Congo, Democratic Republic: Forests Open for Business

The Democratic Republic of Congo contains over 50 percent of Africa's remaining tropical forests; of its 2.3 million square kilometres, nearly half is forestland. Only Brazil and Indonesia have larger areas of tropical rainforest. Although natural resource exploitation did not cease during the war, many foreign logging operations halted their activities. The Malaysian company Innovest, for example, has sold assets in DRC due to financial losses incurred. On January 18, 2002 Innovest announced that they had entered into an agreement with Man Fai Tai Congo Ltd S.A.R.L to sell machines and equipment that were purchased in 1997 for the logging concessions in DRC and the Republic of Congo.

The main species exported from DRC in 1998 were Sipo, Sapelli, Tola, Iroko, Afrormosia, Tima and Wenge. The main importing countries were Portugal, Germany and France. The export of timber is now more difficult to estimate and track, in part because much of the wood leaves the country via Congo Brazzaville, Cameroon, or other neighbouring countries.

The resumption of more organised logging activities will be linked to the return of a measure of political and economic stability. Efforts have been made to facilitate a peace process in the region, and there is now increased calm in the country. There are, however, still sporadic outbreaks of violence. The challenge remains to find enduring political solutions. In April 2002, the inter-Congolese dialogue was adjourned inconclusively after 52 days of peace negotiations in Sun City in South Africa. At the Sun City talks, there was agreement among the Kinshasa government of Joseph Kabila, the Uganda-backed MLC and the majority of civil society groups and unarmed political opposition groups on a peace agreement that would see Joseph Kabila retain his post during a transition period, the creation of several new institutions, and the inclusion of RCD and MLC in the government and institutions such as the army. The Rwanda backed RCD-Goma rejected the agreement outright. Those party to the agreement have announced that they will install a transitional government in Kinshasa in mid-June.

In light of recent efforts to find enduring political solutions, foreign investors are re-gaining their confidence, and are returning to invest in the timber industry in DRC. Joseph Kabila has actively engaged with international financial institutions, and an IMF manager stated that there were good prospects for intensifying cooperation between the IMF and DRC. Kabila and the World Bank are supporting an economic strategy that rests to a very large degree on the extraction of the rich natural resources that exist in this enormous country. Kabila has been making the rounds; in October of last year he and his economic minister travelled to, amongst other places, New York, Paris and Brussels. In November of the same year, Kabila gave the keynote address to the US-Africa Business Summit. In his speech he outlined an ambitious economic strategy that would re-integrate DRC into the world economy. He pledged to strengthen the Congolese private sector and institute reforms that will increase economic stability. He also outlined preparations of a new investment and mining code.

Despite the civil war, and in some cases because of it, the extraction of natural resources continued unchecked. Global Witness and others have documented the links that exist between Zimbabwe's regime and the extraction of natural resources in DRC. The largest concessionaires in DRC are

Socebo, a subsidiary of Cosleg. Cosleg itself is a joint venture between Operation Sovereign Legitimacy (Osleg) which is largely controlled by the Zimbabwean military and Comiex-Congo, a firm that is largely owned by the family of Joseph Kabila. The concession covers 33 million hectares of land, more than 15 percent of DRC's total land area. Logging has already commenced in the Katanga province, carried out by the Zimbabwean military in cooperation with a company called SAB Congo.

Throughout the conflict there has been concern that natural resources, including timber, have been illegally harvested. In December of 2001, the Security Council received a report by a UN Expert Panel outlining ways of tackling illegal exploitation of natural resources in the Democratic Republic of Congo. In December, the Security Council agreed that a reconstituted expert panel should assemble in January 2002 for an additional six month period to examine in more detail the extraction and trade in natural resources. The interim report released in May 2002, found that the illegal exploitation of natural resources in DRC are being consolidated, and the effects on the local populations are disastrous. The panel has found that various strategies are being employed to divert money from the exploitation for personal gain, or to finance military operations. To date, however, the Security Council has failed to take any concrete actions to attempt to rectify the situation.

There are a number of smaller companies operating in DRC. Amongst them, the Thai owned DARA Foret. DARA started operating in north Kivu in 1998, after it allegedly obtained the necessary permits to operate through political contacts in Kinshasa. The company is now in the process of applying for a concession and is waiting for the permits to start operations. Their intention is to log in the area south-west of Mangina and push operations to Mbunya-Kisenge and Manguredjipa. The population of the Mangina area are disillusioned with the operations of DARA. When the company first arrived, they gave the impression that they would favour local inhabitants and the young for employment at their four saw mills. The 350 Congolese workers that did gain employment complain about their working conditions, the low salary, and irregular payment. Apart from exhausting the area of timber, DARA's operations have caused damages to the community, people complain that when a log is hauled from the forest, the DARA machines destroy everything in their path, banana and palm trees, manioc fields, coffee bushes and rice. Compensation is limited, a lucky farmer may receive US$20 for a damaged field of palms. There is nothing to stop companies from operating in an irresponsible manner.

There is little doubt that there will be an increase in private investment and extraction of timber resources from DRC. In the climate of uncertainty, with sporadic outbreaks of violence, and political and economic instability, it is necessary to monitor logging operations carefully. Investors and loggers are anxious to gain their access to the rich forests of DRC. The next couple of years will be critical for the forests and for people who depend on forest resources for their livelihood.