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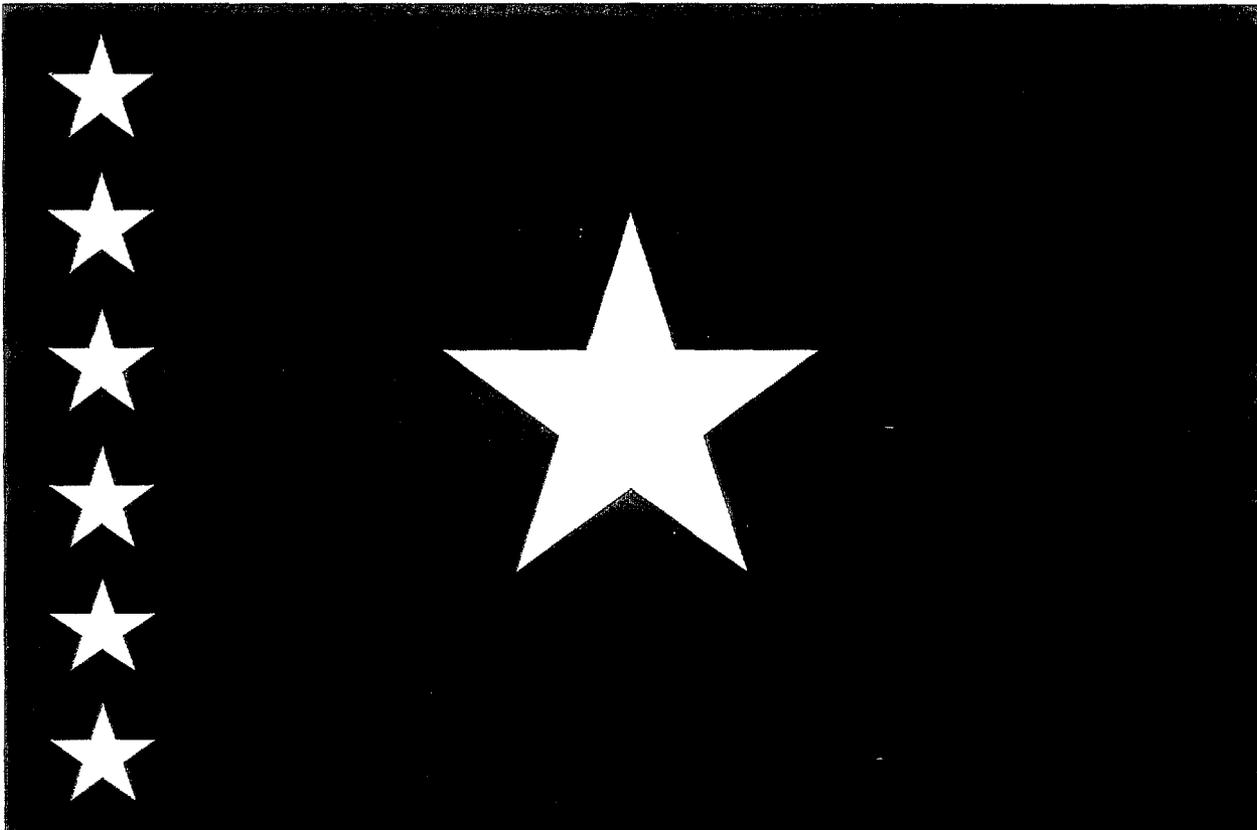
USAID

U.S. Agency for
International
Development



Transition in the Democratic Republic of the Congo

Opportunities and Pitfalls



Congo Assessment Team Report
August 1997



U S AGENCY FOR
INTERNATIONAL
DEVELOPMENT

June 3, 1998

USAID
PPC/CDIE/DI (Acquisitions)
Attn Kathy Norden-Smith
RRB 6 07-140U
Washington, DC 20523-6701

RE Submission of OTI-funded Congo Assessment Report to CDIE

Dear Kathy

Following up to our conversation yesterday, I am sending you a copy of the USAID Congo Assessment Team Report, "Transition in the Democratic Republic of Congo Opportunities and Pitfalls," from August 1997. Although not mentioned by name in the report, USAID's Office of Transition Initiatives (OTI) funded the travel of this team and this document subsequently became the basis for OTI's Congo Program. I am also sending you a one page document briefly describing our program which may be useful in writing the bibliographic entry for the paper. Please ensure that this report is documented to show up in a search of OTI publications. You can reach me at 712-5062 if you have any further questions. Thanks

Sincerely,

Nick Cox
Assistant Project Officer

NC
Enclosure

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Executive Summary

A team led by Michael Mahdesian, DAA/BHR, and comprising Anthony Gambino, USAID/W Congo Task Force Coordinator, Melissa Brown, G/DG, Alfreda Brewer, AFR/WA, and Willet Weeks, BHR consultant, arrived in the Democratic Republic of the Congo (DROC) on June 3, the last team member left Kinshasa on June 27. The team traveled from Kinshasa to Lubumbashi (Katanga), Mbuji-Mayi (Eastern Kasai), Kananga (Western Kasai), Kisangani (Eastern Province, formerly Haut-Zaïre), Goma (North Kivu) and Bukavu (South Kivu).

The team's mission was to observe the progress of the DROC's transition in the period following the takeover of most of the country by the Alliance des forces démocratiques pour la libération du Congo-Zaïre (AFDL) and to assess how USAID might play a constructive role in helping to promote peace, stability, and progress toward democratization, the rule of law, and renewed social and economic prosperity. In Kinshasa and the regional capitals visited, the team met with government officials, civil society leaders, other private sector actors, missionaries, foreign residents, and ordinary citizens. At no point did the local authorities in any way seek to limit or, as far as we could tell, to monitor our movements or the scope or content of our discussions.

We sensed everywhere, both among officials and private citizens, a deep yearning for clean, legitimate government, for a rapid return to the rule of law, and toward the establishment of an enabling environment that would, after decades of cynical misrule and state predation, allow the nation's huge economic potential to be unleashed. The private sector's promise has until now, however, been stifled by the lack of an enabling environment: the essence of the Mobutist system was a high degree of arbitrary and contradictory regulation, providing myriad layers of frustration and delay and thus opportunities for corruption, whether through outright bribery or the simple pocketing of fees and taxes by those charged with collecting them.

Given the many years in which there had been active encouragement of corruption and of high levels of paternalism and dependency, the team expected to encounter many urgent requests for USAID to become involved, in essence, in handouts; there proved to be very little of this. Over and over, the team was told, both by officials and private citizens, that the Congo had the wealth to create stability and prosperity, that help was needed most in the form of technical assistance and political support for greater openness and respect for the rule of law.

One common aspiration, reflected at all stops, was for greater authority for regional government, and at least a measure of federalism, a principle the AFDL appears to have embraced. Because of the remoteness of the central government and the predatory form it had taken since, at least, independence in 1960, its ability and credibility in dealing with the regional security and economic issues that are critical to the country's future remain untested. Many important, pressing decisions concerning security and redynamizing the regions' productive capacity will have to be made regionally.

An additional, recurring theme was the yearning for the establishment of the rule of law. The team was repeatedly asked, by officials, by civil society leaders, and also, very strikingly, by ordinary citizens, to urge USAID to provide assistance for the reforming and proper training of the judiciary -- working not just with magistrates, but with prosecutors, court officials (*greffiers, huissiers*), and with the criminal police (*officiers de police judiciaire*)

The team was struck over and over by the intelligence, idealism and seeming competence and commitment of so many of the individuals it met, and by how these traits seemed to have emerged in defiance of a system that so thoroughly promoted their opposites. The AFDL appears to have made an effort to recruit (often, according to those concerned, quite suddenly and unexpectedly) from among the best and the brightest, especially for key civilian positions at the regional level.

Summary of Findings: The Nature of the Congolese Transition

A lengthy process of political and social introspection and planning through a Sovereign National Conference (CNS) took place in Kinshasa (August 1991 - December 1992) bringing together dissident members of the political class and of civil society, through manipulation by those associated with the *mouvance présidentielle* (i.e., the factions still close to Mobutu), the CNS gave way to a hybrid Parliament, the Haut Conseil de la République, which absorbed the CNS to become the HCR/PT. The broad lines of a new constitutional order had been laid out, and it was assumed that the transition, when it occurred, would bring the groups and individuals who had been involved in the CNS process to power at the national and regional levels, and with them, the constitutional order they had conceived.

This Kinshasa-centered scenario for change failed. Through his characteristically cynical manipulation of rivalries within the "opposition," systematic sabotage of the economy, and coarse manipulation of long-suppressed ethnic tensions at the regional level, Mobutu was able to maintain himself in office and to frustrate any attempts at significant reform.

Mobutu's downfall came from the ethnic conflicts his government had precipitated in the remote but strategically and economically essential provinces of Shaba (Katanga) and, especially, Kivu. With significant encouragement and assistance from neighboring states which felt they could no longer tolerate the kind of chronic instability and anarchy into which Zaire was being propelled, a loose coalition of individuals and groups mounted an insurrection in Kivu and ultimately took power in Kinshasa.

This new Alliance government is operating in somewhat of a governance vacuum. There is no real civilian-led rule of law. The constitution has been suspended. The justice sector is slowly reviving, (including the prisons) but not yet operating in a systematic fashion. The Parliament has been disbanded. Regional governments are trying to sort out new priorities and determine where the resources will come from to meet these priorities, a transitional exercise which is placing increasing demands on this government for federalism. The civil service is undergoing serious reorganization led by twenty new ministers who are desperately familiarizing themselves with their new portfolios.

All the Ministers with whom we met seemed honest, intelligent, decent, well-meaning and, of course, overwhelmed. A number of them had some very creative ideas and, encouragingly, each expressed a recognition of the importance of civil society actors to their respective sector and a strong desire to work with these and, in some cases, to involve them early in consultation and decision-making.

Meantime, many of the members of civil society and of the business community with whom we met in Kinshasa were at best cautious -- most were suspicious and impatient. Some appeared unwilling to give the Alliance any benefit of the doubt at all and to have made up their minds that, the path to democracy having been laid out in the Sovereign National Conference of 1991-92, any other path must lead to dictatorship. They were understandably concerned by the ongoing lack of security and of a functioning police force (though the level of violent crime in fact appears to be remarkably low), tending to believe many of the more lurid rumors being spread in Kinshasa, and dismissing President Kabila as a dictator potentially at least as bad as Mobutu.

Based on the team's discussions and observations, the following are some of the key characteristics of the present situation:

- While the overthrow of Mobutu is tremendously popular and has earned the AFDL and its leadership respect, there is only a narrow base of support for the Alliance due to its character and composition.
- There is a very narrow window of opportunity for this base to be expanded. If progress toward greater security, openness and prosperity is not rapid, the regime will quickly come under attack from many quarters, both nationally and regionally, though for now it is militarily dominant, its narrow political base makes the AFDL vulnerable to destabilization.

- The Congo's vital civil society, its eager entrepreneurial classes, the many bright and educated members of the younger generation, and, of course, the country's vast economic potential provide the AFDL scope within which to build a broad coalition for positive change. While the team noted signs that the AFDL does indeed seek to build bridges to civil society and the private sector, the signals it sends appear, for now, to be inconsistent, reflecting the lack of a source of overall policy guidance at the center and the very different views of different government actors.
- In the many cases where positive changes have been implemented, particularly the dramatic reduction in corruption, these have been greeted with great enthusiasm. The AFDL needs to continue such changes and build momentum quickly if it is to achieve enough support to make the hard decisions that need to be made.
- The now-sidelined political class, particularly in Kinshasa, is presently unable to mount a serious challenge to the AFDL, which is co-opting some of its membership. Some of those who remain outside, however, are bitter and cynical. Any slowing of economic progress or of political reform will provide these groups with opportunities to undermine the government's credibility.
- Unrest and instability in any of the regions could quickly spiral out of control. The previous regime left behind the beginnings of a loose network of ethnically-based militia that could exploit discontent and ethnic animosity to destabilize key border areas, particularly in Kivu and Katanga. A critical threat facing the Congo at this juncture is a drift toward regional insecurity.
- At the central level, the most immediate need will be for the government and civil society to open effective dialogue rapidly and consistently.
- The present ban on political party activity is generally accepted only as a short-term measure.
- Of the most immediate and pressing issues in the Congo, many of the most urgent are regional.
- The key regions in this respect are those that have been the scenes of much recent volatility, due to the Mobutist policies of destabilization. They are also the provinces that contain much of the country's existing and potential productive capacity: Katanga, the Kivus, the Kasais.

- If these elements can be reasonably mastered and prosperity and political and social openness promoted, the DROC could quickly move into the front ranks of Africa's productive and promising states, providing a vital center for all of central Africa

Summary of Regional Findings

Katanga (Shaba)

Potentially the wealthiest of the regions, Katanga is the heart of the country's mining industry. Katanga also has considerable agricultural potential as well. The regional government was the strongest encountered by the team, with a firm commitment to openness and creating an enabling environment for private sector initiative.

