

International mining corporations and socio-political conflict in the DRC



**IKV PAX
CHRISTI**



**A case study of the Nia-Nia area,
Ituri District, Province Orientale**

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This consultancy report is based on in-depth fieldwork carried out in December 2010. The views here expressed do not necessarily reflect those of IKV Pax Christi. The author would like to thank especially Adolph Maito from CPJP (Mambasa) and Salomon Zaluni and Eric Mongo from ACIAR (Bunia).



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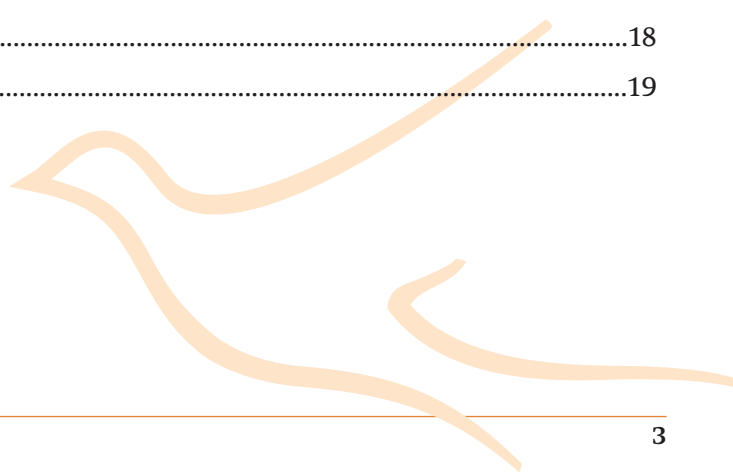
Photography: Peer Schouten

Cover photo: Artisanal miners at the *Indi carrière* near the Loncor Resources base camp, Ituri, DRC

Utrecht, March 2011

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Executive summary

Whereas artisanal mining has always been a key economic activity in the region, the Nia-Nia area in the Ituri territory of the oriental province of the DRC has only recently become a site of importance to the international gold mining community. As industrial mining in the DRC is often accompanied by socio-economic and political friction, this report, which is based on in-depth on-site fieldwork, explores the mining activities carried out by international mining companies and situates them in the socio-political context of the region to assess conflict potentiality and key markers for development.

In a first section, it situates the Nia-Nia area within the broader political, socio-economic and ethnic context of Ituri, to indicate that coming to grips with dynamics in Nia-Nia largely requires a unique approach as they are characterized by tendencies that differ from other places in Ituri.

In a second section, it lays out ongoing mining activities. It finds that of the approximately 30 mining concessions given out for the area by the Congolese authorities, several are currently being explored by three mining companies: Loncor Resources, Kilo Goldmines, and Corner Stones Ressources (sic.). This report describes the ongoing activities for each of these corporations and sums up the principal ways in which each international mining company interacts with the surrounding community, in each case paying specific attention to security dynamics related to its presence.

In a third section, it relates the mining companies' community engagements and security dynamics to broader political, socio-economic, and especially ethnic dynamics, to assess the conflict potentiality of the presence of each of the international mining operations. It finds that, and describes how, both community development efforts and security implications of international gold mining activity in Nia-Nia on all accounts intertwine with ongoing ethnic disputes, especially in the perception of local communities. The report pays special attention in this section to the way in which mining corporations become instrumentalized in amplifying tensions between the Ndaka and Budu tribes of the adjacent Mambasa and Wamba territories.

In the concluding section, the report explores some possible policy implications. First and foremost, it argues that the absence of mobile phone communication infrastructure allows for the current situation in which tribal actors politicize and instrumentalize international mining corporations for their own political, economic, and social interests, leading to amplified tensions and increased conflict potentiality. By extension, mining corporations and civil society actors should push for Congolese mobile phone networks to expand their market into the Nia-Nia area. Secondly, the report argues that information is dually important: on the one hand, mining corporations should inform themselves about the socio-political and ethnic dynamics of the area when formulating their community engagement policy, and on the other hand, they should invest more in informing different civil society stakeholders.

Introduction

Nia-Nia lies deep in the tropical rainforest of the DRC's Oriental Province. Whereas artisanal gold mining has always been a key economic activity in the region, the Nia-Nia area in the Ituri district of the oriental province of the DRC has only recently become a site of importance to the international mining community. In colonial times, this area was a busy mining region: its greenstone belt connects into the famed Kilo-Moto gold mining area. After the civil war in 1964, however, industrial mining activities in the region slowed down rapidly and, ultimately, ceased completely. Only in 2009 did the first international mining companies, armed with old Belgian geological maps from the Tervuren Royal Museum for Central Africa, arrive in the Nia-Nia area. As even after the end of the Congo wars industrial mining in the DRC is often accompanied by socio-economic and political friction, this report explores the gold mining activities carried out by international mining companies and situates them in the socio-political context of the region to assess conflict potentiality and key markers for development.

Based on the fieldwork carried out for this project, and triangulated with relevant academic literature¹, his report operationalizes conflict potentiality in the Nia-Nia area as the intersection of socio-economic imbalances and political or ethnic fault lines. While political economy in the area has largely been organized along tribal² lines, when economic imbalances—for instance bargaining power with mining companies over who's to benefit from social projects—become perceived, explained, and ultimately instrumentalized in tribal terms, ethnic fault lines risk becoming amplified in negative terms. In other words, when established customary agreements on entitlements to natural resources become disturbed by the presence of external levers such as international mining companies, the potential for ethnic-based conflict necessarily increases.

¹ Following the academic work of Jean-François Bayart and René Lemarchand, cf. Bayart, J.-F. (2009). *The state in Africa : the politics of the belly* (2nd ed.). Cambridge: Polity ; Lemarchand, R. (2009). *The dynamics of violence in central Africa*. Philadelphia: University of Pennsylvania Press.

