com/2010/06/list-of-armed-groups-in-kivus.html>; "Armed groups weaken in the Kivus." *Congo Siasa*, 10 February 2011. Available: <http://congosiasa.blogspot.com/2011/02/armed-groups-weaken-in-kivus.html>; Email correspondence with MONUSCO JMAC, 10 May 2011.



Implications for policy

The literature on the problems of Central Africa is large, and this small report has not gone into sufficient depth to generate a comprehensive set of policy recommendations. Its primary value is one of perspective: it looks at the violence and the activities that fund it as manifestations of transnational organized crime. At an earlier point in time, this perspective would have seemed absurd, but today, the question is worth pondering: is the present situation better described as a conflict, or a condition of generalized lawlessness?

This is a question with policy implications. At present, there are over 19,000 uniformed personnel in MONUSCO, the UN's largest peacekeeping operation, which is more than the estimated membership of all the illegal armed groups (at most, 15,000). Of this 19,000, some 1,200 are police.

Military forces are designed to deal with a similarly organized and motivated enemy. If this enemy force no longer exists, or if it is no longer really the core of the problem, then the intervention may be less effective. The military lacks the tools to deal with generalized violence, where the underlying issues are more social or legal than political, where no peace treaty or battlefield victory can bring an end to what remains of the violence. One of the reasons the conflict in the Eastern DRC is so difficult to understand is that it has no single cause. Rather, it is the product of many micro causes, and sorting out these civil disputes is more the province of the police than the military.

Fighting insurgents requires soldiers, while fighting crime requires a functioning criminal justice system. MONUSCO is running at a budget of US\$1.3 billion per annum, which is about 5 per cent of the GDP of the DRC, and certainly in excess of the national budget for criminal justice. If the

equivalent of a portion of these funds were directed to supporting the development of law enforcement capacity, the effects could be long ranging.

It may very well be that the situation is still too volatile to significantly reduce the international military presence. The Rwandan genocide was largely conducted in 100 days, and policy makers are well aware of the fact that crisis in this region can explode faster than the international community can respond. But as the transition from war to peace proceeds, normalizing the situation in the Eastern DRC will require weaning off the soldiers and expanding the role of the police. For citizens, the police are normally the visible arm of state authority. Their role is to provide the first line of intervention in disputes. Many, if not most, of these disputes concern civil matters, not criminal ones. But the police play an important role in routing these issues to the appropriate state agency, assuring that they do not fester into conflict. They ensure private disputes do not become a public menace.

The police also undermine the ability of non-state actors to pose a violent threat by continually eroding the capacity of these groups to generate illegal incomes. Even before the first bullet is fired, militants are subject to interception because their sources of funding are generally illicit. By investigating and prosecuting enterprises that operate outside the law, the police can clear the space for formal development.

Simply being visible and accessible, the police perform an important role in bonding the public and the state. Unlike the standard military approach (although in keeping with modern thinking on counterinsurgency), the police are expected to engage with communities, hearing their fears

and concerns. Assuming they comport themselves in keeping with democratic principles, the more visible and accessible the police, the more secure the public feels. These feelings have concrete knock-on effects. Secure people feel free to invest in the future, and stability builds on itself.

Increasing police numbers and visibility should thus be a priority. Although no one knows for sure how many police there are in the Eastern DRC, there is clearly a need for greater visibility and wider distribution. As in many other post-conflict countries, the police have been used as a convenient place to deploy former combatants, but this move is generally made in the interests of neutralizing a potential threat, rather than producing an effective state agency. Some rebel soldiers have had sufficient training to integrate relatively smoothly into the military, but this does not mean they have the skills or the aptitude to become police officers. The two professions are very different, and the Congo is not rich enough to bear the cost of unproductive, or counterproductive, police members.

Because so many combatants have been involved in illicit activities, there is a need for redeployment when they are integrated into the police. It is one thing to take on a police officer whose former activities included growing cannabis or smuggling gold, but it is another to expect him to vigorously prosecute his former business associates.

As is the case with the international police, it makes sense to divide the police functionally. Police with lower levels of literacy and skills should be assigned to mass functions, such as cordon and search operations, roadblocks, public order operations, and other activities where they can keep an eye on one another. They are best organized along paramilitary lines with clear chains of command and limited discretionary power. In essence, they should retain many aspects of being in the military.