In 1960, Katanga made a bid for secession, and the issues of federalism and the maintenance of the region's recent, hard-won de-facto autonomy were what tended to dominate discussions of the political future. People of many different political persuasions and backgrounds consistently stated that local support of the Alliance will stand or fall on how it handles these matters. The general attitude in Lubumbashi, however, is one of cautious optimism: most people we spoke to emphasized that, if an acceptable form of federalism is implemented, if army discipline remains, if the Alliance does not continue the ban on political party activity while consolidating its own power and spreading AFDL ideology, in essence, becoming another MPR, and petty harassment decreases, Katanga will be supportive of Kabila (who is, after all, a "native" son) and the Alliance. Any visible backsliding on these issues could lead quickly to a reversion to rebelliousness.

Eastern and Western Kasai

Mbuji-Mayi, Eastern Kasai has only the most sporadic services, depending on the diamond parastatal MIBA for all its electricity and, because electricity is needed to run the pumps, its water. The only working hospital in the region is the MIBA clinic, the only functioning schools are theirs, etc. Kananga, the capital of Western Kasai, has more of the infrastructure (dating from colonial times) of a city, and a more urbane, less wild-west culture than Mbuji-Mayi, yet here also, physical problems have gotten badly out of hand.

The team was told that the governors, vice governors and mayors of both provinces selected at mass rallies conducted shortly after the Alliance takeover were popular. The Kasais were the regions most consistently and uncompromisingly hostile to Mobutu (a position for which they paid a heavy price over time), and there remains

genuine delight that he has at last been overthrown. Observers seem to feel that the Alliance should be given a limited (but unspecified) time to show its good faith, its commitment to genuine democratization and federalism, and its willingness to put the country's wealth (of which these regions generate a great deal) to work for its people. There is already impatience, if results are not produced soon, this could turn to active resistance.

North and South Kivu

Kivu has consistently been one of the Congo's most volatile areas, a flash point for tension and conflict for generations. It is, of course, where the insurrection that brought down the Mobutu dictatorship began, and where the new authorities still face some of their knottiest problems. Kivu straddles borders and shares languages and ethnicities with Burundi, Rwanda and Uganda. Over the years this region has become a vortex of conflict and displacement: conflict in one area of a country leading to displacement into a neighboring country which is thereby destabilized, leading to conflict and more displacement which in turn causes more conflict.

The economy was devastated by the presence of refugees. Thirty years of careful breeding of cattle into one of Africa's greatest and best-managed herds, has been destroyed. The Rwandan refugee presence was the equivalent of a huge natural disaster. Kivu can and should become one of central Africa's most prosperous regions, if it does not, if the opportunities for building prosperity and stability are stunted as a result of local destabilization, cross-border harassment, or international donor indifference, it will again become a volcano.

Eastern Province (Haut-Zaire)

Eastern Province, like the others, was suffering from isolation. The terrible state of the roads to Kivu and East Africa (once grandly known as the "Trans-Africa Highway"), as well as war and general political turmoil, had considerably reduced Kisangani's main economic role, as the Congo interior's main river port. Business was only beginning to revive, thanks to the international presence and to some diamond and gold trading, but the consequences of years of decline were visible everywhere.

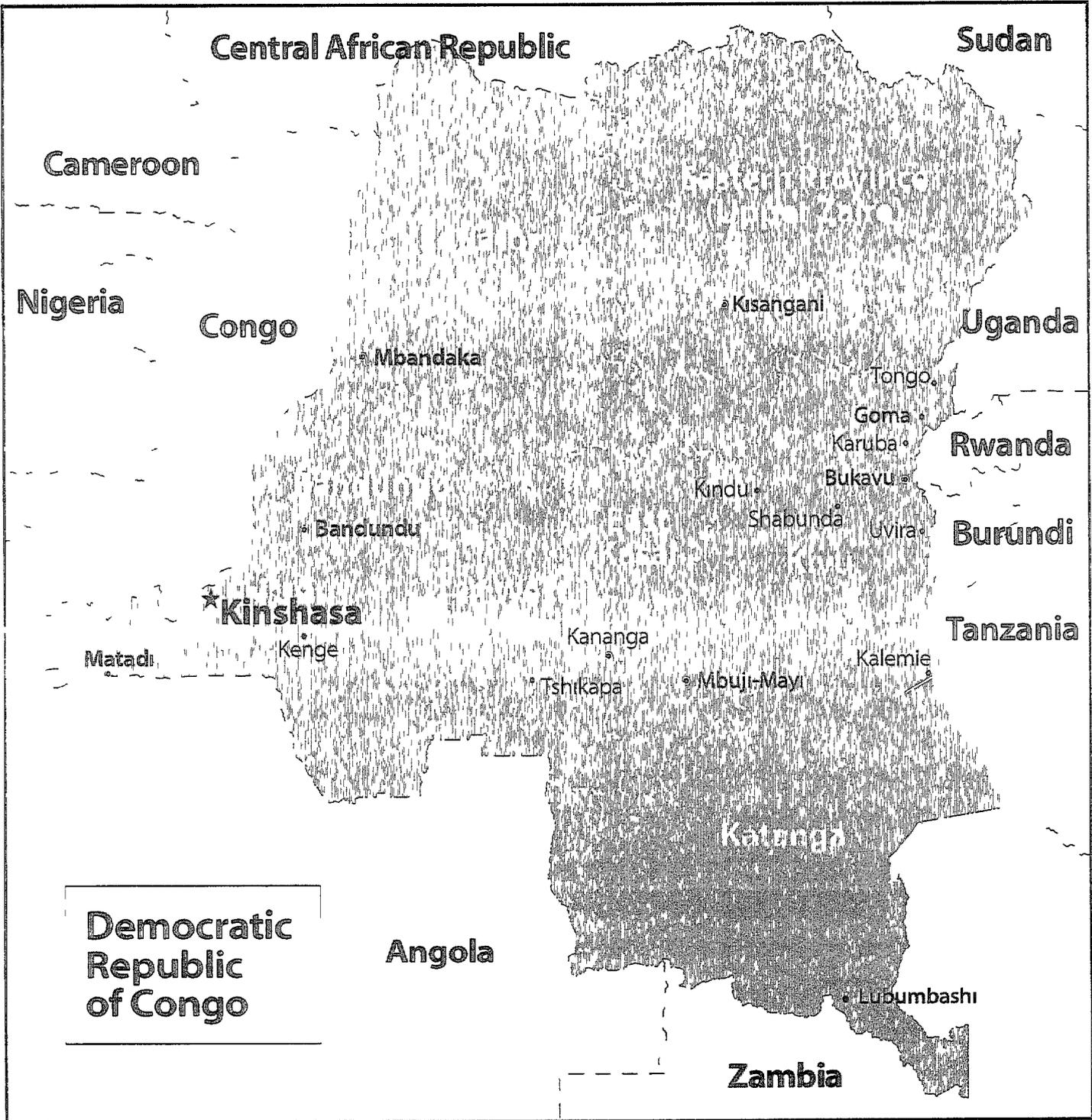
Team Recommendations

Based on its observations in the field, the team recommends that USAID should begin a process of engagement with the new DROC government and the Congolese people as soon as possible. The strategic focus should be promoting greater political inclu-

siveness and broad-based participation in the emerging political system and democratic institutions, helping to improve personal and public security, including reestablishing the rule of law and a functioning and independent justice system, lessening communal and ethnic tensions through local-level rehabilitation and economic expansion, promoting economic recovery and renewed prosperity through direct assistance to the private sector as well as the creation of the proper enabling environment, and improving the quality of social services provided by the public and private sectors to meet basic needs

At the national level proposed activities should include facilitating constitutional reform and preparations for elections, assessing the needs of the justice sector and requirements for creating a civilian led police force, supporting those immediate opportunities which emerged from the June civil society conference, participating in a coordinated, multi-donor effort, to create an enabling environment that will allow the private sector to flourish, and lastly, investigating and, if feasible, assisting a UNICEF-led national vaccination campaign against measles and polio

The team recommends that regional offices be opened in the provinces of Katanga (Lubumbashi), Kivu (covering North and South Kivu and Maniema from Bukavu) and the two Kasais (based in Kananga) These regions are critical to the Congo's social and economic recovery For this reason, staff and logistics should be rapidly deployed in these areas, with detailed planning activities and resource allocations to follow a period of regional on-the-ground assessments



Preface

Assessment Team

A team led by Michael Mahdesian, DAA/BHR, and comprising Anthony Gambino, USAID/W Congo Task Force Coordinator, Melissa Brown, G/DG, Alfreda Brewer, AFR/WA, and Willet Weeks, BHR consultant, arrived in the Democratic Republic of the Congo (DROC) on June 3, the last team member left Kinshasa on June 27. The team traveled from Kinshasa to Lubumbashi (Katanga), Mbuji-Mayi (Eastern Kasai), Kananga (Western Kasai), Kisangani (Eastern Province, formerly Haut-Zaïre), Goma (North Kivu) and Bukavu (South Kivu) (Melissa Brown returned from Kivu to attend a major civil society colloquium in Kinshasa, June 17-20)

Mission

The team's mission was to observe the progress of the DROC's transition in the period following the takeover of most of the country by the Alliance des forces démocratiques pour la libération du Congo-Zaïre (AFDL) and to assess how USAID might play a constructive role in helping to promote peace, stability, and progress toward democratization, the rule of law, and renewed social and economic prosperity.

Given the DROC's notoriously poor internal communications, the team was generally unable to send much advance notice to the regional capitals it visited. Professor Babi Mbayi, the Minister of Plan, whom the team met in Lubumbashi (with a follow-up meeting in Kinshasa) was kind enough to provide the team with a letter of introduction to regional governors, this proved indispensable in facilitating travel and contacts. The U.S. Embassy in Kinshasa was most helpful in arranging meetings and providing logistical support and briefings, similar help and support were provided by the OFDA/DART in Goma, as well as by the UNHCR sub-offices there and in Kisangani. International Rescue Committee provided considerable logistics help in Bukavu.

Initial Meetings

Following its arrival in Kinshasa, the team met with the Ministers of Justice, Health, Education, and Mines, with the executive committee of the Congolese chamber of commerce called the Federation of Congolese Employers (FEC), with a number of civil-society figures and members of the international community. The team also met with the Ministers of Finance and of Plan. One member of the team, Tony Gambino, also went briefly to Lubumbashi and Kisangani, and then returned to Kinshasa, where he had additional meetings with a variety of NGO, government, donor, and international organization officials, including the Minister of Plan, the UNICEF Resident

Representative, and the head of the Congo's Expanded Program of Immunization (EPI)

In each of the regional capitals visited, contact was initially made with the Office of the Governor. While the actual governors were in most cases attending meetings in Kinshasa, we were always granted swift access to the Acting Governors, usually in association with the Directeur de Region and with several *Chefs de Division*, the regional-level heads of the various Ministries. Following this initial contact, the team proceeded to meet civil society leaders, other private sector actors, missionaries, foreign residents, and ordinary citizens. It should be emphasized that at every stop, and in every case, the team was greeted warmly and conversations were remarkably free-ranging and frank. At no time was the team made to feel constrained with respect to the contacts it made or to the subjects it raised for discussion. At no point did the local authorities in any way seek to limit or, as far as we could tell, to monitor our movements or the scope or content of our discussions.

Interviewing Procedures

While no formal checklist or questionnaire was used in the many dozens of interviews it conducted, the team attempted at each stop outside of Kinshasa to assess several central issues:

- In a general sense, how had the local population experienced the transition from the last days of the former regime to the present? How secure did people feel? How did they assess the behavior of the AFDL civilian and military authorities?
- How much “space” was there for civil-society activity? To what extent did the authorities seek, or were they receptive to, dialogue with civil-society actors?
- To what extent was the private sector able to go about its business? What constraints existed? Any signs of a return to petty harassment or corruption?
- What were the key economic, social, or political issues facing the region? In what ways could a donor like USAID most helpfully engage the region?

Most interviews were conducted with two or more team members present, the team then spent evenings and other free moments analyzing these and synthesizing each day's rich lode of information. The following report reflects a synthesis of the conclusions reached and a consensus among team members with respect to recommendations for action by USAID. In almost all of our conversations, we encountered consider-

able enthusiasm at the thought that the U S in general, and USAID in particular, might be contemplating re-engagement with the DROC. Though essentially absent since 1994, USAID is a widely-recognized "brand" throughout the country (as is the Peace Corps, which had a large program in country from 1971 and until its withdrawal, for security reasons, at the time of the 1991 riots)

By the end of the Mobutu regime, all efforts at promoting sustainable development nationally had ceased. The Democratic Republic of the Congo inherited some of the most desperate indicators in the world. The Congo's per capita income is a mere \$120, the third lowest in the world, with only Ethiopia and Mozambique having less individual wealth. This low per capita income stands in sad and stark contrast to the riches that were plundered from Zaire by its leaders.