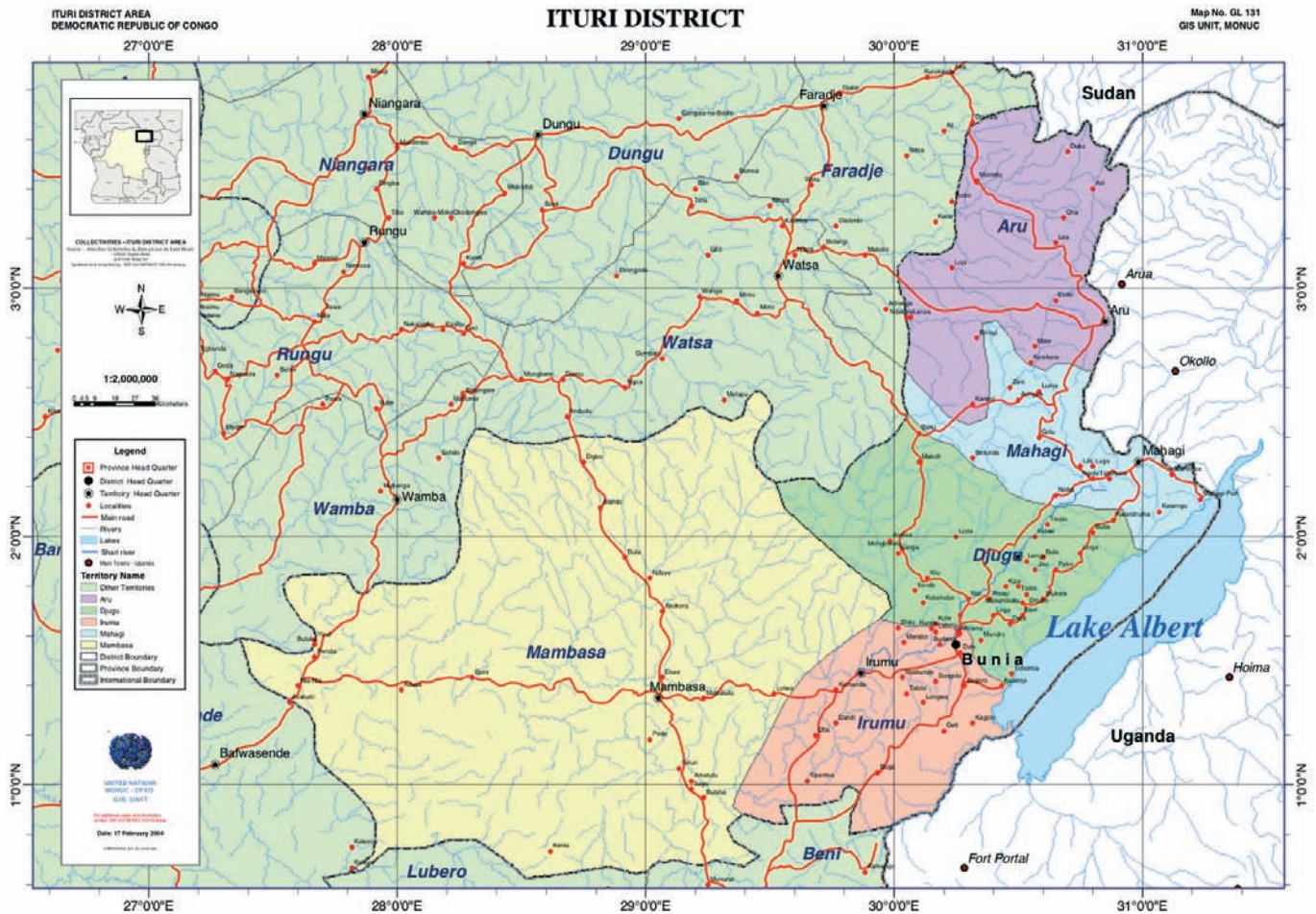
² This report uses the terms 'ethnic', 'tribal', and 'customary' interchangeably; for in-depth discussion, see the first chapter of Lemarchand, *op. cit.*

1. Socio-economic and political dynamics in the area

1.1 Ituri at large

The Ituri district has seen some of the most brutal violence during the 1996-2004 conflict period in the DRC and is still considered a warzone by many international observers. The region borders Uganda, (Southern) Sudan, and the Central African Republic (CAR), and the Ugandan Lords Resistance Army (LRA) keeps looming on the border area with Sudan and the CAR. In the far east of the region towards Lake Albert, low-intensity violence lingers, presumably with Ugandan involvement. The LRA has been reported to carry out attacks in Kibali near Watsa as late as May 2009. Conflict in Ituri is inextricably linked to natural resources and often materializes

along (contested) ethnic fault lines. The main conflict period, for instance, evolved around land ownership, access to natural resources, administrative or political influence, and partially played out between the Lendu and Hema³ populations. The Hema, considered by the Lendu as foreign domination in a way much alike the way Hutus regard Tutsi presence in Rwanda and the Kivus, flow into Uganda and maintain strong Ugandan political alliances. It is not surprising, then, that the exploration and subsequent exploitation of oil in Lake Albert by Tullow and Heritage Oil, that has already led to an armed military dispute between Uganda and the DRC, is feared to reignite tensions between the two groups.⁴



³ These might in other texts be called Bahema and Balendu. 'Ba' is the Swahili denominator for 'tribe' or 'people'; Bahema then refers to the Hema tribe or people, and Balendu to the Lendu tribe or people. This report consistently leaves it out; other texts might choose to leave it.

⁴ Cf. Cuvelier, J. & S. Marysse (2004) Les Enjeux Économiques du Conflit en Ituri, L'Afrique des Grands Lacs. Annuaire 2003-2004, p. 193

It is of further importance to understand the political and economic importance of the mining sector. While 84% of the Gross Domestic Product of the DRC consists of mining, artisanal mining accounts for roughly 90% of total DRC mining output and is today still the biggest contributor to the DRC's GDP.⁵ According to a recent study, in the Ituri district alone, between 60.000 and 150.000 artisanal miners are thought to be involved in gold mining alone.⁶

1.2 The Nia-Nia area⁷

The area around Nia-Nia was fortunately bypassed by the worst interethnic violence during the 1996-2004 period, perhaps largely because neither Hema nor Lendu are dominant in the area. During the war, it was under the control of RCD-K/ML and today, bullet holes are still visible in the colonial building that houses the town's civil administration. According popular estimates, the population of the Nia-Nia city alone surpasses 20.000 and recent research numbers the population of the chieftaincy of Ndaka, which roughly covers the Nia-Nia area, at around 50.000.⁸

Besides gold, the exploitation of tropical hardwood in the area is a matter of increasing concern, especially as Nia-Nia is located in the middle of the Okapi Wildlife Reserve, an extremely rich swath of tropical rainforest, harboring, besides the famed Okapi, a stunning variety of flora and fauna.⁹

Situated in the middle of virgin rainforest at roughly 350 km from both Kisangani and Bunia, the nearest urban centers with commercial airstrips, Nia-Nia is only accessible by harsh road that can be inaccessible throughout the rainy season. This has driven up the cost of

foodstuffs due to increased transport costs. As a result, Nia-Nia has what are amongst the highest consumer prices in Ituri. Furthermore, crop agriculture is limited to the occasional cassava, sugar cane, and *sombe*, increasing the dependency on basic foodstuffs imported by road. This, plus the purchasing power of gold diggers, drives prices of living up to unusually high levels. Despite high prices, and while income levels seem to equal the rest of the province, unlike the rest of the region, Nia-Nia's vicinity is not marked by the many NGO signpost indicating development aid.