Policing the DRC will always require a kind of gendarmerie because the population of this region remains highly rural. Around 64 million people live in the DRC, with only eight million residing in Kinshasa: two-thirds reside in rural areas, some in villages inaccessible by road. Despite their more densely settled populations, the same is true for the other countries of the region. And so long as armed groups continue to participate in criminal activity, it is good to have a standing group employing similar weapons and tactics ready to deploy.

But this cannot be all there is to the Congolese police. There is a need for more sophisticated police agents to engage with community problems and avert future conflicts.

These elite units must be able to attract educated staff with a strong interest in a police career. They should not be limited to investigative functions – there is a need for skilled patrol officers too. These members should be able to go into

communities, form bonds with the citizenry, and assume personal responsibility for the security of the areas they are assigned. Mobility from the mass units to the more elite divisions should be supported. Former combatants with higher capacity should be partnered with career police officers for mentoring.

At its best, policing is about problem solving. Police members with higher capacity need to be trained to look for security threats and take creative measures to address them. A proactive police force responds to both criminal matters and civil matters that threaten to become criminal. Given the complexity of the disputes that fuel instability in this region, the people of the Congo cannot afford to forego this capacity, and instilling it will require considerable support from countries where police work is highly valued.

Building the capacity of the Congolese police is useless if these skills are used for the opposite of their intended purpose. Given the profits generated from illicit activities, a strong anticorruption component will be needed, especially for police deployed in the east of the country. Anticorruption work should be seen as prestigious, with strong career incentives for participation. Undercover stings can produce results that no amount of classroom preaching will ever generate. Those members who seek to be deployed in areas and in assignments that expose them to contraband markets must consent to regular financial audits. There should be incentives for these assignments, but participation should be contingent on full disclosure. International assistance will be needed in creating and supporting these bodies.

Undermining conflict finance: ongoing initiatives

Because it has become widely recognised that resource extraction is contributing to the instability, there are at least a dozen initiatives designed to address supply chain integrity, notably the Kimberley Process for rough diamonds and initiatives to address the trade in other conflict minerals. Until recently, however, the most prominent efforts to address the illicit tin trade have focused on naming and shaming the transnational corporations that benefit from the disorder. It is probably true that these companies make greater profits than they would if the industry were well regulated, but it is also true that they can source their ores elsewhere. If it becomes too difficult or embarrassing to buy Congolese tin ore, these companies will simply withdraw from this market, and likely Rwanda's as well. Some have already done so.

In fact, the issue is not as simple as corporate greed: the problem is systemic. However moral they may aspire to be, businesses must take advantage of existing opportunities or they become uncompetitive. Until those opportunities are removed, it is unrealistic to expect them to behave in ways contrary to their commercial self-interest. While some may be coerced into making changes in the name of public relations, the system must be adjusted before lasting corporate behavior change can be expected.

Businesses can play an important role in self-regulation, setting standards and policing their competitors to ensure no one cheats. Their ability to do this effectively, however, is heavily dependent on cooperation from the state and international players. The state needs to help ensure that it is possible to create some supply-chain accountability, and the international community needs to act as a kind of referee, an unbiased witness with the ability to sanction those who violate the rules.

Cassiterite is bulky and tin refining is a fairly specialized industry.³⁵⁹ Both of these facts bode well for potential regulation. To move material from the mine sites to the border, the use of roads is unavoidable. In the DRC, there are a limited number of roads that can be used to move multi-ton loads to minerals trading hubs. Once at the border, the concentration of the industry in a few hands means that only a limited number of players need to be in agreement on terms and standards.

Numerous initiatives have been undertaken by the Congolese government, international and regional organizations, as well as by industry bodies and NGOs to help formalize the artisanal mining in the region. Many of these focus on implanting good governance and establishing due diligence practices, while others are focused on issues that fall under the umbrella of due diligence, such as transparency through certification and traceability practices.

For example, in addition to the temporary ban on mining, the government of the DRC launched a stabilization and reconstruction plan (STAREC) in June 2009, of which one component was designed to improve the government's capacity to control and regulate the production and trade of minerals in strategic zones in the east. The plan focuses on three areas of intervention:

- security and restoration of state authority, which includes measures to combat illegal exploitation of natural resources;
- humanitarian and social assistance, with a focus on the return and reintegration of internally displaced persons and refugees; and
- economic recovery, which a focus on increasing productivity and regional economic integration.