In the Congo, only six percent of the population has access to sanitation, with only the people of Guinea and Nepal having less access. Well less than half of Congolese children have been immunized against endemic killers such as tuberculosis, polio and measles. The Centers for Disease Control estimate that, of all the cases of polio in the world today, 15% come from the Congo. The country suffers some of the highest infant mortality and lowest life expectancy rates in the world. UNICEF reported that while the rest of Africa has shown improvements in reducing under-five mortality rates, there has been only a 1% improvement in the DROC over the last 15 years. Under-five mortality, at 207 per 1000 births, ranks 138 out of 149 countries. Formerly middle class families -- families which in the past could at last feed themselves adequately -- now struggle to find enough food on a daily basis.

The Congo is huge, with some of the poorest internal communications in the world and great diversity among its regions in terms of the social, political and economic challenges they face. Nevertheless, there was striking continuity in the views expressed on many key topics. We sensed everywhere, both among officials and private citizens, a deep yearning for clean, legitimate government, for a rapid return to the rule of law, and toward the establishment of an enabling environment that would, after decades of cynical misrule and state predation, allow the nation's huge economic potential to be unleashed.

Given the many years in which there had been active encouragement of corruption and of high levels of paternalism and dependency, the team expected to encounter many urgent requests for USAID to become involved, in essence, in handouts, there proved to be very little of this. Over and over, the team was told, both by officials and private citizens, that the Congo had the wealth to create stability and prosperity, that help was needed most in the form of technical assistance and political support for greater openness and respect for the rule of law. Differences of opinion over how to achieve

these seemed to the team to be secondary as compared to this broad sense of purpose and the energy unleashed by the changes that have occurred

One common aspiration, reflected at all stops, was for greater authority for regional government, and at least a measure of federalism, a principle the AFDL appears to have embraced. Because of the remoteness of the central government and the predatory form it had taken since, at least, independence in 1960, its ability and credibility in dealing with the regional security and economic issues that are critical to the country's future remain untested. Many important, pressing decisions concerning security and redynamizing the regions' productive capacity will have to be made regionally

An additional, recurring theme was the yearning for the establishment of the rule of law. The team was repeatedly asked, by officials, by civil society leaders, and also, very strikingly, by ordinary citizens, to urge USAID to provide assistance for the reforming and proper training of the judiciary -- working not just with magistrates, but with prosecutors, court officials (*greffiers, huissiers*), and with the criminal police (*officiers de police judiciaire*)

The team was struck over and over by the intelligence, idealism and seeming competence and commitment of so many of the individuals it met, and by how these traits seemed to have emerged in defiance of a system that so thoroughly promoted their opposites. The AFDL appears to have made an effort to recruit (often, according to those concerned, quite suddenly and unexpectedly) from among the best and the brightest, especially for key civilian positions at the regional level

I General Findings The Nature of the Congolese Transition

I a Political Transition under Mobutu, 1991-1997

As of mid-1996, Congo-Zaire had been undergoing a prolonged process, the putative goal of which was to replace the party-state of Mobutu's MPR by a constitutional system via multi-party elections. Key elections were scheduled for 1997, and for both political and medical reasons, it seemed likely that the Mobutu era would be brought to some kind of closure at that time

A lengthy process of political and social introspection and planning through a Sovereign National Conference (CNS) took place in Kinshasa (August 1991 - December 1992) bringing together dissident members of the political class and of civil society, through manipulation by those associated with the *mouvance présidentielle* (i.e., the factions still close to Mobutu), the CNS gave way to a hybrid Parliament, the Haut

Conseil de la Republique, which absorbed the CNS to become the HCR/PT. The broad lines of a new constitutional order had been laid out, and it was assumed that the transition, when it occurred, would bring the groups and individuals who had been involved in the CNS process to power at the national and regional levels, and with them, the constitutional order they had conceived. However, in the long interregnum (roughly 1991-97), the political class (whether of the *mouvance* or of the various opposition parties) became bogged down in factionalism (much of it manipulated by Mobutu and his entourage) and inertia, with endless debates over questions of principle taking place in Kinshasa amid general indifference.

This Kinshasa-centered scenario for change failed. Through his characteristically cynical manipulation of rivalries within the "opposition," systematic sabotage of the economy, and coarse manipulation of long-suppressed ethnic tensions at the regional level, Mobutu was able to maintain himself in office and to frustrate any attempts at significant reform.

Mobutu's downfall came from the ethnic conflicts his government had precipitated in the remote but strategically and economically essential provinces of Shaba (Katanga) and, especially, Kivu. With significant encouragement and assistance from neighboring states which felt they could no longer tolerate the kind of chronic instability and anarchy into which Zaire was being propelled, a loose coalition of individuals and groups mounted an insurrection in Kivu and ultimately took power in Kinshasa. The political class that had felt itself poised to take over the country had thus suddenly been sidelined, the nature of the insurgency, the outside support it received from neighboring countries, and the fact that it reflected the social make-up and aspirations of the East and South of the country instead of the long-dominant West, unsettled many assumptions while, so far, providing few new certainties.

I b The Current Transition, 1997 -

Based on the team's discussions and observations, the following appear to be key characteristics of the present situation:

- *While the overthrow of Mobutu is tremendously popular and has earned the AFDL and its leadership respect, there is only a narrow base of support for the Alliance due to its character and composition.* Of the various groups that make up the AFDL, the most significant is the Parti de la Revolution Populaire (PRP) of the President, Laurent Kabila, who had been a member of the Lumumbist, later Mulelist, movement that, following its defeat in the 1960s, had maintained a toehold in the mountains of southern Kivu. While the names of Patrice Lumumba and Pierre Mulele have resonance among

older Congolese, there is little continuity between the movement they embodied and the modern politics of the country. Appeals to the revolutionary and “progressive” rhetoric of the 1960s have little impact today. Though the overwhelming majority of Congolese appear to long for constructive change, many seem bewildered by those “back to the future” aspects of the AFDL program as initially presented.

- *There is a very narrow window of opportunity for this base to be expanded. If progress toward greater security, openness and prosperity is not rapid, the regime will quickly come under attack from many quarters, both nationally and regionally. Though for now it is militarily dominant, its narrow political base makes the AFDL vulnerable to destabilization.* There is a general perception that the AFDL military is not yet fully subject to civilian authority, and that many units operate completely outside its control. This, combined with the strong impetus given to the insurrection by Rwanda, Uganda and, later, Angola, and the influence of those countries within the AFDL military, provide a ready vector of attack on the AFDL’s legitimacy. The visibility, in particular, of persons of Tutsi origin at various levels of the civilian and military establishment provide easy targets for opponents keen on discrediting the AFDL.
- *The Congo’s vital civil society, its eager entrepreneurial classes, the many bright and educated members of the younger generation, and, of course, the country’s vast economic potential provide the AFDL scope within which to build a broad coalition for positive change.* While the team noted signs that the AFDL does indeed seek to build bridges to civil society and the private sector, the signals it sends appear, for now, to be inconsistent, reflecting the lack of a source of overall policy guidance at the center and the very different views of government actors.
- *The AFDL has been able to draw on a number of idealistic, competent and seemingly honest individuals who reflect the country’s broad yearning for positive change. These individuals have been placed in ministries and in regional government at many levels.* It is important to emphasize that the team was observing the very earliest days of the government, which was holding lengthy cabinet sessions, meetings with regional governors, etc., in an attempt to generate consensus and disseminate various political “lines” (Again, it is unclear how the military is included in this process. Many of the regional civilian authorities with whom we met had only sporadic contact with the military units operating in their areas, whose leadership structures remain opaque.)
- *In the many cases where positive changes have been implemented, particularly the dramatic reduction in corruption, these have been greeted with*

great enthusiasm. The AFDL needs to continue such changes and build momentum quickly if it is to achieve enough support to make the hard decisions that need to be made. Such steps as the beginnings of a civilian police force, the issuance of receipts when user fees or taxes are charged, the relative discipline of the AFDL soldiers (though there are signs that this is wearing thin), and the elimination of some bureaucratic controls are all developments that the public finds encouraging, but these have not yet overcome the public's broader uneasiness.

- *The now-sidelined political class, particularly in Kinshasa, is presently unable to mount a serious challenge to the AFDL, which is co-opting some of its membership. Some of those who remain outside, however, are bitter and cynical. Any slowing of economic progress or of political reform will provide these groups with opportunities to undermine the government's credibility. In the present situation, every action or official statement is compulsively scrutinized, every misstep amplified. The press in Kinshasa, in particular, pounces on every problem and is uneven in its objectivity. The veteran opposition leader Etienne Tshisekedi, whose treatment by the authorities is perceived by many to be counterproductively uncompromising and disrespectful, was arrested briefly just as the last team member was leaving the country. This action was widely seen as discouragingly awkward—a sign that either things were out of control and that the action was taken without authority (in itself alarming) or that the AFDL does not yet have the finesse and sense of timing crucial to political leadership in a large and complex society.*
- *Unrest and instability in any of the regions could quickly spiral out of control. The previous regime left behind the beginnings of a loose network of ethnically-based militia that could exploit discontent and ethnic animosity to destabilize key border areas, particularly in Kivu and Katanga. A critical threat facing the Congo at this juncture is a drift toward regional insecurity. There are danger signs in several areas: activities by ethnic militia, by ex-FAZ, by Rwandans and other foreigners.*
- *The only antidote available is visible progress toward greater security and prosperity in which enough political space is created for the country's vital civil society and private sector to expand and thrive.*
- *Repression, gross human rights violations, and lack of discipline among the AFDL military all work to undermine any hope of stability. In addition, any failure to remunerate soldiers and officials well enough to avoid massive reversion to petty corruption increases instability.*

- *At the central level, the most immediate need will be for the government and civil society to open effective dialogue rapidly and build upon it consistently* With political parties banned for the moment (and discredited to varying degrees), civil society constitutes the only organized source of alternative policy formulation Promoting such dialogue, particularly in the process that will lead to the drafting and promulgation of a new constitution and to elections in 1999, should be a high priority for donors The recent meeting of civil society organizations held in Kinshasa during the week of June 16 was encouraging not only was it allowed to go forward, but it was addressed by several of the government's Ministers, who generally called for close cooperation and dialogue It was clear to us that there is considerable eagerness for such dialogue within civil society, though this is by no means universal some individuals and organizations are skeptical, others openly hostile
- *The present ban on political party activity is generally accepted only as a short-term measure* Political parties proliferated in the 90s, many of them receiving encouragement and support from Mobutist circles -- with over 400 parties, most lacking any serious following or legitimacy and many of them built around incompetent individuals with farcical agendas Given this, there are many in the country who feel that a winnowing process is needed and that the AFDL's moratorium might partially serve this purpose Nevertheless, even among individuals whose attitude toward the existing parties seems to be "none of the above," there is a feeling that the ban, if prolonged, will, by eliminating parties as counterweights to AFDL authority, be dangerous for future stability
- *Of the most immediate and pressing issues in the Congo, many of the most urgent are regional* The economies of the key regions are diverse, oriented toward different outside markets and contexts, and communications within and among regions are poor There remain deep problems and tensions (some described below) The AFDL seems to have recognized this and to have placed great importance on the regional authorities they have appointed Issues such as stability in Kivu must be addressed immediately, or the center government will not hold its authority
- *The key regions in this respect are those that have been the scenes of much recent volatility due to the Mobutist policies of destabilization They are also the provinces that contain much of the country's existing and potential productive capacity Katanga, the Kivus, the Kasais*
- *If these elements can be reasonably mastered and prosperity and political and social openness promoted, the DROC could quickly move into the front*

ranks of Africa's productive and promising states, providing a vital center for all of central Africa

- *Instability in the DROC threatens peace and prosperity throughout central Africa*

II The Central Government Democracy & Governance Aspects of the Transition

II a General Concerns

This new government is operating in somewhat of a governance vacuum. There is no real civilian-led rule of law. The constitution has been suspended. The justice sector is slowly reviving, (including the prisons) but not yet operating in a systematic fashion. The Parliament has been disbanded. Regional governments are trying to sort out new priorities and determine where the resources will come from to meet these priorities, a transitional exercise which is placing increasing demands on this government for federalism. The civil service is undergoing serious reorganization led by twenty new ministers who are desperately familiarizing themselves with their new portfolios.

At the time of the team's visit, the AFDL had been in place for about three weeks, the heads of most of the Ministries had been in place for less than that (the Minister of Education had taken up his duties only two days before our visit). Each Minister with whom we spoke was preparing an initial action plan for review by the entire cabinet. Most Ministers wanted, understandably, to focus on achieving quick, visible results: the Minister of Education wanted to pay teachers, get through the present school year without those schools that are still limping along falling apart completely, and to have some kind of new, non-Mobutucentric curriculum in place for September, the Minister of Health wanted to have a repaired and supplied hospital up and running in each provincial capital, the Minister of Justice wanted to restart the prisons and to identify at least a few key former officials to prosecute for criminal acts. The Minister of Plan wanted to put a system in place rapidly that permits the new government to set priorities and appropriate budget levels. However, since none of the ministers have any experience of senior office nor, generally, the people they have brought in, it may be difficult for them to set clear priorities quickly.