1.2.1 Ethnic composition

Situated on the rift between the Mambasa and Wamba administrative territories, the Nia-Nia area is dominated by the **Ndaka** and **Budu** tribes, the former pertaining to the Mambasa (Ituri) territory and the latter to the Wamba territory. The dominant Ndaka comprise a *chef-ferie* (chieftaincy) comprising 5 *groupements* (Babunda, Bafwagbeze, Bafwakoa, Ngayu, Nia-Nia).¹⁰ Where both ethnic groups identify themselves with agriculture, hunting and fishing as the main means of sustenance, both equally engage in artisanal mining and the Budu are historically known to deliver public service staff such as teachers and nurses. While estimates vary wildly¹¹, both tribes together probably constitute a rough 85% of the area's population.

Following the Nia-Nia-Kisangani road, across the Ituri River the Bafwasende territory starts, with the **Bali** as the dominant tribe. As in Ituri more widely, the **Nande** originating from North Kivu and especially Butembo, dominate interregional trade networks and the many kiosks and shops in the area. According to popular estimates, they are held to constitute about 5% of the po-

⁵ See Tshijuka, G. (2010, August 11) Ministère des Mines : L'Okimo s'investit dans la relance du secteur minier congolais, Kinshasa : Digital-congo. Retrieved from <http://www.digitalcongo.net/article/69176> (visited 10-12-2010)

⁶ See Pact, Inc. (2010) PROMINES Study – Artisanal Mining in the Democratic Republic of Congo, p. 20

⁷ The 'Nia-Nia area' refers in this report to the near vicinity of Nia-Nia delimited by the three international mining operations present in the area. For a detailed map, see appendix 1.

⁸ Cf. Mongo, E., A.D. Nkoy Elela, & J. van Puijenbroek (2009) Conflits fonciers en Ituri, Bunia/Utrecht : Haki Na Amani / IKV Pax Christi, p. 297 ff.

⁹ Cf. Nkoy Elela, A.D. (2007) Exploitation du bois – Paradoxe de la Pauvreté et Conflits dans le Territoire de Mambasa. Mambasa/Utrecht : Haki Na Amani / IKV Pax Christi

¹⁰ Mongo et. al., op. cit.

¹¹ A Ndaka chief estimated that the Budu constitute 60% and the Ndaka 10% of the population, a Budu chief calculated that about 40.000 Ndaka outnumber the 20.000 Budu in the Nia-Nia area.



A Nande gold and diamond comptoir in Nia-Nia.

pulation. Importantly, all of the 10-12 gold and diamond buying shops (*comptoirs*) in the town of Nia-Nia are in hands of the Nande, with gold destined for Bunia¹² and subsequently Uganda and diamonds moving along to Kisangani.

Equally a broader phenomenon in the province is that a large part of the Congolese employed directly by foreign mining companies is from the South Kivu capital Bukavu. Apparently, the *Bukavois* have a broad experience working for mining companies at home.

Another estimated 5% of the area's population is made up of the farming **Beru** that historically pertain to the Budu and thus the Wamba territory. Pygmies or **Mbuti** constitute between 2-5% (2.000-5.000) of the population of the area; the **Bombo** from the Bombo chieftaincy, which lies below the Ndaka chieftaincy, also inhabit three enclaves in the Ndaka chieftaincy.¹³ The last and least voluminous ethnic group is that of the **Lokele** fishermen coming from Kisangani. Hema and Lendu, often referred to as *les Ituriens* by Nia-Nia natives, are estimated to make up somewhere between 1-2% (1.000-2.000) of the population.

¹² Whereas gold would normally be moved to the Nande strongholds Butembo and Beni in North Kivu, the September 2010 suspension of artisanal mining and trading activities by presidential decree in that province has forced Nande trade networks to relay their gold routes.

¹³ Cf. Mongo et. al., op. cit. p. 301.

2. Overview of gold mining corporations in the Nia-Nia area

The Nia-Nia area as defined in this report is home to three active international mining companies: Loncor Resources, Kilo Goldmines, and Corner Stones Ressources (sic.), all engaging in gold mining. The fact that the first two of these three companies are Canadian, has in all likelihood much to do with Kabila's mission to Toronto in early 1997 to 'raise awareness' about 'investment opportunities'.¹⁴ Note that the Nia-Nia area will in the near future surely be home to many more mining companies as a thirty-some mining concessions have been sold to different companies such as Shamika Gold, recently acquired by the publicly traded subsidiary Aultra Gold of Dutch Gold Resources.

2.1 Loncor Resources

2.1.1 Corporate profile

Loncor Resources is a mining company with corporate offices in Toronto, Canada. It was formed in 2008 as a corporate entity by directors of the—equally Canadian—Banro Corporation especially for its Ituri and North Kivu operations.¹⁵ Banro has been active in the DRC in South Kivu and Maniema since 1996,¹⁶ after it bought 72% of shares from the virtually bankrupt state enterprise Sominki in a rough and contentious political process that took until 2003.¹⁷ During this period, Banro became blacklisted by the UN for operating in the DRC war zone.¹⁸

It is at this point important to understand the political economy of international mining. International mining companies trading on stock exchanges can make a fortune before gold production has actually started by putting out shares with the value of shares hinging on the projected increase of gold prices up until exploitation.

Indeed, as many other mining ventures, Banro directors have made huge profits during the turbulent 1996-2004 period by putting out shares for future exploitation based on profit projections resulting from explorations, without actually producing any gold.

Whatever the history, ever since 2004, Banro has been considered welcome by local populace in South Kivu, mainly because it has set an example by using geologists from Ghana and Tanzania and educating promising Congolese geologists. Mining companies in Ituri often employ more than one Bukavu geologist from the pool educated by Banro.

2.1.2 Current operations

Loncor has exploration permits for Lubero, Walikale, and Rutshuru near Butembo in North Kivu, but its leading project is advertised as the Ngayu concession.