The plan will be renewed on an annual basis,³⁶⁰ and is a state-initiated programme that should be fully supported.

As part of STAREC, the Government of the DRC and MONUSCO are constructing *centres de négoce* at mineral trading hubs with the aim of formalizing the supply chain. There are to be five *centres de négoce*, located at Numbi and Mugogo (South Kivu) and in Isanga, Itebero and Rubaya (North Kivu). Mugogo is the only centre that is currently

functioning, but access roads to the centre have not been secured. These were designed to allow miners to bring their product to a business hub without interference from armed groups. These centres are designed to serve mining communities within a 25-30 km radius, and are intended to be connected to the regional trading hubs of Bukavu or Goma by road or air routes. The number and location of these centres has been critiqued, as many are in territory considered too dangerous,³⁶¹ or in areas that are under parallel (CNDP) administration, or are deemed too far from mine sites to be useful for trading purposes. MONUSCO has trained 40 of what are expected to be 150 “police des mines et hydrocarbures” – the mining police. These police are part of the Congolese National Police, and were selected, vetted, tested and trained to provide protection at the *centres de négoce*.

If the routes connecting the mine sites to these centres are protected and free of extortion or interference by armed groups, supply chain integrity would be greatly enhanced. They would allow for greater control and oversight of the mineral trade, but such an initiative would threaten vested interests who prefer the less formal ‘system’ that exists today. There is a risk that these centres could become hubs for laundering conflict minerals if security both at the site and along the routes is not assured.

The Congolese and Rwandan Ministries of Mines have also been working with Germany's Federal Institute for Geosciences and Natural Resources to develop a system of “Certified Trading Chains (CTCs)” that will record and certify the origin of minerals through various partners in the trading chain. The CTC system is voluntary, and is based on supply chain due diligence and corporate social responsibility at mineral production sites with the aim of improving the traceability of minerals to their source.³⁶² Work is also underway to scientifically “fingerprint” minerals to connect them to their origin using geochemical and mineralogical characteristics of the mineral. This scientific method has been piloted for coltan over the last few years, and there are plans to extend this to cassiterite (in 2011) and wolframite (2012). Fingerprinting minerals is costly, and is done only in Germany; discussion regarding the construction of a lab in the region is taking place.³⁶³

The DRC is also benefiting from a technical assistance project of the World Bank, entitled PROMINES, that is working to restructure the Congolese mining sector. The program aims to develop and strengthen the government's capacity to manage its mineral resources in a transparent and sustainable manner through the construction of a

359 Smelters are indeed choke-points in the supply chain, as 12 tin smelters account for almost the entire global production of refined tin.

360 MONUSCO. *The STAREC*. Available: <http://monusco.unmissions.org/Default.aspx?tabid=4515>

361 Interview with Francis Saudubray, Principal Advisor for Security Sector Reform with MONUSCO, 12 April 2011, Kinshasa, DRC.

362 BGR. *Certified Trading Chains in Mineral Production, Project Outline and Status*. (May 2010). Available: www.bgr.bund.de/nn_326194/EN/Themen/Min_rohstoffe/Downloads/CTC-update-Mai2010,templateID=raw,property=publicationFile.pdf/CTC-update-Mai2010.pdf

363 Interview with Dr. Gudrun Franken, Head of Section for Mining Economy and Mining Environment. BGR. 12 December 2010.

national geological database, the creation of a strengthened mine management capacity, and improved tax transparency and collection protocols. PROMINES is the coordination mechanism for all donor and other interventions in the development of the DRC mining sector. It has a budget of US\$90 million over five years (July 2010 through December 2015).³⁶⁴ The programme has suffered numerous setbacks, and is not yet fully operational, but was given the go-ahead to recommence its work in April 2011.

The UN Security Council maintains a Group of Experts on the DRC that conducts investigations into individual and groups that may be violating the sanctions regime. The most recent Group of Experts report elaborated a five-point framework for due diligence in the supply chain, which includes: strengthening company management systems, identifying and assessing risk in the supply chain, designing and implementing a strategy to respond to identified risks, ensuring independent third-party audits, and publicly disclosing supply chain due diligence and findings.³⁶⁵ These recommendations were endorsed by the Security Council in its resolution of 29 November 2010, which explicitly extended them to “criminal networks and perpetrators of serious violations of international humanitarian law and human rights abuses, including those within the national armed forces.”³⁶⁶ The intent of these due diligence requirements is to create both demand and leverage for administrative reform, and to demilitarize the mine sites by mitigating the risk of supporting armed groups through the mineral trade.