All the Ministers with whom we met seemed honest, intelligent, decent, well-meaning and, of course, overwhelmed. A number of them had some very creative ideas and, encouragingly, each expressed a recognition of the importance of civil society actors to

their respective sector and a strong desire to work with these and, in some cases (particularly the Minister of Health) to involve them early in consultation and decision-making. Only the Minister of Health had managed to conceive enough concrete ideas to formulate a truly implementable plan, none had assembled the staff necessary to move forward. Nor did they seem yet to have much support and guidance from above. The cabinet meeting which took place in early June in Lubumbashi was only their second (the first having apparently been devoted largely to procedural issues).

Meantime, many of the members of civil society and of the business community with whom we met in Kinshasa were at best cautious -- most were suspicious and impatient. Some appeared unwilling to give the Alliance any benefit of the doubt at all and to have made up their minds that, the path to democracy having been laid out in the Sovereign National Conference of 1991-92, any other path must lead to dictatorship. They were understandably concerned by the ongoing lack of security and of a functioning police force (though the level of violent crime in fact appears to be remarkably low), tending to believe many of the more lurid rumors being spread in Kinshasa, and dismissing President Kabila as a dictator potentially at least as bad as Mobutu.

Box 2 1. Demobilization

No one seems to know how many men were under arms in the latter days of the Mobutu regime. Within the *Forces armées zairoises* (FAZ) there was, characteristically, a proliferation of military and paramilitary entities, not all were actually armed, and those armed were often not issued ammunition. Yet the former soldiery, celebrated more for its predatory skills than for its martial valor, remains a potentially destabilizing element within society.

In the period of troubles in the 90s, there was a process of militia formation, and the AFDL itself has of course come to power as a result of a popular insurrection that put yet more people under arms (while absorbing elements of the former FAZ and, at least passingly, some of the militia, such as the *Mai-Mai*). In addition, there is reason to believe that there are still elements of the FAZ and of the former Rwandan army (FAR or Interhamwe) operating as irregulars in the interior.

Sorting this out will be a major challenge. As suggested elsewhere in this report, there is a clear and present danger of serious instability, and all of the above groups, including some of the AFDL soldiers themselves, could potentially be co-opted into irregular militia or unorganized armed bands. Given the size of the country and the dense forest that covers much of it, the potential for serious instability is obvious.

Donors, in their dialogue with the AFDL, should consider supporting demobilization and demilitarization as a priority. Examples from countries such as Mozambique, South Africa and elsewhere should be actively sought out and proposed, and resources should be made available for resettlement, for youth counseling, and for related activities known from experience elsewhere to be useful in such situations.

Among the local NGOs, feelings seem to range from a cautious desire to engage to reserve to intense hostility, reflecting the feelings of Kinshasa elite. This is not universal -- some are more conciliatory than others -- but at the extreme, distaste for what some see as uncouth Alliance ways combine with virulently anti-Tutsi feelings (expressed as "anti-foreign") to produce an alarming rigidity and seeming denial.

The business community felt that the economic system must be completely revamped if the country is to become productive and that any step by the government to deal ad-hoc with immediate problems would only make this harder, if not impossible. (Thus,

one business leader suggested, rather than paying any of the back salaries so loudly being demanded by government employees, the government should simply declare that they have all been fired and start right in by building a new, smaller civil service from the ground up)

Few in the business or the non-governmental groups had had any significant official interaction with the new government (e g , the business leaders of the important Federation of Congolese Employers have not yet been able to meet with the Minister of Finance to discuss what they feel are pressing concerns), and this has added significantly to their impatience and frustration

II b A Specific Concern The Justice Sector

The breakdown of the justice sector is particularly troubling Many felt that the old Zaire had some perfectly adequate laws and codes (particularly with respect to criminal responsibility for corruption) the problem had been their wayward application (Others expressed an urgent need to modernize the commercial and civil codes, the latter being an archaic version of the Belgian code, with, for example, a damagingly restrictive view of women's rights) It was felt that there remain, despite the odds, some serious, competent and respected magistrates and lawyers Nevertheless, the Congo judiciary faces overwhelming constraints in the areas of availability of materials, of a consolidated corpus of Congolese laws, of access (particularly for women), of training for magistrates (including the investigating magistrates prosecutors of the *parquet*) and lawyers It has notoriously lacked the kind of enabling environment that could protect the independence of the judiciary

The team concluded that there is a strong need for the donors, and particularly the USG, to become involved in supporting the recovery of the justice sector Dialogue and engagement with the national government should begin primarily as technical assistance in key economic and governance areas, with particular efforts in support of the judiciary, as mentioned above This will be most effective if it is handled in parallel with efforts at the regional levels, approaching these key issues from both perspectives

II c Preliminary Government Strategies

Based on discussions in Kinshasa and the regional capitals we visited, the government appears to have adopted the following strategies in its approach to the challenges mentioned above

1 *Managed Inclusiveness*

For the present, at least, political party activities are banned. The intent of the ban is unclear. It may be an effort to cool tensions or a winnowing process that would encourage parties which were facades for Mobutu or shells designed to catapult a particular personality into politics to die a natural death. Yet the Cabinet, itself, which has the appearance of being ethnically and geographically inclusive and involves persons of the diaspora, also is somewhat politically representative. Three Cabinet members are clearly allied with the Union for Democracy and Social Progress (UDPS), and were not required to give up their party membership.

Box 2 2 The Ban on Political Party Activities

Congolese will be watching closely whether the Alliance absorbs all political space between now and the elections by continuing the ban on political party activity, while consolidating its own power and spreading AFDL ideology, strategies in some ways similar to those of the Mobutist single party. At the June nationwide civil society conference in Kinshasa, freedom of association (specifically for political parties) was listed as the number one issue confronting the democratic transition. In practice, at least before the arrest of Tshisekedi, this ban was not being actively enforced in the streets of Kinshasa. UDPS demonstrations averaging around 500 - 1000 people took place without government interference.

The ban appears to have been more strictly enforced in the regions. In Lubumbashi, for example, UDPS and the Union of Federalists and Independent Republicans (UFERI) reported that the Alliance authorities were not permitting parties to organize publicly. UDPS appeared genuinely concerned for their security, several members had been jailed on supposedly trumped up charges related to carrying out activities under the ban.

Even if these restrictions are not systematically enforced, they serve to dampen the evolution of responsible political parties and de facto weaken the development over time of alternatives to the Alliance. Subsequently, there will be a lack of any countervailing political forces (outside of perhaps civil society) to promote transparency and accountability within the new government.

In contrast to its position on political party activities, the government seemed generally open to allowing civil society the space it needs to operate, however, there was some discomfort with organizations that were monitoring the government on human rights and other sensitive issues. Some Ministers appeared more eager than others to include civil society in determining priorities and delivering results. There did not appear, however, to be a coordinated strategy to control civil society as witnessed by the cooperative relationships between civil society and regional governments which are evolving. In places like Goma and Bukavu, where AFDL authorities have been in place the longest, there have been opportunities for a more mature relationships to develop. In some cases, limited criticism and even protest of government actions by civil society groups has been tolerated. The limits, however, remain unclear and relations between the two sides are guarded.

2 *Eliminating State-Sponsored Corruption*

A hallmark of AFDL action has been on the issue of corruption. The government is using several approaches to eliminate corruption: applying summary justice to those accused of economic crimes under Mobutu, carefully selecting those in charge of the more sensitive Ministries, cleaning up the civil service ranks, and, actually paying salaries due to civil servants and the military. Moreover, government officials like the Minister of Justice, are experimenting with pilot, interim measures for applying existing legislation to prosecute past economic crimes.

A justice committee has been established in Lubumbashi and could be replicated in other regions. This committee is composed of magistrates and senior civil servants known for their honesty, but who had the chance to observe government offices and state-owned companies from the inside. These justice committees would be empowered to determine the initial prosecutions to be brought for past corruption (though the team later heard of arrests in Kinshasa even before this process has taken place, presumably to prevent suspects from fleeing). According to the Minister of Justice, no special tribunals (*juridictions d'exception*) are anticipated, existing law and the present court system being adequate to meet these needs.

As an alternative to this essentially prosecutorial approach, some civil society actors favor the establishment of a "truth commission," and are carefully considering the South African model. The emphasis would be on recovering looted or extorted funds and property, though it is not clear

whether this commission would, as in South Africa, be empowered to recommend amnesties for those who cooperate

3 *Promoting More Regional and Local Level Participation*

Most regional governors were popularly selected (except in one region) through town-hall style "elections" and appear to have genuine followings in their respective regions. Only one previously had ties to the AFDL, several are from the UDPS. There is strong support for federalism in most regions, and the Alliance appears to have embraced this principle (one Minister suggested a 30/70 resource split between the regions and the center respectively) though there are still significant unresolved differences over modalities.

II d Constitutional Development and Electoral Processes

According to the transition timetable announced by President Kabila at his inauguration, the convening of a commission in charge of drafting the new constitution was to have been announced June 30, the chairman designated in July. (As of early August, neither of these steps had, in fact, been taken. The other elements of the timetable remain in place. The draft constitution and detailed notes of proceedings was to be handed over to the Head of State in March 1998. In April 1998, the deputies for the constitutional assembly would be announced. The constituent assembly would be installed at the end of June and in October 1998, the new constitution would be presented to the head of state and the government, with a possible referendum in December. By April 1999, the first legislative and presidential elections would be held. Kabila called the date "a promise."

Kabila's rejection of the constitutional development guidelines which were developed as part of the Sovereign National Conference (CNS) has not been well received by those political actors who had labored for years to effect a constitutional consensus. A Congolese civil society representative said, "Congo doesn't only have a negative past, and that has to be recognized." There is some speculation, however, that the Constitutional Commission, once established, could use some aspects of the work of the CNS as an *ad-hoc* starting point.

Box 2.3 Establishing AFDL Local Committees

Alliance officials are apparently examining the feasibility of setting up local committees to bring government closer to the people and solicit citizen input for constitutional development. There are apparently plans to establish AFDL "structures" down to the "commune" and "collectivite" level. It is unclear just how high a priority the establishment of such structures is or what their specific role is intended to be. One function mentioned was consideration of the new draft constitution, with representatives from local committees being sent to regional assemblies and representatives of the latter being sent on to some kind of national-level constituent assembly.

If established, these structures would be reminiscent of similar entities in Uganda, Eritrea and other countries in which movements have come to power as the result of a civil war, if these models are used, the structures would have the dual role of allowing for opinions to be solicited and for directives to be transmitted. How well-adapted they would be to a country as large and diverse as the Congo, with its communications problems, is uncertain.

III Economic Aspects of the Transition

III a Focus on the Private Sector

The private sector is potentially strong, the resource base is enormous, and there is a remarkable entrepreneurial spirit. The private sector's promise has until now, however, been stifled by the lack of an enabling environment. The essence of the Mobutist system was a high degree of arbitrary and contradictory regulation, providing myriad layers of frustration and delay and thus opportunities for corruption, whether through outright bribery or the simple pocketing of fees and taxes by those charged with collecting them. Each step in the regulatory process was understood to be an opportunity for bribery, with the officials in charge being, in effect, entrepreneurial rent collectors.

Box 3 1 Currency Reform

At present, several monetary zones exist, in which some -- but never all -- of the various denominations of the old and new Zaire issued by the Mobutist government over the years are accepted, at different values. The most stable zone is in the Kasais, where the introduction of the "new" Zaire was never accepted and the money supply was limited to the existing stock of "old" banknotes.

A monetary commission for each region sets the U S dollar exchange rate weekly. It is composed of bankers, representatives of the chamber of commerce, independent money changers (*cambistes*), as well as government representatives. The system was instituted in "liberated" areas in March and, in general, is respected, though with the gradual resumption of commercial aviation, there are inevitably those trying to make money off the regional variations. The official and parallel market rates are generally close in these cases, indicating confidence and reflecting reality.

Private sector members of the fixing commissions have lately complained, however, that government representatives in some regions have exercised untoward pressure to keep the weekly rate for the region artificially low (thus, for one week in June \$1 00 = 135,000 NZ in Kinshasa as against \$ 1 00 = 95,000 in South Kivu). This puts some tradespeople in a difficult position, especially as there have been attempts to enforce the "official" regional rates.

There is consensus on the need for a new, single currency, and this is a top government priority. There is, however, widespread concern over the modalities of its issuance: there were several "demonetizations" during the Mobutu years, and these were carried out with characteristic callousness and cronyism. Counterfeiting and free-lance banknote printing were the immanent causes of hyperinflation, while the masses woke up to find their cash resources suddenly rendered valueless. The fairness and clarity of issuing procedures, and generalized access to exchange of old banknotes for new, will be fundamental tests for the new government's credibility in the eyes of most citizens.

If there is one value that all the newly-installed officials seem to share, it is revulsion at that system and an agreed upon need to root it out at all levels. This perceived need for a vast housecleaning lends some ambiguity to the government's interactions with the private sector: for corruption to have flourished so pervasively, many reasoned, there needed to have been a supply of business people willing to pay up --

corruption was, clearly, factored into every business's overhead, passed along as a huge economic cost to consumers and the society as a whole

Box 3 2 Coping with Constraints

The peculiar constraints on doing business in the Congo have meant that businesses have evolved unusual, if not unique, approaches. Many companies are in fact conglomerates -- self-contained *groupes* which find that they can lucratively go into business marketing the services they must provide for themselves in any case.