The Ngayu concession covers an area of 4.550 square kilometers. According to Loncor's website, the project covers most of the Ngayu Archaean greenstone belt which is one of a number of greenstone belts in the north-east Congo Archaean craton that includes the Kilo and Moto greenstone belts (see image 2 below), which are currently explored by Anglo Kilo Gold (AGK), RandGold and Kibali Gold respectively. Loncor has only started explorations in February 2010 at the two prospects of the concessions: Yindi, situated at KM 25 nearby the Nia-Nia-Isiro road, and Makapela, located roughly 100 KM inland towards Bomili. Whereas the Yindi prospect is easily accessible by road, the Makapela prospect is at the time of writing only accessible through a four-day trip on cross motor and *piroque* (boat) or by helicopter. Loncor has indicated that as the company is only still in the first of three exploration phases (the taking of sam-

¹⁴ See Hiatt, S. (2007) *A Game as Old as Empire*, San Francisco: Berrett-Koehler Publishers, p. 99

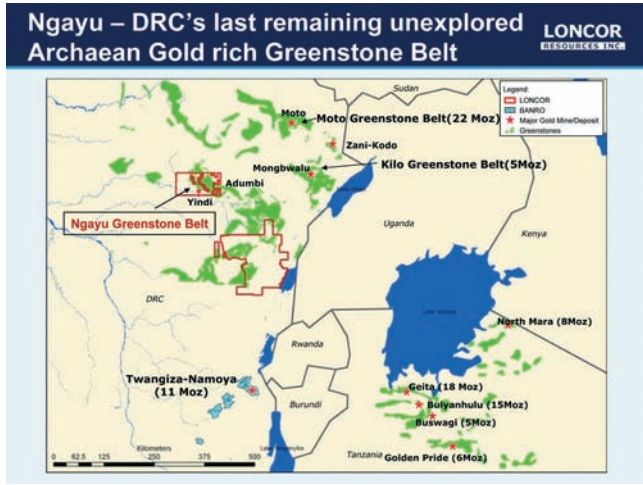
¹⁵ Banro Resources Corporation existed before 1996 as 'Banro International Capital Inc', and Loncor existed before November 2008 as 'Nevada Bob's International' which was an international licensor. See Misser, F. (2003) *Africa South of the Sahara*, Volume 33, London: Europa Publications Limited, p. 278, and www.loncor.com/i/pdf/Financials/2008MDALoncor.pdf (visited 19-12-2010).

¹⁶ See <http://www.banro.com/s/Twangiza.asp?ReportID=307249> (visited 18-12-2010) for detailed historical overview of Banro's activities.

¹⁷ Source: Tegera, A. (2004) *Natural Resource Exploitation and Conflicts in DRC*, paper presented at the 1st SID Conference on Resource Based Conflicts in Eastern & Southern Africa', Nairobi: Society for International Development, May 24-27, retrieved from www.pole-institute.org/documents/nairobi.pdf (visited 17-12-2010)

¹⁸ See UN Document S/2002/1146 'Letter dated 15 October 2002 from the Secretary-General addressed to the President of the Security Council', Annex III, and, for a response by Banro, http://www.banro.com/s/NewsReleases.asp?ReportID=68490&_Type=News-Releases&_Title=Banro-Refutes-UN-Report (accessed 18-12-2010).

ples, preceding a feasibility study), there are as of yet no plans to upgrade road access to the Makapela site.



Map showing Loncor's Ngayu (and Banro) concessions. Source: Loncor website.

2.1.3 Security setup

Loncor has an elaborate security structure in place that consists of a—for the DRC typical—mix of private security guards and police agents (PNC).

Loncor has contracted a private security company (*société de gardiennage*) called 'First Security' that supplies approximately 100 uniformed, unarmed guards¹⁹ engaged in on-site perimeter security for all its locations and operations (base camp at Ngayu; Makapela prospect).

Perimeter security is complemented by a section (or peloton, 12 agents) of Congolese police from the Mambasa *Batallion de Garde*.²⁰ It is common practice in the DRC for companies to employ police agents as those are allowed to carry arms. The *brigade de garde* is a unit of the National Police (PNC) specialized in providing armed police guards for private use in exchange for an established fee; oftentimes, private security companies offer police officers as an integrated option in their security

package.²¹ Each Loncor site has one or more armed police agents, and Loncor vehicles moving to exploration sites as a rule also count with an armed police agent.

Lastly, perimeter security is completed by 'environmental design', that is, a physical security setup discouraging crime by mimicking military architecture. This includes barbed wire, guard posts, and fences protecting Loncor sites from unwanted intrusion and exit.

2.1.4 Community relations and security implications

Loncor has a mining concession for the coming 30 years and that long-term engagement seems to translate into its community relations. Perhaps because of their experience in South Kivu, Loncor maintains a policy of openness regarding its intentions towards a broad plan for local development and has started negotiating an extensive *cahier des charges* with the Ndaka customary chieftaincy.²² A primary school has already been put in place and is operating in the nearby village of Bafanekengele, with all school supplies provided for by the corporation, and in 2011 a hospital and secondary school are said to be due according to the Ndaka customary chief (*chef de chefferie*). Furthermore, Loncor is perceived by customary authorities to engage openly with the local community and are frequent visitors of the nearby village of Bafanekengele. Finally, Loncor has once distributed second-hand clothes amongst the local pygmy population.

During interviews with the Ndaka *chef de chefferie* and his entourage, it appeared however that expectations of the customary chieftaincy exceed realistic demands on the company. For one, the customary powers demand that 10% of profit be shared with the community through the *chefferie* and that cars and motorcycles be made available to customary chiefs of the *chefferie*.

Non-customary civil society representatives had little knowledge of the *cahier des charges* that was negotiated

¹⁹ In the DRC, it is by law prohibited to carry firearms for private security companies. They are however allowed to carry weapon sticks. Cf. 'AR-RÊTÉ MINISTÉRIEL 98/008 du 31 mars 1998, relatif aux conditions d'exploitation des sociétés de gardiennage, Ministère des Affaires intérieures', art.6.

²⁰ 'Batallion de garde' is the in the Eastern DRC current name for the 'Brigade de garde'.