In one of the most stringent international due diligence requirements, the United States signed the Dodd-Frank Wall Street Reform and Consumer Protection Act into law on 21 July 2010, which included “Conflict Minerals Legislation” that requires any person or enterprise that is required to register with the US Securities and Exchange Commission (SEC) to submit an annual report to the SEC disclosing the source of the minerals³⁶⁷ used in their products. If the minerals are sourced from the DRC or any of its neighbouring countries, the individual or enterprise is required to produce a report stating what measures are being enacted to exercise due diligence on the source of the minerals. The enterprise or individual must certify and audit the source and chain of custody of the minerals, and post a copy of the resulting report on their company’s web site. Companies may label a product “DRC conflict free” if the product does

not contain conflict minerals.³⁶⁸ It should be noted that this legislation does not punish companies for purchasing or using conflict minerals; rather, it imposes fines if these companies fail to publish their due diligence efforts, in effect criminalizing the lack of transparency rather than the use of the minerals. End-use manufacturers have imposed the traceability requirement as of 1 April 2011, and many *comp-tours* did their utmost to put their stockpiles onto the market before this date. Concerns abound that this legislation is a de facto embargo on minerals from the area, as many companies may decide that it is too risky to continue to invest in the region. Stakeholders in the mining industry have expressed alarm that the Dodd-Frank Act could have much the same effect as the recent six-month mining ban, putting most of the mining community out of work and paralyzing the economy of Eastern DRC. Another fear is that of diversion: if minerals become too risky to trade for lack of buyers, armed groups may turn to timber or wildlife trafficking to support themselves. In a recent announcement, the SEC postponed the adoption of the disclosure requirements of the Dodd-Frank Act to August–December 2011.

Regionally, the International Conference for Peace, Security, Stability and Development in the Great Lakes Region (ICGLR) launched an initiative against the illegal exploitation of natural resources in November 2006. It is the only African regional organization specifically mandated to address conflict minerals in the Great Lakes region. This initiative is working towards a regional certification scheme to ensure that minerals sourced from the Great Lakes region are conflict-free. ICGLR is working in collaboration with the Organization for Economic Cooperation and Development (OECD) to adopt its various tools such as the *Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones* and *Due Diligence Principles for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*.³⁶⁹ As of December 2010, the ICGLR had endorsed a certification mechanism that will track not only tin, but other high-value minerals that have been associated with the conflict: coltan, gold and tungsten. The mechanism will include mandatory, regular, independent third-party audits of all participants of the supply chain, and will create a database to track mineral flows from the mine site through export and beyond.³⁷⁰ It is working to combine political processes to create a dialogue and build confidence in the technical approach that is building on other initiatives such as those mentioned below.

364 World Bank. *DRC-Growth with Governance in the Mineral Sector*, Project ID: P106982. (7 June 2010). Available: <http://web.worldbank.org/external/projects/main?pagePK=64283627&piPK=73230&theSitePK=40941&menuPK=228424&Projectid=P106982>

365 *Final report of the Group of Experts on the Democratic Republic of the Congo*. (United Nations publication, 29 November 2010. S/2010/596).

366 Renewing arms embargo on Democratic Republic of the Congo, Security Council seeks mandate extension for expert group monitoring related sanctions.” (United Nations publication, 6432nd Meeting of the Security Council, 29 November 2010.) Available: <http://www.un.org/News/Press/docs/2010/sc10096.doc.htm>

367 “Conflict minerals” are defined as coltan, cassiterite, gold and wolframite.

368 United States Government. *Dodd-Frank Wall Street Reform and Consumer Protection Act*. Available: <http://www.gpo.gov/fdsys/pkg/PLAW-111publ203/pdf/PLAW-111publ203.pdf>

369 ICGLR. *Regional Mechanism for Certification of Natural Resources Proposal*. (February 2006). Available: www.icglr.org/IMG/pdf/Project_3-2-2-Regional_Mechanism_for_Certification_of_Natural_Resources_Proposal.pdf and OECD. Outcomes of the Second Expert Meeting of the OECD-hosted Working Group. (Paris: April 2010). Available: www.oecd.org/dataoecd/4/17/45155816.pdf

370 Partnership Africa Canada. *Other Facets: News and Views on the international effort to end conflict diamonds*. (February 2011).