A *groupe* might go into business intending initially to manufacture and market paint. Since foreign exchange was not readily available in any normal way to purchase the raw materials, the company might find itself exporting coffee to earn the hard currency to meet its needs. Roads are bad, making transportation costly and unreliable. The paint company may also go into the trucking business, initially in order to be able to transport the coffee from the plantation, if business is good enough, the *groupe* might get into the road-repair business in order to keep its trucking fleet on the road. If its assets are far-flung, aircraft (usually long-obsolete and in poor condition) might need to be purchased or chartered, again, to cover its costs, the company might find itself running a private airline or air taxi service. Meantime, in order to keep its workers healthy and motivated, the *groupe* will probably end up opening clinics and perhaps schools, providing consumer goods, and meeting a range of other staff personal needs.

Nonetheless, the team found that many key officials seemed determined to put in place a genuine enabling environment for the private sector. The team concluded the US government needs to join with the World Bank, the IMF, the UN and other bilateral donors in a process of engagement on broad nationwide issues of economic, monetary, and fiscal policy reform in the post-Mobutu era -- contacts along these lines have already been made.

III b Key Impediments to the Private Sector

Based on discussions with officials and private sector actors in Kinshasa and in the regions, the following would appear to be some of the particular constraints to the private sector which international assistance might focus on during the transition.

1 The Lack of a Banking System

The banks that had existed were effectively destroyed by Mobutist economic policies (including hyperinflation and anarchic currency policies) Because money did not flow through banks, they have no liquidity Deposits have increased slightly, but most people are still leery As a result, entrepreneurs cannot get loans to restart or expand their businesses The banks' main activity at present is brokering off-shore dollar loans for large business owners, using their international correspondents (This mechanism, of course, is unavailable to most entrepreneurs)

2 Weak Government Capacity to Negotiate Contracts with the Private Sector

Technical assistance to help ensure that the government obtains profitable agreements for its mining contracts as well as facilitating responsible international investment should be provided Reference should be made to the experience of other resource-rich countries going through similar transitions, and mechanisms to assist in keeping practices honest and transparent are needed We were told that many international businessmen are already showing up bearing money, or hints of money, for bribes and suggesting a return to the Mobutist ways of doing business

3 An Outdated Legal Framework

The Congo lacks any modernized commercial code or a system of commercial courts Senior regional officials in Lubumbashi strongly urged the team to consider providing specialized technical assistance in this field While help is needed with the judiciary at all levels, it seems crucial to the enabling environment that support be provided for a system of commercial tribunals At present, for example, there is no legal mechanism for declaring bankruptcy, and complex commercial disputes must go through the same court system that handles criminal cases

4 Dismal Infrastructure

In coordination with other donors and using present and future resource flows, plans must be developed for improving the nation's dismal infrastructure The problems here, particularly with respect to roads, river navigation, and civil aviation are enormous -- well beyond the means of any single donor Some secondary roads can be restored to allow at least minimal passage through community-based efforts that small-project funds can support, lasting improve-

ments on trunk roads, however, are likely to require more substantial resources. The private sector is probably prepared to participate in covering some of these costs, given the huge costs associated with operating in the present environment and the barriers these place in the way of new investment and of regional and national growth. On the other hand, payment of multiple taxes and fees, without receiving government services, was a major complaint of the private sector in all regions and is a key disincentive to growth or expansion.

5 Poor Communications

In addition to roads and transport, the lack of a functioning national system of telecommunications is also a major obstacle to economic growth. At present, telecommunications are limited to costly cell-phone systems for the elites in and between a few key urban areas, and to private radio nets. Local independent radio stations are functioning minimally or are off the air at present. (The team did not feel there was scope for activity in this sector during the present initial phase of the transition.) The new government has placed great emphasis on this sector as a target for outside investment. The Minister of Posts and Telecommunications, Maître Jean-Moreno Kinkela V1 Kan'sy, has already undertaken a series of consultations with potential investors and has laid out a series of guidelines that should facilitate investor involvement in the sector. Donor technical expertise may be useful in helping this key Ministry sort out the options best adapted to the country's needs, both urban and rural.

III c DROC Government Priorities

The above are all widely-felt needs. They are also the government's priorities, as articulated in several declarations by the President and the Minister of Plan. In terms of government investment, the top declared priorities are

- roads (particularly farm-to-market access)
- agricultural and livestock development and investment
- telecommunications

This listing of priorities (which varies somewhat in emphasis, but not in substance) reflects the perception that the economic potential of the Congo lies as much in agriculture and livestock, in the development of forest resources, and in potential hydroelectric power generation as it does in the rich mining potential that has received so much investor and media attention in recent months.

Box 3 3 Including Women in the Transition

An important social issue to address during the transition period is the status and role of women in the Congo. The constraints that women face are abundant. For example, in Eastern Kasai, only four percent of girls finish secondary school. Women living in towns and villages spend inordinate amounts of time hauling water great distances. Women are responsible for taking care of the families and food production while the men pursue artisanal mining. Since dowry is paternal, women are marrying, on average, at age 13. If a husband dies before his wife, the wife is driven from her village under suspicion of being a witch. And, women do not have the right to own land. At a nationwide civil society conference many women complained that when women marry, they are not allowed to keep the income which they generate, that a woman can only take a job if she has her husband's permission and that when their husbands die, women are not allowed to inherit and become the property of their husband's brother. On the political front, women have to be married, and get their husband's permission, to run for office.

Women have a unique opportunity to take advantage of Congo's transition, since the Constitution and the justice sector generally are being revisited by the new government and likely will be open in the next two years to public debate. The Family Law in particular is something which women highlighted as important to examine in this transition period, especially those provisions which are biased against women. This code represents then-Zaire's first effort to develop a law which cross-cuts over 400 tribal customs. Unfortunately, the law was never widely disseminated and debated.

IV Regional Findings

IV a Katanga (Shaba)

Even critics of the Alliance agree that Lubumbashi, the regional capital city of Katanga, is in far better shape than it has been in many years during the team's visit it appeared reasonably clean, shops were well-stocked, and there was a purposeful bustle in the streets. Security had greatly improved since the latter days of Mobutism, and a concerted effort by community leaders had prevented the FAZ from staging the kind of rampage that had preceded their withdrawal from a number of other cities. Business was thus able to resume after a brief interruption following the arrival of the Alliance.

There were complaints Alliance soldiers were not being paid and had begun to show signs of reversion to petty harassment (some pointed out that this was particularly true of former FAZ retained by the Alliance), the Alliance-decreed re-nationalization of the railroad (formerly operated under a South African-led management contract with unprecedented efficiency) had apparently been a dismal failure, with the region's vital rail links once again slipping into unreliability and inefficiency. (Civil aviation, the region's only other practicable link to the rest of the Congo, was slowly resuming, with one or two private airlines providing sporadic commercial flights to Kinshasa and to other regions despite an ongoing aviation fuel shortage.)

In 1960, Katanga made a credible bid for secession, and the issues of federalism and of the maintenance of the region's recent, hard-won de-facto autonomy were what tended to dominate discussions of the political future. People of many different political persuasions and backgrounds consistently stated that local support for the Alliance will stand or fall on how it handles these matters. Lubumbashi is unique in its physical appearance, its trade links, its established reliance on a skilled labor force, its private sector entrepreneurship. It is closer to southern Africa than to the rest of the country, if the local elite feels that its freedom to develop along these lines is likely to be compromised, pressure for Katanga to go its own way is likely to increase.

The traumatic events of August-September 1992, in which "native Katangans" attacked what they saw as Baluba "immigrants" from the Kasais (driving hundreds of thousands of the latter out of the province, looting their property, and killing many) also remain very much on local minds. This reversion to coarse ethnic populism was, people in Lubumbashi are convinced, consciously and cynically manipulated by the Mobutist government in an attempt to divert attention from the democratic transition then build-

ing momentum in Kinshasa and to revalidate the importance of a “tough” central authority in a disaffected, rebellious, yet economically vital region

Box 4 1 Agriculture in Katanga An Untapped Potential

While Katanga has extraordinary mineral deposits, both proven and prospective, agriculture could be almost as important to the economy as the mining sector. In the northern parts of the province, the land is fertile and two harvests a year are possible. The agricultural technology used, however, has regressed and constrains production. Potential crops include maize, cassava, cotton, and palm oil. With proper management, Congo imports of maize, sugar and rice from southern Africa could be discontinued. A USAID project in the late 1970s, the North Shaba Project, undertook a systematic, regional-development approach to this challenge, combining the introduction of improved varieties of maize with support to infrastructure, particularly roads. Unfortunately, little is left of the latter, according to observers. Improved maize is still grown in the area, but little or none of it reaches its natural markets in Katanga, the Kasais or other areas of central Africa.

The major ethnic groups in Katanga are the Lunda and the “Katanga” (or Shaba) Luba. Several observers said that tensions continue to fester and could be exploited by either side should the economic or political scene worsen significantly. An individual's relationship to these issues apparently defines the attitudes toward the overriding question of decentralization. The strongest autonomist positions are apparently held by Lunda, Luba and members of smaller minority groups seem to see the central state as an important guarantor of their rights and are less favorable to the extreme autonomist position, described by one acute observer as “We run all our affairs, including security and international trade, and pay a fixed portion of our revenue to the central government as tribute in return for keeping it off our backs.” According to this observer, other politicians (presumably largely Luba and/or adherents of the UDPS) favor a continued decisive role for the central State, this observer is certain that an acceptable compromise between these two polar positions can be found.

As elsewhere, much dismay was expressed at the presence of the “foreign” (i.e., Tutsi) troops who make up such a significant, visible part of the Alliance's main force. Somewhat alarmingly, a large body of Katangese (largely Lunda) soldiers had returned to Katanga under the Alliance umbrella, these were heavily concentrated around Kapanga, in the Lunda heartland, though there were also contingents in Lubumbashi and elsewhere. There had been reports of spontaneous clashes between these forces and the main Alliance contingent. These tensions bear watching.

The general attitude in Lubumbashi, however, is one of cautious optimism. Most people we spoke to, both elite and person-in-the-street, emphasized that, if an acceptable form of federalism is implemented, if army discipline remains, if the Alliance does not continue the ban on political party activity while consolidating its own power and spreading AFDL ideology, in essence, becoming another MPR, and petty harassment decreases, Katanga will be supportive of Kabila (who is, after all, a "native son") and the Alliance. Any visible backsliding on these issues could lead quickly to a reversion to rebelliousness.

In the team's meeting with the deputy governor (Justin Meli, a former minister in both the secessionist government of 1960 and of the Kasavubu government in Kinshasa) and his senior aides, economic revitalization was the central topic. Georges Kimba, the planning officer, and Mertens Mbayu, in charge of economic and financial issues, were remarkably bright, committed, and idealistic, and are hard at work on a planning framework for the region that aims primarily at creating a healthy enabling environment for business, and are committed to doing this in close cooperation with civil society. They quoted, as their motto, a saying of Kabila's, "Katanga must serve the motor of our development," and felt that they had carte blanche to design a regional structure for that purpose.

Clearly, two of the country's best and brightest young technocrats had been selected to build a model here that could serve the rest of the country. Their seeming integrity and their apparently rock-solid commitment to a free market and to civil society as their major interlocutor on social issues were very encouraging. We felt strongly that any support to their efforts (technical advice, project assistance) would represent excellent value for money.

IV b Eastern and Western Kasai

The team visited both Mbuji-Mayi and Kananga. Whereas Kananga had been the second largest city of the Congo (at around 800,000 inhabitants but swelled to nearly a million by the displaced from the 1992 events in Katanga), it has been surpassed in recent years by Mbuji-Mayi, which now has a population (including Katanga displaced) of anywhere of between 1.5 million and 2.5 million.

When the team met with the governor of Eastern Kasai, Mbuyi Mulomba Musafiri, in Lubumbashi, he stated that, in his eyes, his citizens have been slaves in their own country: they work in the mines, either as salaried workers or (far more numerous) as "artisanal" diamond diggers, their land spews forth vast wealth, yet they are starved of every basic necessity. There are very few roads (other than that linking Mbuji-Mayi to Mwene Ditu, a railhead to the south), all consumer items and even most basic sta-

ples must be flown in. Despite the town's explosive growth, there has essentially been zero investment in infrastructure. Diamonds and other trafficable items are the sole underpinning of the local economy, and the number of people making any money at all off of these is tiny as compared to the population as a whole. Meantime, fields and families are abandoned as young men head for the diamond fields, while substitute wives and the children they bear are cast off as the miners' fortunes spiral downwards.