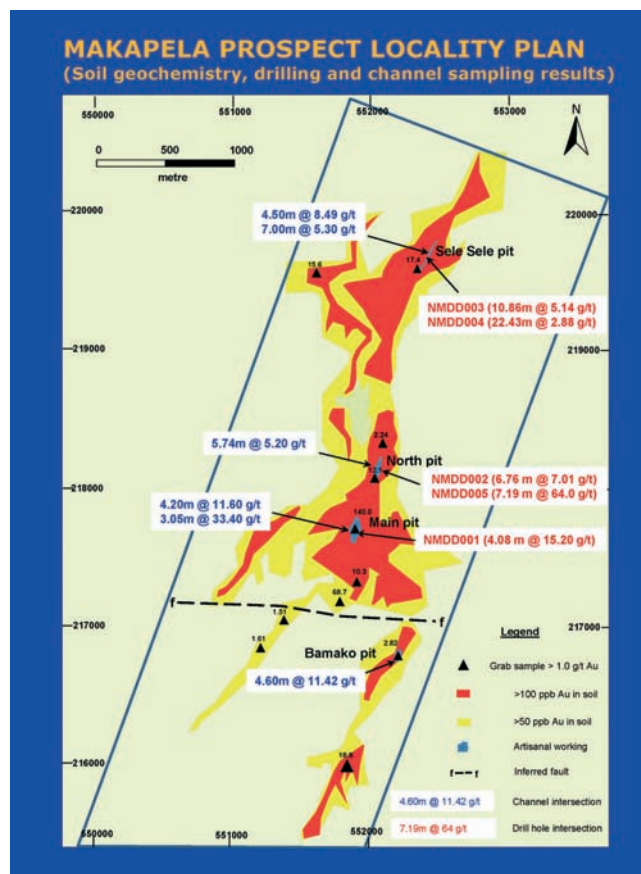
²¹ See De Goede, M. J. (2008). Private and Public Security in Post-War Democratic Republic of Congo. In S. Gumedze (Ed.), The private security sector in Africa : country series (pp. 35-68). Pretoria/Tshwane, South Africa: Institute for Security Studies, p. 52, for more details on the brigade de garde.

²² While Loncor was not available for commenting on this specific issue, the *chef de chefferie* and entourage thoroughly discussed the 13 points that, according to them, made up the *cahier de charge*.

with their chiefs. What is furthermore disturbing, is that no copy of the *cahier des charges* was available. This could mean that customary authorities use their monopoly over the negotiation with Loncor to manipulate their own position of power vis-à-vis their constituencies.²³

Ndaka artisanal miners at the Indi *carrière* are the only group that has voiced serious concerns regarding Loncor operations at Ngayu. Officially no conflict of interest between artisanal miners and industrial mining ventures can exist, as the Congolese Mining Code (*Code Minière*) of 2002 allows artisanal miners to operate up until 30 meters²⁴, leaving the rest to industrial mining. In practice, however, such agreements are difficult to enforce. At the Loncor site, for instance, artisanal miners enter in old Belgian mining shafts and work in pits that easily exceed 30 meters. They are cohabiting and re-exploring with Loncor the remains of the old Belgian mining corporations, with the artisanal miners' village literally built on the last ruins of Belgian mining buildings. They literally operate meters apart from the Loncor base camp at Ngayu, and recently, Loncor has without any warning started taking samples ('*carottes*') in their village (population varying between 100 and 150) and the two currently operational pits. This has artisanal miners worried about being displaced and robbed of livelihood when exploitation starts.

This concern extends to Loncor operations at Makapela, where industrial exploitation is projected at sites with an even higher density of artisanal miners; a community of up to 1.000 persons may make up the community surrounding artisanal mining operations at Makapela.²⁵ Artisanal miners are legitimately worried about being displaced and robbed of their traditional livelihood once exploitation begins in 2013 (projection), as mapped sampling shows that the highest grade of ore is exactly located at the pit that is also the main Makapela artisanal *carrière*.



Prospective drilling overlaps mining. Map of the samples taken at Makapela prospect of the Loncor Ngayu concession. Source: Loncor website.

²³ This 'two level game' is frequent in African politics. See Bayart, op. cit., and, for the example of the same dynamics around property rights, Lund, C. (2008). Local politics and the dynamics of property in Africa. New York: Cambridge University Press.

²⁴ Cf. Loi No 007/2002 du 11 Juillet 2002 portant Code Minier, Art. 1.21

²⁵ This interview-based information should be confirmed through a field visit.

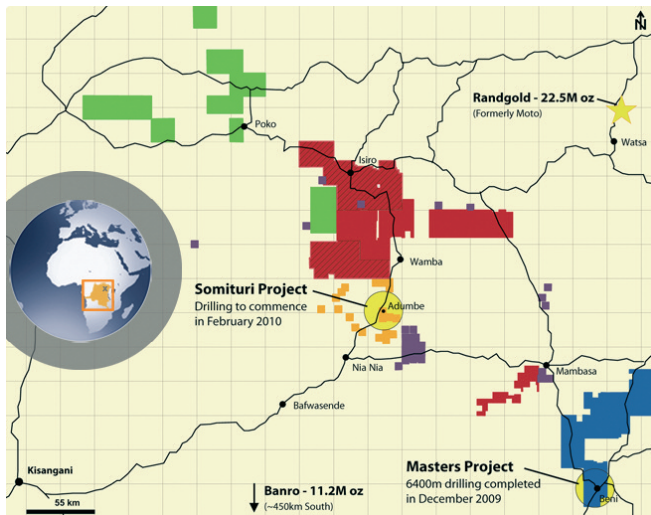
2.2 Kilo Goldmines

2.2.1 Corporate profile

Kilo Goldmines is a relatively new Canadian mining exploration and development company trading on the Toronto and Frankfurt stock exchanges. Kilo Goldmines is a corporate entity founded by Klaus Eckhof, who previously founded Moto Goldmines in 2003/04 and prepared it for exploitation within four years, before selling it to Randgold Resources.²⁶ Randgold furthermore owns 12.5% of Kilo shares.

2.2.2 Current operations

Kilo has corporate offices in Toronto, a DRC office in Kinshasa and a logistics center in Beni. It owns five concessions, three of which are actively explored:



Overview of the Kilo Goldmines concessions in Ituri.
Source: Kilo Goldmines website.

The KGL ERW (red on the above image) property is located around Isiro and about half of the licences concerned are subject to a joint venture with Rio Tinto for iron ore.²⁷ Rio Tinto has moved in equipment for iron-ore explorations but no gold exploration activity has been reported as of yet.

The second, Masters, project is located around Beni where Kilo has installed its logistics center. Sample drilling for its Masters project was completed by December 2009, and a feasibility study is now underway.

The third project, Somnituri, is located in the Nia-Nia area and consists of 8 *Permis d'Exploration* (exploration permits), covering around 606 KM² of the Ngayu Archaean Greenstone Belt. Part of these permits consist of colonial era gold mines, such as the Adumbi, Kitenge, Manzako and Maipunjie mines.²⁸ The mines are located in an area covering about 20 KM between the Nia-Nia-Isiro road at KM 51 and the Imbo River, and roughly follow the topography of colonial-times mining exploitations.