The Extractive Industries Transparency Initiative (EITI) is a global coalition of governments, companies and civil society initiative that has set a global standard for transparency in resource extraction industries. It supports improved governance in resource-rich countries through verification and full publication of company payments and government revenues from oil, gas, and mining. The DRC was accepted as a candidate country in February 2008, and was determined to be “close to compliance” in December 2010. The DRC has been granted six months (until 12 June 2011) to request a review of its full compliance.³⁷¹

The electronics industry is working through two industry associations – the Electronics Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI) – to increase transparency in the electronics supply chain. EICC/GeSI have started a smelter validation scheme that aims to achieve certification at the smelter level, which will trickle down and allow for socially and environmentally responsible sourcing.³⁷² EICC, which includes many of the brand-name US electronics companies, announced its intention to stop using minerals that have not been traced to conflict-free origins as of April 1, 2011.

The tin industry’s international trade body, ITRI, initiated the Tin Supply Chain Initiative (iTSCi) in 2009 which has established a traceability system for tin, tantalum and wolframite sourced in the region in order to develop integrated cross-border supply chains. It is a phased approach towards improved due diligence, governance and traceability. Pilot mines included Bisié in North Kivu and Nyabibwe in South Kivu, and the programme expanded to include mines in Rwanda. Following the signing of the Dodd-Frank Act, iTSCi will also have to expand to include the provinces of Katanga and Maniema, as well as Burundi in order to prevent the imbalances that tend to stimulate smuggling. Uganda and Zambia have also expressed interest in participating in the iTSCi. The first phase established harmonized documentation requirements for export shipments, while the second phase, currently underway, involves tracking minerals and providing verifiable provenance information from individual mine sites. The third phase will implement basic performance standards for social and environmental factors at mine sites.³⁷³ These efforts were forced to a halt during the September 2010–March 2011 mining ban, but have picked up again since the ban was lifted. Critics have suggested the iTSCi process is too slow, and perhaps too costly: the first year of the project for the Kivus, Maniema and Katanga will cost US\$10 million.

For many of the traceability and due diligence mechanisms to work, the international community must create a map that indicates which mines will be globally accepted as being “conflict free.” This map should also include the certified trade routes, so as to prevent illegal taxation by armed groups. Many iterations of this map have been in the works, and the most reputable and dependable one is maintained by the International Peace Information Service (IPIS) based in Belgium.

In the end, due diligence – including the certification and traceability mechanisms that contribute to it – is not an end in itself. Rather, it sets the framework for accountability, transparency, and mobilizes attention to the issue of conflict minerals. Due diligence provides a baseline from which to develop long-term strategies that will include oversight and capacity-building. Systemic challenges will continue to compromise the mineral supply chain, and coordinated, inclusive responses will help to optimize resources to provide minerals from Central Africa that are certified and trusted to be conflict free. The continuing lack of infrastructure and the inaccessibility of the mine sites are serious problems facing the creation of viable due diligence schemes. The industry is highly informal and unregulated, and the challenges of data collection and verification are enormous hurdles to be overcome. There is much work to be done, but all stakeholders are eager to ensure that the Great Lakes region continues to benefit from the sale of its mineral resources, and significant efforts are being made to ensure these initiatives take root.

Supply Chain Policing

The aforementioned efforts towards due diligence and transparency are commendable, and offer many creative ways of undercutting illicit flows. But none of these initiatives can be successfully implemented without police support, and to date, there has been little clarity as to how local law enforcement will interact with these programmes.

Given the basic challenges confronted by the Congolese police, they should be given guidance and aid in supporting the supply chain initiatives. Fortunately, there are presently 391 United Nations Police officers stationed in the DRC. If given the mandate, these officers could begin to develop the concept of “supply-chain policing” in cooperation with the Mining Police, a newly created entity in the Congolese National Police. At its most basic, supply chain policing would mean securing the mine sites and the transportation corridors, clearing them of unauthorised taxation, road blocks, and coerced labour, with the assistance of military peacekeepers as necessary. When perpetrators are detected, they would be treated as criminals, not combatants.