Mbuji-Mayi is less of a city than a sprawl, a vast village spiraling outward from its natural core, a small grouping of edifices built for the MIBA diamond mining parastatal. Mbuji-Mayi has only the most sporadic services, depending on MIBA for all its electricity (in practice, whatever is left over after its industrial needs have been met, which often is none at all) and, because electricity is needed to run the pumps, its water. The only working hospital in the region is the MIBA clinic, the only functioning schools are theirs, etc -- though their total payroll has in recent years been less than 6,000.

Box 4.2 Leveraging Local Resources - MIBA

Trudom Katende Muya, the new "President-Administrateur Delege" of MIBA, said that his firm spends about \$4 million to provide various social services for the population beyond his own workforce, yet the needs are vastly greater. To give this \$4 million/year greater focus and measurable impact he hoped to establish a more accountable "Fondation MIBA" to provide social services in the region. He leapt at the team's suggestion that USAID might be able to help with advice and technical expertise in the setting up of such a foundation. This seemingly highly competent young senior manager was not asking for handouts or bailouts -- just help and support for using his existing resources more effectively.

Kananga, the capital of Western Kasai, has more of the infrastructure (dating from colonial times) of a city, and a more urbane, less wild-west culture than Mbuji-Mayi, yet here also, physical problems have gotten badly out of hand. Matters were said to be even worse in the interior, particularly in remote areas such as Sankuru, the homeland of the Batetela that forms the northern third of the otherwise Luba-speaking Eastern Kasai. (Recent reports indicate that parts of Sankuru may still be under control of the FAZ.)

Kananga, a city of over 850,000, has not had a reliable electricity supply for over 20 years. Only about 10% of households are on the grid, and these sometime receive elec-

tricity for a few hours a day, but often go for weeks without any at all. Because of the lack of electricity, there is almost no running water.

Two possible solutions are available. For an estimated \$12 million, a converter station can be added to the huge Inga-Shaba power line that passes by the city. A more modest effort to locate a turbine at a nearby dam had strong support within the community, as being likely to provide enough power to meet conceivable demand for some time. Efforts by the local Catholic Bishop and others to raise the \$3 million needed to get this system going were systematically subverted and looted by the Mobutist governor. There seems to be a strong possibility that this project could be revived with strong local financial support if technical support and some hard-currency capital could be provided.

Box 43 The Kasais - A Potential Powder Keg?

Tensions in the Kasais and a feeling of abandonment are high. While the expulsion of the former regime was warmly welcomed, here remains a more alert and confrontational suspicion of the Alliance than in Lubumbashi. All agree that the litmus test will be how the Alliance handles issues of federalism and the administration of justice and such practical matters as electricity, water and roads.

Mbuji-Mayi and Kananga, as well as other major towns farther south (Mwene Ditu, Tshikapa, and others) were heavily affected both by the displaced of 1992 and, more recently, by the passage of largely Rwandan Hutu refugees from the East, whose movement through the area and on toward the Angolan border prior to the arrival of the Alliance was, apparently, managed under FAZ escort. Both groups swelled the numbers of the needy in the towns, caused environmental havoc, and have been accused of looting and of other forms of criminality. (UNHCR is now establishing a small, low-profile presence in the area to monitor and assist those refugees who have survived concerted attacks from the Alliance in the Congo and from the MPLA in Angola.)

The predominantly Luba Kasais had, of course, once been the heartland of support for Tshisekedi and his UDPS party, and much dismay was expressed that he had been, as people saw it, so curtly sidelined by the new regime. There remains, here as elsewhere, a cautious, somewhat cynical, attitude toward the Alliance. Though greeted with great outpourings of popular joy in both regional capitals, its welcome has quickly run thin. (One knowledgeable foreign observer said that he thought that support for

the Alliance had dropped in recent months from 90% at the beginning or more or 40% or less today) The erosion is due partly to the perceived slights administered to the UDPS and partly to the heavy-handed tactics of the Alliance soldiers, who have been conducting house-to-house searches for weapons and other contraband, accompanied by arrests and beatings Here, as elsewhere, the alleged “foreignness” of the Alliance troops was seen as an affront and their discipline (which had been perceived as admirable in the early days) has been unraveling as they go unpaid

We found in both Kasais general alarm that not enough was being done fast enough to rehabilitate the police and the courts In the weeks following the arrival of the Alliance, justice was rough and summary, administered by the Alliance soldiers themselves Accused thieves were rounded up and disappeared, it is widely assumed that they would then be summarily executed out of sight and that this practice continues However, the Alliance is now thought to be returning some authority for the administration of justice to the courts People recognize that a certain period of, in effect, a state of siege may have been necessary, but their sense of how the Congo should be evolving is nonetheless affronted by rough-and-ready excess, and we were repeatedly told that such practices had better end soon

On a more positive note, the team was repeatedly told, with great satisfaction, that the governors, vice governors and mayors of both provinces were very popular local figures selected by popular acclaim at mass rallies conducted shortly after the Alliance takeover While they have to deal with Alliance “commissars” in their offices, they nonetheless serve for now as something of a guarantee that there will continue to be a measure of local autonomy The Kasais were the regions most consistently and uncompromisingly hostile to Mobutu (a position for which they paid a heavy price over time), and there remains genuine delight that he has at last been overthrown Here as in Lubumbashi, most thoughtful observers seem to feel that the Alliance should be given a limited (but unspecified) time to show its good faith, its commitment to genuine democratization and federalism and its willingness to put the country’s wealth (of which these regions generate a great deal) to work for its people There is already impatience, if results are not produced soon, this could turn to active resistance

Civil society is, again, highly developed in both regions, with strikingly thoughtful, committed individuals working within non-governmental structures to promote positive change The Churches have, here as elsewhere, been particularly active in its promotion The strength of civic organizations in Kananga was demonstrated as the FAZ was collapsing before the approaching Alliance to spare the city the kind of looting by the FAZ that had been so prevalent elsewhere, an umbrella agency of 20 associations issued an appeal for passive resistance, distributing a set of guidelines with sug-

gestions for such activities as beating on drums and digging trenches. As a result, the looting here was minimal.

IV c North and South Kivu

Kivu has consistently been one of the Congo's most volatile areas, a flash point for tension and conflict for generations. It is, of course, where the insurrection that brought down the Mobutu dictatorship began, and where the new authorities still face some of their knottiest problems. Previously, this had also been where the Mulelist ("Simba") rebellion staged its last stand (and lingered until this past year in the mountains above Fizi), and where a bloody rebellion of European mercenaries in 1967 had threatened to lead to the creation of a mini-Rhodesia. It is, in the words of one writer, "a Napoleon pastry [*un millefeuille*] of ethnicities," containing some of Africa's heaviest population densities competing for resources on some of the Congo's most fertile lands. Significantly, it has also long been the country's only area with chronically high rates of malnutrition.

Kivu straddles borders and shares languages and ethnicities with Burundi, Rwanda and Uganda. Over the years this region (which, with Tanzania, comprises the Economic Community of the Great Lakes) has become a vortex of conflict and displacement: conflict in one area of a country leading to displacement into a neighboring country which is thereby destabilized, leading to conflict and more displacement which in turn causes more conflict. Despite the millions spent by the UNHCR and others in the area on humanitarian relief, the international community has by and large been a helpless bystander in this process (though there are indications that flames may have been deliberately fanned by another country during 1993-95).

The recent series of troubles in Kivu had started in earnest July-August 1993 (in other words, before the genocide began in Rwanda), when the authorities carefully encouraged an anti-Hutu and Tutsi insurrection among the Bahunde in the important agropastoral Masisi area. Through locally-based reconciliation efforts, these problems were being brought under tenuous control in 1994, when Rwanda exploded into genocide, the Hutu refugees poured into the area, and conflict resumed on a large scale. (For more information on this phase of ethnic conflict in North Kivu, see the OFDA "Zaire Assessment Report" of March 1994, pp 54-60.) The arrival of the Rwandan Hutu refugees, was followed by massacres of Tutsis in the Goma, Masisi and Rutshuru areas, and, in August 1996, by the deliberate incitement to anti-Tutsi slaughter by the Governor of South Kivu ("When you encounter a snake in your path, you kill it.") That was the spark that caused the Banyamulenge Tutsi to rebel, the results of which Kivu, and the Congo as a whole, are still trying to come to terms

Box 4 4 Ethnicity

As is the case elsewhere in Africa, ethnicity is by no means the only variable defining individual or group identity among Congolese, and conflicts are often misapprehended as “tribal” by outsiders when in fact they may have been caused by a multiplicity of factors and in some cases may not have a clearly discernible ethnic component at all. In urban areas, where there have been high levels of intermarriage, the divisions are even more blurred. Even today, when more attention is being explicitly drawn to ethnic matters than at any time since independence, many Congolese are genuinely annoyed when asked their ethnicity, preferring to see themselves primarily as Congolese. Yet, in some areas there are indeed long-standing animosities between language groups. In normal times these may be sublimated and seen merely as irritations, but in times of tension and uncertainty they may take a more urgent form in people’s consciousness.

Such feelings are obviously subject to manipulation by extremists or cynical outsiders. Latent hostility can be fanned into open paranoia and hysteria if members of one group can be brought to believe that those of another are somehow planning to attack them or undermine their economic base. Such manipulation was central to the policy followed in many areas by Mobutist officials seeking in the 1990s to recreate support for a “strong” central government by fomenting local conflict and instability. Many of these tensions remain vivid today.

In Kivu, where the density of population and large number of ethnicities create an especially fertile environment for such manipulation, the most striking animosities have for many years been directed against “Rwandans” -- persons of Munyarwanda ethnicity, regardless of the strength of their historical, ancestral and cultural claims to being Congolese. (Many urbanized Banyarwanda speak Kinyarwanda poorly or not at all, using, like almost everyone in the urban areas of the East, Swahili and French as their principal languages.)

Since 1994, this animosity has been most stridently directed at Kinyarwanda-speaking Tutsis. However, Tutsi identity is not necessarily “ethnic” or “tribal,” carrying as it does a strong connotation of caste. The hatred directed against the Banyarwanda Tutsis, particularly in Kivu, has become a lightning rod for political leaders and others who are opposed, for whatever reason, to the new government that is identified as “foreign” or “Rwandan” because of the visible presence of people of Munyarwanda origin in senior political and military posts. Yet such feelings have been projected onto the national stage from at least the 1980s onward, when opposition leaders in Kinshasa used the presence of Tutsi officials in Mobutu’s entourage to accuse him of using “foreigners” to stay in power. There have been repeated incidents of anti-Tutsi violence in Kinshasa and elsewhere, and these take on a particularly sinister hue when viewed in relation to the anti-Tutsi genocide of 1994 in Rwanda.

Having participated victoriously in a war whose aims included greater security for themselves within the DROC and in Rwanda, Congolese Tutsis (who are overwhelmingly Banyarwanda -- in other words, of Rwandan rather than Burundian ancestry) are now faced with a paradox. Despite their having helped to overthrow Mobutu -- an outcome welcomed by virtually all Congolese -- they now find their ongoing, visible role in government and, particularly, in the military, is, if anything, increasing animosity against them. Overcoming these feelings and building a genuinely secure and prosperous future for all Congolese, including the many who, in Kivu particularly, were born speaking Kinyarwanda, will take skill and political imagination.

The change of government in Congo-Zaire and the closing of the refugee camps in eastern Kivu has bought time for the region, but there was consensus among the many Congolese and foreign observers that tensions continue to simmer. Insecurity persists, especially in the Uvira-Fizi area of South Kivu and in the Masisi and Rutshuru areas of North Kivu. Here, as in Katanga, Mobutist authorities had, with perfect deliberation and cynicism, threatened to strip local Tutsis of their Zairian nationality and to expel "the foreigners" thus flinging open the Pandora's box of long-standing ethnic mistrust and tension and fanning the flames of antipathy and resentment against the region's long-established Tutsi population.

Box 4.5 Security in the Kivus

Security is the principal preoccupation of everyone with whom the team spoke. In addition to ongoing cross-border incursions to and from all three neighboring countries, the militia that had been promoted by Mobutu still exist (Babembe in Uvira and Fizi, Bahunde "Mai-Mai" and Bahavu around Goma, Banande from the Virunga Park to Beni, and perhaps, though unconfirmed, a Bashu militia in the hills west and south of Bukavu), and have access to weapons from ex-FAZ and others. Pockets of ex-FAR/Interhamwe are still in the hills around Masisi and in the forests west of Bukavu and in addition to their putative presence within AFDL's own ranks, there are regular incursions, particularly around Goma, by Rwandan government forces. Teenagers recently demobilized by the AFDL have become street kids in Bukavu, cut adrift and lawless.

The twin cities of Goma (population currently guesstimated at 250,000) and Bukavu (perhaps 450,000), at the northern and southern ends of Lake Kivu, are microcosms of the region's ethnic, social and political make-up. Goma and its immediate hinterland have long been the region's economic motor, (especially since the construction of the international airport in the 1970s) and a flash point for tensions between Banyarwanda Tutsi and Hutu, and between them and neighboring groups. Bukavu has traditionally been the region's political and cultural center, headquarters of some of the region's larger firms and a good half dozen university-level schools, it is more urbanized and staid, but has its own version of the Tutsi "question" and harbors deep skepticism about the intentions of the new authorities.