In the Nia-Nia area, Kilo Goldmines reserves a section of the parish for staff and visitors, has a helicopter-enabled base camp at KM3 on the Nia-Nia Mambasa road, and an exploration camp at Adumbi which is situated off KM 51 of the Nia-Nia Isiro road and thus in Budu territory. As such, it is greatly benefiting from Chinese road improvements commissioned by the Congolese Office de Routes.²⁹ Kilo Goldmines started drilling for samples for its Somituri project in the first quarter of 2010.

Presence of Kilo staff at sites is limited to no more than twenty expats, but its corporate 'footstep' is quite a bit larger through Congolese subcontractors such as Senex (for drilling operations) and MD (for drilling and general staff) and CSS (see following section). Subcontracting everything but highly knowledge- and material-intensive activities allows Kilo—as most other mining companies in Ituri—to retain operations with a high profit margin while outsourcing all labor-intensive and low profit margin operations through highly 'competitive' contracts. Congolese subcontractors are not (yet) subject to the same scrutiny according to international labor and human rights standards and would not in any way meet them.

²⁶ See <http://www.kilogold.net/profile/board-of-directors.cfm> (visited 20-12-2010); for contextualization, see the section 'corporate profile' for Loncor above.

²⁷ See <http://www.kilogold.net/properties/KGL-ERW.cfm> for more information and a map of the site (visited 20-11-2010).

²⁸ Source: September 2010 investor presentation by Kilo Goldmines.

²⁹ Source: <http://www.kilogold.net/blog/2010/03/13/china-in-the-drc-%e2%80%93-background-on-the-ore-for-infrastructure-barter-agreement/> (visited 20-12-2010), and personal interview.

2.2.3 Security setup

Kilo, as Loncor, employs a mix of private security guards and police officers for its security needs. Kilo works with a private security company called *Congo Solution Security* (henceforth CSS) that has a low presence in Kinshasa but is very active in Bela, Biakato, Mambasa and Nia-Nia.³⁰ CSS is specialized in security services for the mining sector.

All sites furthermore count with the presence of at least one armed police agent, with a total around 8-12 agents.

2.2.4 Community relations and security implications

The Canadian company Kilo is less favored than Loncor by popular voices. For one, its *cahier des charges* has remained a vague promise, with only one social project concretely identified. It is said to have built a school at a village near its exploration site, but for the broader population of the Nia-Nia area Kilo has allegedly promised \$80.000 worth of water source drilling but nothing ever materialized.

Secondly, further concerns of the community are that Kilo is using huge amounts of the highly toxic chemical Mercury during the extensive exploratory drilling. As Kilo is drilling below groundwater level, the population fears that the Mercury will pollute the drinking water that they take from nearby sources. As one observer remarked, ‘we cohabit the same area, have to live off the same ground, but the Kilo people are able to import their drinking water. We don’t have the same protection from pollution.’ This preoccupation seems warranted as artisanal miners at the *Indi carrière* literally live and operate next to the camp and drilling sites.

This tension is further exacerbated by the—third—fact that according to all civil society stakeholders interviewed, Kilo community relations efforts are negligible, leaving the population to guess for themselves, thus allowing space to have perceptions play into general discontent. Since Kilo *explores* in Budu terrain but is also visible in its camps situated in Ndaka territory, both groups have expectations surrounding benefits from Kilo. However, the only Kilo development initiative has

solely targeted Budu. As such, the Ndaka feel disadvantaged vis-à-vis the Budu (and Nande) populations around Kilo operations (the Bafwabango community at KM 51 of the Nia-Nia-Isiro route), an impression which is replicated and communicated throughout the Ndaka chieftaincy to confirm once again that they are victimized and thus rightly angered with the Budu and, to a lesser degree, the Nande.

Fourthly and lastly, civil society representatives complained that Kilo is paying off individual political agents, instead of broad community development projects. These funds, albeit officially allocated to civil society organizations, disappear into the pockets of the negotiating individuals.

2.3 Corner Stones Ressources

Corner Stones Ressources was present during the time of research (December 2010) yet has unexpectedly left the 7th of February 2011 due to a violent confrontation with renegade elements of the FARDC the 31st of January.³¹ One Chinese miner has been shot during a confrontation with 2 renegade FARDC elements, which have been arrested February 4th. As the company is however expected to return to the site, the following profile is still relevant for analysis and has not been updated.

2.3.1 Corporate profile

The third and most dubious international mining company in the Nia-Nia area is called ‘Corner Stones Ressources’ (sic.) and their presence in the area at the time of fieldwork consisted of a small contingent of Chinese miners.

Corner Stones Ressources is the African mining subsidiary of the Chinese corporation CRAA International which has corporate offices in Paris, Shanghai and Kinshasa. CRAA International is a company specialized in exporting second hand minerals from Europe to China—it proclaims to be the biggest in Europe.³²

In Africa, CRAA operates, besides the DRC, in 9 other African countries, amongst which Mali, Cameroun, and

³⁰ See www.cssecurity.com (visited 18-12-2010)

³¹ See section 2.3.4 below.

³² Source: www.craainternational.com (visited 17-12-2010).

the Central African Republic. It does so through Corner Stones Ressources and another subsidiary, the Famental Mining & Ressources Group. A certain Mr. Wong is the director of Corner Stones, and he is equally often present at the Nia-Nia operations as he is in Kinshasa or Paris.

2.3.2 Current operations

Corner Stones Ressources illegally³³ exploited gold on the Ituri River at KM 9 on the Nia-Nia-Kisangani road since about March-April 2010 until January 31 2011. Their presence consisted of 18 Chinese miners living in an on-site camp, operating five large dredges. Additionally, they employed about 10 local day laborers daily

for about \$5 a day to work with a small dredge close to the river camp. In contrast to the Canadian mining companies, the Chinese thus engaged in alluvial mining and, again in contrast to the Canadian companies, no exploration phase preceded their exploitation.

2.3.3 Security setup

Access to the Chinese camp was cut off by an anonymous, wooden fence with a rudimentary access gate and a guarding house (see image below). Four armed FARDC soldiers were continually present at the camp, with two of them manning the gate and two present at the camp which is near the Ituri River and about half a kilometer down the private road.



Wooden fence and access gate to the Chinese mining camp at KM7.