The prospects for such a programme are particularly promising for a commodity like tin ore, where both the sources and the transportation corridors are geographically limited. By simply assuring that the ore gets to the border without

371 EITI. Information available at <http://eiti.org/DRCongo>

372 <http://www.gesi.org> and www.eicc.info

373 ITRI. *Supply chains unite to start iTSCi mineral traceability project in the DRC*. (19 March 2010). Available: http://www.itri.co.uk/pooled/articles/BF_NEWSART/view.asp?Q=BF_NEWSART_318425 and Interview with Kay Nimmo, Manager for Sustainability and Regulatory Affairs, ITRI Ltd. (9 December 2010).

criminals profiting, combatant finance would be undermined and the national fiscus enlarged. Industrial interests would benefit from cheaper, and unsullied, ore. Once the programme had proved its worth, some of these gains could be poured into enabling the Congolese police to take full ownership of the project and rolling it out to include other commodities.

The initial phase could focus on the relatively straightforward task of securing territory, and the programme could be expanded incrementally to make best use of the special skills of policing. Investigative support could be given to the Congolese police, so that those who seek to undermine supply chain integrity, including perpetrators in the security services, can be identified and stopped. Cross-border cooperation with the police of Uganda, Rwanda, and Burundi to disrupt the trafficking networks could be promoted. Illicit money flows could be jointly investigated and seizures of assets made. Border control and container management good practices could be transferred.

Throughout this process, the Congolese police would be full and active partners, preparing for the day when they assume full control of the practice themselves. Those who work most closely with the international police could eventually become managers and trainers for their colleagues. The money secured through increased tax revenues could be reinvested to strengthen this police division. In addition, experienced mining investigators could provide the basis for a broader transnational organized crime investigative unit, a concept which has been successful in West Africa but which has not yet been developed in the DRC.

Such a programme would require political will. Many powerful people in the region have a stake in the current illicit practices, and would prefer to maintain the status quo. But there are several factors that make 2011 a fortuitous time for progress in this area.

One is the passage in the United States of legislation (the Dodd-Frank Act) requiring firms doing business in the US to perform due diligence in sourcing materials from this region. Since most firms of any size in the world today have some contact with the US market, this could promote a virtual embargo on minerals sourced from the region unless action is taken swiftly. Some countries, like Rwanda, have recognised this risk, and are working hard to ensure they are compliant.

Some feel the Dodd-Frank Act runs the risk of denying a livelihood to the more than one million people in the region who are presently dependent on mining. Mass unemployment would almost certainly stoke more violence, resulting in the opposite of the intended effect. But it may also provide the political impetus for the states concerned to take the needed action to reform the mining sector, if it is made clear that reasonable efforts to comply will be respected under the Act.

Another factor favouring change is the upcoming national elections in the DRC. Given its importance to the national economy, reform of the mining sector will surely be a contentious issue. Elected officials, as well as the opposition, could demonstrate their bona fides by endorsing international involvement in cleaning up this sector.

The goal in all this is to restore to the Congolese people the value of the resources being drawn from their soil, but gaining control of the supply chain would generate a number of additional beneficial effects. The most commonly touted of these is to undercut the financing of armed groups and to prevent corruption, particularly in the national military. In addition, a formalised and transparent industrial context would provide loggers and miners, including artisanal workers, possible access to labour rights.

There are also risks involved in cutting off the financial resources of the combatants. They may well turn to more direct means of income generation, such as looting and other forms of violent acquisitive crime. It is also likely that, even with substantial retraining programmes, a large number of artisanal workers will be displaced if the mining industry were to formalize. As a result, it would be wise to proceed slowly in any intervention in this area. In the end, though, there is a need to help bring the rule of law to the Congolese extractive industries.

These efforts towards shoring up policing in the DRC must be framed in a broader context of criminal justice development and reform. Training an effective and efficient police force will be for naught if there is no adequate prison system to remand and punish criminals, or if the judiciary is weak and lacking in resources and independence. The rule of law is necessary to bring peace, stability and justice to the people of the Congo, and only through the construction and implementation of a fair and functioning criminal justice system can the people of the Congo reap the benefits of their resources and secure a peaceful future.