Goma lives, both literally and figuratively, in the shadow of a volcano. It has been one of the most prosperous of Congolese towns, the center of much of the country's most dynamic business (particularly agro-business) effervescence and the home of some of its most imaginative and effective entrepreneurs. "Business" here means more than making a quick fortune in gold or diamonds, it centers on long-term investment in livestock and agriculture, on developing vegetables and other cash crops for export to Kinshasa and to Europe, on tourism, centered on the great Virunga park.

We were unprepared for the realization that much of this investment, which had famously included thirty years of careful breeding of cattle into one of Africa's greatest and best-managed herds (estimated at 375,000 head in 1994), has been destroyed. The destruction began in 1994, with the massive, uncontrollable and (by the international community) unchannelled arrival of the Rwandan refugees, it continued, systematically and with little or no attention from the international humanitarian community, until last year, when the civil war again caused a spike of further looting and destruction.

The Rwandan refugee presence was, in other words, the equivalent of a huge natural disaster, and one from which there are only the most tentative signs of recovery. Despite all the international assistance they received, the refugees, it seems, lived off of Kivu's capital, and primarily off the livestock that economically was the root of its livelihood and its traditional culture. Beyond these, all armed groups plundered the Virunga national park. It once had Africa's greatest herds of hippo (over 35,000), we were told that barely 10% of these survive. (Interestingly, elephants were comparatively untouched. The object here was food, and elephant is pretty unpalatable.)

The figures need to be verified, and account needs to be taken of UNHCR's claim that, while aware that there was looting on a huge scale throughout the period of the refugees' presence in the camps, local residents and entrepreneurs were in effect "compensated" by its direct and indirect largesse (hotel occupancy by expatriates, employment, quick impact projects). Yet it was clear from our discussions with what seemed

to be a bright and effective group of local entrepreneurs that they are still in a state of shock. Over and over, we were told, "We have been wiped out. We built our businesses through our own efforts, reinvesting our profits. We have no banks, no access to credit, no way to begin again. We have been ruined." The fact that some villas have been built in Goma with profits from international largesse seems to be of little account as compared to the loss of an entire industry (livestock) in which entrepreneurs, large and small, were heavily invested.

The private sector is angry. Some demand "reparations" though they seem to understand that this is not in the cards. But they do seem committed to rebuilding if help -- advice, credit, equipment -- can be made available.

Livestock raising is central to the economy and culture of both North and South Kivu. Many of the ethnic groups in the area are cattle raisers who still measure wealth in numbers of head (e.g., for purposes of calculating bride price). Because of its importance, but also because (unusually in Africa) so much of the grazing land is also highly desirable agricultural land, land use and tenure have become hugely emotional issues, central to the "ethnic" conflicts that have flared up in recent years. Livestock had become big business, involving thousands, some with herds of a few dozen head, others with two or three thousand. All now face ruin.

The livestock industry was devastated during the presence of the Rwandan refugees. Exact figures may be difficult to collect, but most observers put the loss at roughly 90% of the herds, with similar losses among herds of goats, sheep, etc. UNHCR had helped to build abattoirs in the refugee camps, into which were fed at least some livestock plundered by armed FAR from the neighboring hills. There was substantial looting and raiding throughout the period, but the best guess seems to be that these herds are lost.

Efforts to revive this important sector should proceed swiftly but cautiously. Because land use and tenure are such emotional issues, a careful, concerted approach by donors, making full use of the region's rich civil society resources in engaging intercommunal dialogue, should be promoted. Any project assistance will need to follow solid technical assessment and careful negotiation with potential beneficiaries.

Box 4 6 Microcredit in the Kivus

Kivu had been one of the areas of the former Zaire where, before the economic and political collapse of the 1980s, entrepreneurship, large and small, had flourished and where, in particular, credit and banking had played a major role. Among the actors in the banking sector, the Cooperatives d'Epargne et de Credit (COOPEC) had played a particularly important role for individuals and small enterprises. With funding and technical support from Canada, these private organizations, working within an overall private federation umbrella (the COOCEC) and remained in the black far longer than the commercial banks, though they were eventually overwhelmed by hyperinflation and monetary collapse. Average loans had been \$2,000, but loans as small as \$500 were made. Assuming that a close look at these organizations technical capacity (including an audit) supports these initial findings, the COOCEC network in Kivu might be considered a potential partner for future donor support.

Again, we had cause to be deeply impressed by individuals of commitment, intelligence and courage who have a vision of a stable, prosperous Kivu. Fears that the central government will be too remote and too exclusive politically are similar to those we heard elsewhere, albeit with greater nuance in the area where AFDL has been in control the longest. There has been some political repression, and there have been human rights abuses, both against pockets of refugees and against the urban population of Uvira. But there are also indications that these are being dealt with while we were in Goma, Deogratias Bugera, the AFDL general secretary, met with representatives of civil society groups in Goma, leaving them feeling very encouraged. The (Munyarwanda) Vice Governor of South Kivu established a committee of enquiry (made up of human rights and other NGO workers from Bukavu) to investigate the alleged massacres in Uvira. The new Governor of South Kivu, a university professor, is genuinely popular and trusted and was selected by popular acclaim at the stadium with President Kabila present.

Signs of hope and eagerness to rebuild, cautiously and intelligently, are there. Kivu can and should become one of central Africa's most prosperous regions, if it does not, if the opportunities for building prosperity and stability are stunted as a result of local destabilization, cross-border harassment, or international donor indifference, it will again become a volcano.

IV d Eastern Province (Haut-Zaïre)

Because of logistical difficulties, the team spent relatively less time in Kisangani than in other regional capitals. Kisangani airport had, at the time of our visit, become the main transit point back to Rwanda for Rwandan refugees who had fled into the Ituri forest and the central basin following the forcible closing of the camps in Kivu, so that the team spent considerable time meeting with UNHCR and NGO staff working on support to this operation.

Meetings with the Vice Governor and some civil society NGOs revealed that Eastern Province, like the others the team had visited, was suffering from isolation. The terrible state of the roads to Kivu and East Africa (once grandly known as the "Trans-Africa Highway"), as well as war and general political turmoil, had considerably reduced Kisangani's main economic role, as the Congo interior's main river port. Business was only beginning to revive, thanks to the international presence and to some diamond and gold trading, but the consequences of years of decline were visible everywhere.

According to the Vice Governor, another college professor "elected" at a stadium event, conditions in the interior are very tough: many villages no longer see vehicles of any sort. If they also lack a practicable waterway (as is the case for many communities in the northeast, toward the Sudan border), these communities are cut off from the outside world. The most urgent need, once again, is for road improvements, to allow the region's substantial forest and agricultural resources to again find a market.

Malaria and other epidemic disease has reached catastrophic levels in Eastern Province, in Kisangani town, and no doubt in villages up and down the river, urgent measures of mosquito control are urgently needed. Similarly, trypanosomiasis is spreading swiftly into the region, requiring tse-tse vector control measures.

V Team Recommendations

Based on its observations in the field, the team recommends that USAID should begin a process of engagement with the new DROC government and the Congolese people as soon as possible to support a stable democratic transition and economic and social recovery. The five focus areas of USAID's strategy should be

- promoting greater political inclusiveness and broad-based participation in the emerging political system and democratic institutions

- helping to improve personal and public security, including reestablishing the rule of law and a functioning and independent justice system
- lessening communal and ethnic tensions through local level rehabilitation and economic expansion
- promoting economic recovery and renewed prosperity through direct assistance to the private sector as well as the creation of the proper enabling environment
- improving the quality of social services provided by the public and private sectors to meet basic needs

USAID's implementation of the following recommended activities expeditiously will be critical to realizing the above objectives. USAID's strategy will require engagement at both the national level and in those key regions where ethnic divisiveness is particularly volatile and economic recovery is most promising. Given the many factors mentioned in the findings above, USAID should establish a presence and undertake activities in Kinshasa and critical regions (Katanga, Kasai, Kivu) quickly.

V a Proposed USAID National Level Activities

- *facilitate constitutional reform and preparations for elections* Specific activities could include domestic and international monitoring of the transition, constitutional model sharing, civic and voter education, political party assistance, and general elections administration. These political processes represent key milestones in Congo's transition and should draw upon all relevant expertise in the Congo as well as African and international experiences. (Political will of the government to move forward with processes that are free, fair and broadly representative has yet to be fully determined and will be closely monitored by USAID and its partners in the implementation of the program.)
- *assess the needs of the justice sector and requirements for creating a civilian led police force both of which should protect and defend human rights* This effort must be closely coordinated with all relevant USG agencies. Progress on the justice sector, including security of the person and human rights, will prove crucial to the overall success of this transition, the lives of women and economic recovery.

- *support those immediate opportunities which emerged from the nationwide civil society conference held at the end of June, namely civil society and the government's efforts to develop a constructive working relationship on a broad range of transition issues* This initial step will be crucial particularly as civil society, political actors and the government begin debating and drafting the constitution and preparing for elections Assistance can be provided directly to national level, African and/or international NGOs which are presently working to set up forums for and improve skills related to engaging in dialogue and are planning to support Congolese efforts to develop a constitution and prepare for elections
- *Participate in a coordinated, multi-donor effort, to create an enabling environment that will allow the private sector to flourish* Initially this effort will focus on sharing information among donors Eventually, specific requests for technical assistance to certain ministries and other institutions should follow
- *Investigate and, if feasible, assist a UNICEF-led national vaccination campaign against measles and polio* This campaign would be a highly visible and tangible demonstration of the U S government's support for the Congolese people This first USAID intervention also has the advantage of begin apolitical and is expected to provide a non-controversial benefit to ordinary Congolese citizens in Kinshasa and the provinces

V b *Proposed USAID Regional Level Activities*

The team recommends that USAID offices be opened in the provinces of Katanga (Lubumbashi), Kivu (covering North and South Kivu and Maniema from Bukavu) and the two Kasais (based in Kananga) These regions are critical to the Congo's social and economic recovery For this reason, staff and logistics should be rapidly deployed in these areas, with detailed planning activities and resource allocations to follow a period of regional on-the-ground assessments

- Authorize the regional offices to serve as international interlocutors for civil society, private sector and regional government, promoting dialogue and identifying roadblocks

- Make available to regional offices flexible funds to support quick-impact activities in key sectors to be identified regionally. These activities should be designed and funded in such a way as to
 - 1 Have *immediate impact* and help *create visible momentum* toward improvement in key sectors to be identified regionally
 - 2 *Involve communities, reduce isolation, and reduce local tensions over resources through targeted community empowerment programs*
 - 3 Promote joint *problem-solving and implementation* between regional authorities, civil society and the private sector through democratic decision-making procedures

- Identify by region and through dialogue with regional government, civil society and the private sector *one or two key larger-scale activities that can have a vital, visible short- and medium-term effect on regional prosperity and well-being*. Consider funding or leverage multi-donor funding of such activities after necessary technical studies. Examples that might warrant further investigation include
 - * Assisting in rehabilitating electrical generation capacity in such key, urban areas as Kananga, Mbuji-Mayi, or Tshikapa
 - * Using a combination of local labor and some heavy equipment to make quick improvements to some important feeder roads (e.g., farm-to-railhead roads in the former USAID North Shaba Project area)
 - * Developing, after suitable technical review, a recapitalization package for credit schemes with prior successful track records
 - * Involving community and civil society leaders in identifying ways of accelerating the recovery of the livestock and agriculture sectors in North Kivu, using the prospect of additional resources to encourage dialogue and problem-solving on dangerous and volatile land-use and land-tenure issues
 - * Providing technical assistance to the start-up of the proposed *Fondation MIBA* in the Kasais

- Identify, with appropriate TA, specific ways of promoting the private sector (e g , by supporting structures to facilitate small-business access to credit)
- Serve as platforms for regional implementation of national-level activities above or others, offices to work actively to promote and participate in donor coordination (including NGOs) at regional level
- Help to educate the USG and international community with respect to issues that are key to the future stability of the country Provide key input to the formulation of appropriate longer-term assistance policies

A team should be deployed immediately to open the Kinshasa and regional offices described above, to establish the necessary support structures, to fund a few initial quick-impact, high-visibility activities, and to prepare plans for the first year of program activity

Appendix A

ACRONYMS

AFDL	Alliance des Forces Democratiques pour la Liberation du Congo-Zaire
AFR/WA	Africa Bureau/Washington (USAID)
AIDS	Acquired immunodeficiency syndrome
BHR	Bureau for Humanitarian Response (USAID)
CNS	Conférence Nationale Souveraine (Sovereign National Conference)
COOCEC	Cooperatives d'Épargne et de Crédit (Central)
COOPEC	Cooperatives d'Épargne et de Crédit (Local)
DAA/BHR	Deputy Assistant Administrator/Bureau for Humanitarian Response (USAID)
DART	Disaster Assistance Response Team (USAID)
DROC	Democratic Republic of the Congo
EPI	Expanded Program of Immunization
FAR	Former Rwandan Army
FAZ	Military Forces of Former Mobutu Regime
FEC	Fédération des Entreprises Congolaises (Federation of Congolese Employers)
G/DG	Global Bureau/Democracy and Governance Center (USAID)
HCR/PT	Haut Conseil de la République/Parlement de Transition
ICITAP	International Criminal Investigative Training Assistance Program
IMF	International Monetary Fund
IRC	International Rescue Committee
MIBA	Parastatal diamond mining company based in Mbuji-Mayi
MPLA	Popular Movement for the Liberation of Angola
MPR	Mouvement Populaire de Révolution (single party under Mobutu regime)
NGO	Non-governmental organization
NZ	Nouvelle Zaire
OFDA	Office of Foreign Disaster Assistance (USAID)
PRP	Parti de la Révolution Populaire
TA	Technical Assistance
UDPS	Union for Democracy and Social Progress
UFERI	Union of Federalists and Independent Republicans
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations International Children's Emergency Fund
USAID	United States Agency for International Development
USG	United States Government

Appendix B

INTERNATIONAL DONOR ENVIRONMENT

The major international donors are still assessing their positions with respect to the new DROC government, and no major resource flows have begun. While there is general agreement that there is a great need for outside assistance, and that the government came to power facing looted coffers and no reliable revenue stream with which to pay government workers or military or to meet immediate needs, it is not clear when or even whether such resources may be forthcoming.