³³ Source: see references under note 31 and <http://radiokapi.net/regions/province-orientale/2011/02/08/des-chinois-quittent-nia-nia/> (visited 01-03-2011).

2.3.4 Community relations and security implications

Following the stereotype, the Chinese were hardly accessible and no one had a clear idea of the size and scope of their operations, nor about the legality of their activities; by extension, there was no *cahier des charges*. According to Nia-Nia locals, the Chinese only left their joint camp and exploration base sporadically to venture into town for the occasional leisure and shopping requirements. Only their boss, Mr. Wong, and the company's juridical advisor for the DRC, Mr. Gambe, are able to communicate meaningfully with the outside world, with the first fluent in French and English and the latter fluent in French, English, and Swahili.

The Ituri River at the point where the Chinese operate, forms the natural border between the dominant Ndaka and Bali tribes. This quite literally means that Ndaka alluvial *orpailleurs*³⁴ will exploit 'their' side of the river (*rive droite*), while Bali *orpailleurs* are, according to traditional rights, entitled to the gold from *rive gauche*. The presence of Chinese miners at KM7 on the road to Isiro is causing confusion over entitlements to gold from the river bed. Whereas the Chinese camp is located on the Mambasa (and thus Ndaka) side of the river, a Ndaka customary chef in Nia-Nia explained that the 5 Chinese *dragues* are operating on both riversides and on the river bottom. As it is unclear for the population at which side of the river (and thus within the power of which administrative territory and ethnic group) the Chinese are operating, both Bali and Ndaka communities claim rights to—hitherto non-existent—negotiation with the Chinese over social projects and entitlements to percentages of the gold found in their territory. This has eventually also fueled tensions over the *other* gold coming from either side of the Ituri River, with instances reported of Bali *orpailleurs* exploiting gold on the Mambasa side of the river. In this instance, international mining disrupts established understandings between tribes over customary entitlements to natural resources.

Additionally, as recent events showed, the unclear legal status of gold exploitation operations such as that by the Chinese can understandably lead to frustrated outbursts of appropriation and vengeance by either locals or loose FARDC elements. At the night of the 31st January to the 1st of February, two armed FARDC soldiers entered the Chinese camp and attempted to take gold powder from a certain Mr. Yin Youbing, who in turn allegedly responded with martial art moves, reason for one of the soldiers to shoot him. Public statements by Congolese officials confirmed firstly that the Chinese operation was illegal and secondly that they left the site 7 days later.³⁵ This example shows how illegal operations by international actors combined with a near complete lack of verbal interaction with the local population creates a gap of alienation and misunderstanding easily filled with frustrations will lead to violent criminal behavior.

³⁴ Orpailleurs literally refers to alluvial prospecting or placer mining, but commonly refers to all organized artisanal mining in DRC. Small-scale or individually operating gold seekers are called creuseurs in the DRC.

³⁵ For more information on recent events, see, for instance, <http://radiookapi.net/actualite/2011/02/04/ituri-les-assassins-du-chinois-deferes-a-l%E2%80%99auditorat-militaire/> and http://www.chine-informations.com/actualite/rdc-des-presumes-assassins-un-ressortissant-chinois-au-nord-est_27079.html (visited 01-03-2011).

3. Mining operations and ethnic tensions

Ethnic tensions are never ethnic tensions *pur sang*. As elsewhere, in the Nia-Nia area they only surface when intersecting with other concerns. The two main other dynamics that intersect with and fuel ethnic tension in the area, are firstly natural resources and secondly administrative organization. These two dynamics are furthermore interlinked in the perception and build-up of tensions and all related tensions ultimately seem to evolve around the entitlement to, and allocation distribution of, resources.

3.1 FARDC at 51

A platoon (45 soldiers) of FARDC (*Forces armées de la RDC*) under command of a Wamba officer is reported to be present at KM 51.³⁶ Their presence forms an example the urgent need for security sector reform (SSR), and contains all the elements for an explosive mix.

Firstly, it is important to note that no relationship between the soldiers and Kilo has been observed, and Kilo has explicitly stated that it shuns operating with the Congolese armed forces.³⁷ Furthermore, strong indications exist at community level that the soldiers are present at KM 51 only to benefit from the gold by directly controlling artisanal mining operations. In any case, Ndaka community perceptions are very strong around the subject; and as communication is limited due to bad roads and the absence of mobile phone networks, there is no possibility to adapt perceptions where necessary.

As these FARDC soldiers belong to the Wamba administrative district and Budu chieftaincy, local Ndaka population intensely resents these operations and portrays it as an expression of personalized greed on part of the Budu and as an invasion of their territory. This kind of conduct for economic gain carried out by uniformed

FARDC is an especially obvious conflict catalyst as it cuts across administrative and tribal frontiers, to be instrumentalized in preexisting feuds.

Recent news reports however indicate that this is not an isolated case—rather, it is one example of a more pervasive tendency whereby FARDC elements are involved in ‘artisanal’ mining throughout the area, reason for the FARDC District Commander Freddy Bosomba to replace some soldiers in the Nia-Nia area in January 2011.³⁸

3.2 The Beru enclave

The Beru in Nia-Nia (Babudu Malika Baberu) form another example of tensions due to the intersection of ethnic and administrative organization. The aforementioned group of Beru, historically pertaining to the Budu tribe of the Wamba territory, live in an enclave in the Mambasa territory from 2 to 19 km outside Nia-Nia.³⁹ Although their arrival and settlements predates any historical memory, and enclaves are common in the ethnic landscape of Ituri, they are still considered as outsiders and newcomers by the Ndaka; according to the latter, the Beru actually belong in the Budu territory.

Recent examples of events propelling Ndaka consternation are the following. Adjacent to Nia-Nia, the Beru have recently constructed a new neighborhood called *quartier Sadik* after the name of their local chief. This is considered a menacing enclave by the Ndaka *autochtones* (natives) as they obey traditional Budu chieftains; furthermore, there are three soldiers deployed in the enclave that pertain to the Wamba territory and obey an—absent—Wamba commander. The Beru chief has constructed an impressive house next to the roadside and owns three cars. As it is common knowledge that

³⁶ This has been affirmed by several local civil society interlocutors but needs to be confirmed by an on-site visit which was not possible at the time of writing due to the state of the road.

³⁷ Source: personal interview.

³⁸ See for instance the following news article: http://www.chine-informations.com/actualite/rdc-des-presumes-assassins-un-ressortissant-chinois-au-nord-est_27079.html (French)

³⁹ According to Beru, the enclave legitimately runs from the rond point in Nia-Nia to KM 19, whereas the enclave starts at KM 2 for Bandaka. This difference in interpretation is vital for the legitimacy of the new quartier (see next paragraph of main text), which now hinges on the veracity of the contested historical claim by Beru that the terrain on which the Parish is constructed, is in fact a concession ceded by Beru to the local religious community. See also Mongo, E., A.D. Nkoy Elela, & J. van Puijenbroek (2009) *Conflits fonciers en Ituri, Bunia/Utrecht : Haki Na Amani / Pax Christi*, p. 299

he makes his money through the exploitation of tropical hardwood, the Ndaka contest Beru entitlement to his ostensive riches. It is considered a problem by Ndaka that the Beru make use of public services such as schooling and public health while paying administrative and customary taxes to Wamba officials and chiefs—‘after all’, one BaNdaka interviewee indicated, ‘if all chiefs start moving around other chiefs’ territories, what will happen to customary order?’ Fear exists that an increase in competing regulatory authorities⁴⁰ will lead to disarray in established social order. As it is generally only when customary authorities fail to settle conflicts over entitlements to natural resources, that people will appeal to formal administrative authorities to settle their disputes, this situation is an indication of increased social tension in the area.

3.3 Ndaka-Budu relations

The same kind of tension, albeit less urgently, seems to affect Ndaka-Budu relations more generally. The tribal landscape of the Nia-Nia area defies clear-cut administrative divisions and the superimposition of both socio-political grids leads to complex questions concerning the legitimacy of taxes and the allocation of ‘public’ resources. In this complex situation, the engagements of mining companies—whether for good or bad—risk becoming instrumentalized by tribal actors to enhance their respective political, economic, or social positions.

For instance, the fact that both Loncor and Kilo have allegedly prepared their *cahiers des charges* with Ndaka customary authorities rather than with representatives of the administrative districts, has set bad blood with Budu and other tribes that feel principally excluded from negotiations and benefits. The example of the primary school built by Loncor in Bafanekengele comes to mind—the fact that it is constructed in exactly the village where also the Ndaka chief resides, thoroughly displeases Budu locals living nearby. This ‘fact’ readily

allows itself to be assembled as an argument in the broader story of Ndaka-Budu conflicts. In sum, the politics of negotiating, and having the authority to negotiate, the *cahier des charges* in the Nia-Nia area inserts itself into tribal politics and amplifies tribal fault lines and conflicts.

Ultimately, both the Ndaka and Budu populations hope that the delimitation of administrative *communes* will be thoroughly revised with local elections in 2013, yet both seem to expect too much benefit for their own tribe as a result. Thus, while these concerns have hitherto not mounted into violence, the superimposition of administrative issues onto either issues of economic distribution and allocation or the resettlement of ethnic groups leads to concerns that, fueled by disappointment or the smallest additional conflict, could potentially erupt into violence.

⁴⁰ See for instance Roitman, J. L. (2005). *Fiscal disobedience : an anthropology of economic regulation in Central Africa*. Princeton: Princeton University Press.

Conclusion & policy implications

The display of riches by foreigners that inevitably accompanies mining explorations tends to cause high expectations with local populations. When, in the most extreme of cases, instead of elaborate development projects, artisanal miners are robbed of their livelihood and populations displaced, these expectations turn into frustration leading to a high conflict potential. Especially in the Eastern DRC, where foreign capital has faded from the memory of all save the elders and central government is desperately absent, local populations—perhaps excessively—expect arriving foreign corporations to contribute to their wealth and wellbeing. This report has tried to show how such expectations play into preexisting tribal feuds or are by and of itself a catalyst of amplified tribal tensions.

1. Further research is needed

The exploratory phase of a gold mining operation, in which samples are taken and a feasibility study is carried out, typically lasts for 3-4 years. If exploitation is to follow, large swaths of the concessions involved will be isolated through perimeter security, and in the concessions of Loncor and Kilo this will necessarily involve the displacement of artisanal miners. All samples taken for the Loncor concession, for instance, have been taken at artisanal mining sites (see cover image). The Makapela main pit, which forms the core of artisanal mining activities, with concentrations running over 300 miners daily, also has given the highest grade of gold per ton of ore. A big local community of approximately 1.000 is present, consisting of artisanal miners and their families, and as exploitation begins, this population is likely to be displaced, potentially leading to violent protests if compensation is not deemed sufficient. A first policy recommendation, then, is that (1) the size and composition of the local community at Makapela is confirmed through field research and that (2) Loncor discloses plans of displacement and compensation.

2. The impetus of improved communication infrastructures

Situated at about 100 KM from mobile phone networks (which stop 10 km short of Mambasa and just outside of Bafwasende) and with roads often not navigable even for 4x4 vehicles, capacity for quick signaling of and response to emergencies is limited. Furthermore, customary chieftains are able to hold on to power and manipulate public opinion along the lines of their per-

sonal interests, which could materialize by opposing tribes. Interviews indicated that customary chiefs actually *oppose* the introduction of mobile phone networks, as this would reduce their leverage over their respective tribes through information monopoly. The first implication this report would like to stress is to pressure both mining corporations and the NGO community to push Vodacom and Airtel (former Celltel/Zain) to expand their network capacity into the region. This allows volatile situations to be communicated swiftly within the region to avoid conflicts exacerbating through miscommunication, and communication outside of the region in case of grave humanitarian emergencies.

A related practical concern this report would like to stress, is the involvement of mining corporations in the construction and maintenance of main roads. AngloKiloGold (AGK) solely keeps the 90 KM road Mongwalu-Bunia navigable by thorough maintenance efforts twice a year. This example could be taken as a best practice to be copied. This is not only liable to reduce consumer prices but also increase response time in case of emergencies and, not unimportant, it will drastically reduce transport costs for the mining companies involved. Instead of keeping stand-by a number of helicopters, Loncor could periodically upkeep the road Nia-Nia-Yindi and Kilo the part Yindi-KM 47. This would make them both responsible for 25 KM of route.

3. A call for transparency

Transparent *cahiers des charges* should be made public, and engagements with local communities should develop along shared standards. Mining companies should inform themselves about the social and tribal dynamics at play and strive towards 'integral development', that is, development that is not perceived to benefit one social group rather than another. Social development projects should thus not be based on or organized along established chieftaincies when tribal fault are so evident. First, traditional leaders have historically displayed the tendency to amass benefits from interactions with international mining companies (and this was confirmed again by this report), and secondly, when traditional political structures are deployed as implementation devices for development projects, all present tribal groups should be targeted.



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