The following remarks are based on discussions in Kinshasa, Brussels and Washington.

Bilaterals

The European Union (EU) has stopped all activities except humanitarian (with some minor rehabilitation) until it gets a better sense of the human rights situation and of the new government's willingness to let a UN human rights team have free access to conduct their investigation of alleged atrocities against Rwandans and others. It is also waiting for the new government to draft a development plan. In the recent past, the EU has had programs in the range of 200 million ECU (health, education, private sector initiatives, repairing damages caused by refugees in Kivu). All have stopped (30 million ECU earmarked for census and pre-election activities and 3-4 million ECU for UN coordination of the electoral process remain). The EU feels the World Bank needs to set up a planning framework to sort out monetary, fiscal, and other macro-economic problems facing the Congo.

Belgium, through its Cooperation Agency, has been a major donor in the past and most likely will again be one during the rehabilitation phase. It plans to implement small projects, working through Belgian NGO partners, in Equateur, Bandundu, Bas Zaire, Shaba, and the Kivus. The Belgians have been involved in health (supplying drugs to hospitals and clinics), education (classroom supplies), and food security. They plan to establish seven regional offices with an expatriate and a Congolese expert working in tandem. The Kinshasa office has six staff members and three national coordinators for special projects (democratization, health, and sleeping sickness).

No other major bilateral donor appears to be actively involved at this time, though *Norway* and *Canada* have made preliminary contacts.

Multilaterals

The *World Bank* sent out a mission to initiate contacts with the DROC in June. The next steps are under discussion. Because of the arrears left by the previous government, the Bank is severely constrained in the type of support it could provide, beyond technical assistance.

The *UN Development Program (UNDP)* has been planning rehabilitation projects in eastern Zaire/Congo since 1996 but, because of security and other obstacles, has not as yet implemented any projects. Consistent with UN policy worldwide, UNDP was compelled until the arrival in Kinshasa of the DROC to deal with then-Zaire through the previous government. Now it is now preparing a consolidated appeal looking at the rehabilitation phase, primarily for the east.

UNHCR has been funding micro-projects ("QUIPS") in war-affected regions. *UNHCR* has allocated \$10,000,000 for up to 400 such projects which range from \$5,000 to \$200,000 per project. The *World Food Program (WFP)* and *UNICEF* together have channeled another \$5,000,000 into similar activities. *UNHCR* QUIPS are implemented through local and international NGOs, *UNHCR* has also tried to involve parastatal technical departments such as the water authority (Regideso) and the electricity authority (Societe nationale d'electricite, or SNEL) in its micro-projects. *UNHCR* plans to phase out at the end of the year or early next year.

UNICEF has implemented some small regional projects in health, water, and education. In Mbuji-Mayi they are carrying out maintenance of village wells, and fixing water systems. Potable water depends on electricity which is rare (except for MIBA - the Diamond Consortium). In education, *UNICEF* is assisting schools with revolving funds that would be replenished with school fees (providing the economy picks up for people to be able to pay fees). *UNICEF's* proposed nationwide vaccination campaign was discussed earlier in this report.

WFP is currently conducting a food-security survey, it had been channeling considerable food aid to the refugee camps, and continues to support *UNHCR* with commodities in those areas where it has been possible to establish transit camps since the dispersal of the refugees.

International Non-Governmental Organizations

As mentioned, most international NGOs are concentrated in Goma, Bukavu, and Kisangani, focusing on the remaining Rwandan refugees and the areas affected by their presence, some (such as *AICF/US* and *Food for the Hungry*) are also, increasingly, focusing on conflict-affected areas in Kivu and on internally displaced Congolese.

Among NGOs operating in other areas, *Oxfam* has a strong, long-standing presence in

several regions, including Kivu and the Kasais, *Catholic Relief Services* (CRS) also has strong involvement in these areas through local *Caritas* branches and “peace and justice” NGOs, and *World Vision* has a long-standing integrated agriculture project in north-central Katanga and in Eastern Kasai. *MSF/Belgium* is active in several provinces with support from Belgian Cooperation, as described above.

The *International Committee of the Red Cross* (ICRC) has been involved in various activities (tracing operations along Rwandan border, dissemination of rule of law and human rights to the AFDL military, monitoring treatment of prisoners) throughout the past year's conflict. During the fighting between FAZ and AFDL forces, the FAZ destroyed much ICRC infrastructure (they were accused of helping the Alliance). ICRC has currently re-opened offices in Kisangani, Kindu, and Lubumbashi - which is becoming their logistical base. They have two planes (a DC3 and a Beechcraft) and have developed a "flying team" that would intervene in places of conflict as needed, then regroup to their base in Lubumbashi.

ICRC is implementing rehabilitation projects for internally displaced people (IDPs), which they divide into three categories: 1) civil servants originally from southwest Zaire/Congo who do not want to return to the east where they had been working because they feel different from most living there, 2) groups of urban elite (approximately 17,000) from Goma who feared Tutsis and went west (they do not want seeds and tools and are hard to help), 3) villagers who fled their homes during the ongoing conflict and disruptions of the past year. ICRC works with the local Red Cross to help IDPs. The local Red Cross is organized by region. It provides volunteer personnel, ICRC provides vehicles and resources. (The general view of the Congolese national Red Cross is that it is remarkably dedicated and effective at the local level, though affected by the characteristic problems of the former Zaire at higher levels.)

ICRC implements water and sanitation projects in Uvira, Goma, Bukavu and Kalemie with Regideso. They provide new generators, equipment, fuel supplies, pipes, and train technical workers. They also execute medical projects - repairing hospitals, paying some salaries (many Congolese cannot afford medical services), cooperating with regional medical inspectors. ICRC plans to phase out at the end of the year. It is hoped that the clients would be able to pay for services by then, if not, ICRC would like the local Red Cross could continue the program. Finally, ICRC implements food for work projects to build bridges, thereby hoping to help restart the local economy.

Appendix C

PARTIAL LIST OF CONTACTS

Lubumbashi

Governorate

Meli JUSTIN

Vice/Acting Governor (Former political figure under Moïse Tschombe & Kasavubu)

Georges KIMBA

Directeur de Cabinet Adjoint Charge du Plan

Mertens MBAYU

Directeur de Cabinet Adjoint Charge de l'Economie & des Finances

Civil Society

Maître Benjamin TSCHOMBE

Attorney & head of regional justice committee

Maître Mununga SHABANI

Attorney, Chairman, Fondation Africaine de Droit

Maître Been Masudi KINGOMBE

Secretary General, Centre des droits de l'Homme et du Droit Humanitaire

Political Parties

Lukome KYENGE

Regional President, Union of Federalists and Independent Republicans (UFERI)

Bruno TSHIBANGU

Union pour la Democratie et le Progres Social a Lubumbashi

Francois KONGOLO

"

M TABU

"

Private Sector

Jose de MOURA

Businessman, head of large *Groupe*, De Moura Freres

Jean-Loup TOUZARD

Directeur General Amato Freres & Co

Jack Tshimbalanga EFILE

Superviseur gestion des abonnées Telecel

Jerome LUYET

Chef de sous-delegation, Comite International de la Croix Rouge

Nestor Kya N'SONI

Secretaire Regional Interprofessionnel, UNTC

Dinganga KANZA

Directeur Regional Sud Nouvelle Banque de Kinshasa

Constatin Tshiyombo KASONGA

Administrateur, Desinsectisation Service

Jean-Luc KAHAMBA

Ingénieur, Gecamines

International

Frank WILLIAMS

World Vision (Katanga & East Kasai)

Jeff HOOVER
Tom RYDER

Methodist Missionary/English Professor
Methodist Missionary

Mbuji-Mayi

Governorate

Mbuyi Mulamba MUSAFIRI
Mayor of Mbuji-Mayi and staff

Governor (met in Lubumbashi)

Civil Society

Dieudonne BANZA
Theresi ENMES

Caritas, Coordinator
BTK, Women's Organization

Private/State Enterprise Sector

Trudom KATENDE MUYA

President Administrateur Delegue, MIBA

International

Muhikuza MIRINDI

UNICEF, Head of Sub-Office

Kananga

Governorate

Albert MUKANGILA MUFUKILA

Vice/Acting Governor, Businessman (in Kananga
& in exile in Belgium)

Civil Society

Father JACQUES

Peres de Scheut/coordinates Centre de Recherches
en developpement et en entr'aide sociale
(CERDES)

Dany NGOIE

CERDES

Therese DIKEBELAYI

Femmes et Enfants Pour Les Droits de l'Homme

Therese MBALAYI

Femmes et Enfants Pour Les Droits de l'Homme

Kisangani

UNHCR

Daniel ENDRES

Acting Head of Sub-Office

Governorate

Noel OBOTELA RACHIDI

Vice/Acting Governor (Professor of History)

Goma

Governorate

Balume TUSI

Vice/Acting Governor

Civil Society

Immaculee BWARHAHAKE

Promotion Aux Initiatives des Femmes (PAIF,
Woman's NGO)

Innocent BUGANDWA

Comite Justice & Paix, Bureau Diocesan de
developpment (BDD)

Private Sector

Mr KASUKU

Chairman, ACOGENOKI (Livestock Cooperative
for Kivu), President, FEC/Goma

International

Lauchlan MUNRO

Sub-Office Head, UNICEF

Craig

Sub-Office Head, UNHCR

Bukavu

Governorate

Professor J -Charles MAGABE

Governor

Serukiza NKUNDABANTU

Vice Governor

Eugene ISSENGE

Directeur de Province

Civil Society

Mgr Joseph GWAMUHANYA

Vicaire General, Catholic Diocese

Abbe Dieudonne NDJEJE

Directeur, Bureau Diocesan de Developpement

Maître MIGABO

Attorney, Comite Justice & Paix, BDD

Father Georges DEFOUR

Professor, Institut Superieur de Developpement
Rural (ISDR)

Private Sector

Ramnik KOTECHA

President, Kotecha Group, Chairman, AFEC

R & J MOREAU

Businessmen

Mr, ISRAEL

Businessman, lake vessel operator

Ntayira KAZAMBA

Directeur Gerant, COOCEC

NGOs

Barney MAYHEW

Representative, Christian Aid

Representative

IRC

Kinshasa

Gouvernate

Mr LWANGI

Directeur de Cabinet de Justice

International Organizations & NGOs

John LOFTIN

Country Representative, Population Services
International

Mbuyi LUSAMBO

Catholic Relief Services

Daniel KWATA

World Vision

Monsignor Laurent MASENGWO

Archbishop of Kisangani

Ibrahim JABR

UNICEF

Pierce GERETY

Great Lakes Humanitarian Coordinator

World Food Program Representative

Expanded Program of Immunization Representative

European Union Representative

South African Embassy Representative

Belgian Embassy Representative

Civil Society

Jerome BONSO

President, Ligue National Pour Les Elections
Libre and Transparent

Flornbert CHEBEYA

President, Voix Sans Voix

Annie KALONJI

President, Christian Women for Development and
Democracy

Baudouin HAMULI

Executive Secretary, CNONGD, National Council
of Development NGOs

Robert ILUNGA NUMBI

President, Les Amis de Nelson Mandela

Private Sector

Jose Endundo BONONGE

President, FEC

Kabisi YEMBA-MILANGA

President, BIMA-RE

Pay Pay MULINDU

Directeur General, ACGZ

Michael KAYEMBE

Managing Director, Ichthus Internatiaoal S P R L

Gilbert KINYOKI

Vice President, FENAPEC

Brussels

Steffen STENBERG

Head, Foreign Policy Unit, European commission

Bruno GATTA

Responsable géographique Congo, European
Commission

Christian MANAHL

Foreign Policy Unit, European Commission

Hans CARLE

Chief of Division, European Commission