Addendum to the report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of DR Congo

S/2001/1072
Letter dated 10 November 2001 from the Secretary-General to the President of the Security Council

I wish to refer to the presidential statement dated 3 May 2001 (S/PRST/2001/13), in which the Security Council extended the mandate of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo for a final period of three months. I also wish to refer to the President's letter, by which the Panel's mandate was extended until 30 November 2001 (S/2001/951), and the Panel was requested to submit, through me, an addendum to its final report.

I have the honour to transmit to you the addendum to the report of the Panel, submitted to me by the Chairperson of the Panel. I should be grateful if you would bring the report to the attention of the members of the Security Council.

(Signed) Kofi A. Annan

Addendum to the report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo

I. Introduction

1. By the statement of its President of 2 June 2000 (S/PRST/2000/20), the Security Council requested the Secretary-General to establish a Panel of Experts on the illegal exploitation of the natural resources and other forms of wealth of the Democratic Republic of the Congo with the following mandate:

(a) To follow up on reports and collect information on all activities of illegal exploitation of natural resources and other forms of wealth of the Democratic Republic of the Congo, including in violation of the sovereignty of that country;

(b) To research and analyse the links between the exploitation of the natural resources and other forms of wealth in the Democratic Republic of Congo and the continuation of the conflict.

2. By his letter dated 12 April 2001 (S/2001/357), the Secretary-General transmitted the report of the Panel. The Security Council, in the statement of its President of 3 May 2001 (S/PRST/2001/13), requested the Secretary-General to extend the mandate of the Panel for a final period of three months, at the end of which the Panel would present an addendum to the report which would include the following:

(a) An update on the relevant data and analysis of further information, including as pointed out in the action plan submitted by the Panel to the Security Council;

(b) Relevant information on the activities of countries and other actors for which necessary quantity and quality of data were not made available earlier;

(c) A response, based as far as possible on corroborated evidence, to the comments and reactions of the States and actors cited in the report of the Panel;

(d) An evaluation of the situation at the end of the extension of the mandate of the Panel, and of its conclusions, assessing whether progress has been made on the issues, which come under the responsibility of the Panel.

3. The new Panel was composed as follows:

Ambassador Mahmoud Kassem (Egypt), Chairman;
Brigadier General (Ret.) Mujahid Alam (Pakistan);
Mel Holt (United States of America);
Henri Maire (Switzerland);
Moustapha Tall (Senegal).

4. The Panel was assisted by a technical adviser, Gilbert Barthe, two political officers, as well as an administrator and a secretary.

5. Following a brief period of consultations in New York, the Panel began its work in Nairobi on 30 July 2001. Panel members, together or individually, because of time constraints, visited Angola, Belgium, Botswana, Burundi, Central African Republic, the Democratic Republic of the Congo, France, Kenya, Namibia, the Republic of the Congo, Rwanda, South Africa, Uganda, the United Kingdom of Great Britain and Northern

Ireland, the United Republic of Tanzania, the United States of America, Zambia and Zimbabwe.

6. In acquiring and updating its information, the Panel relied on meetings with heads of State, government officials, non-governmental organizations and stakeholders, business people, academics, members of the press, individuals and others. Meetings were also held with parties cited in the report, representatives of Governments, entities, private companies and individuals who had submitted written reactions to the report.

7. The Panel did not have the power to compel testimony and thus relied on information voluntarily provided by States and other sources. Information was not forthcoming from South Africa, the United Republic of Tanzania, Zambia and Zimbabwe. Information was finally received, but with considerable delay, from Angola. This factor, as well as the constraints of its short mandate, limited the Panel's ability to present a more complete addendum.

8. Throughout its consultations and work, the Panel was mindful of the progress being achieved in the ongoing peace process in the Democratic Republic of the Congo, regarding the implementation of the Ceasefire Agreement signed at Lusaka on 10 July 1999 (S/1999/815) and, in particular, the inter-Congolese dialogue.

9. The Panel tried its best to address the complaints and reactions as a consequence of the report and succeeded in meeting most of the parties. However, owing to severe time constraints, it was not possible to address this issue in its totality.

II. Historical perspective

10. The Panel wishes to emphasize that the history of the Democratic Republic of the Congo, regardless of the political system or governing authority in place, has been one of systematic abuse of its natural and human resources. This exploitation has almost always been backed by the brutal use of force and directed to the benefit of a powerful few. As the country's precious resources were plundered and mismanaged, an informal economy based on barter, smuggling and fraudulent trade in commodities thrived, becoming the sole means of survival for much of the population. This commerce reinforced pre-existing ties based on ethnicity, kinship and colonial structures between the Kivu regions and neighbouring States such as Burundi and Rwanda, as well as Kenya, Uganda and the United Republic of Tanzania. Similar patterns of informal trade closely linked Katanga Province with Zambia and Angola.

11. The result was that a country renowned for its vast natural wealth was reduced to one of the poorest and debt-ridden States by the early 1990s. From the early days of the rebellion of the Alliance of Democratic Forces for the Liberation of Congo-Zaire, President Laurent-Désiré Kabila perpetuated many of the practices of his predecessors. He wielded a highly personalized control over State resources, avoiding any semblance of transparency and accountability. Management control over public enterprises was virtually non-existent and deals granting concessions were made indiscriminately in order to generate quickly needed revenues and to satisfy the most pressing political or financial exigencies. Familiar patterns of unaccountability, corruption and patronage re-emerged rapidly. This is the setting in which the war of August 1998 began.

III. Situation in the Great Lakes region

12. Since 12 April 2001, the ceasefire has held along the confrontation line among the parties. Uganda began pulling out some troops and Namibia withdrew almost all its troops. Disengagement to new defensive positions, in accordance with the Lusaka Ceasefire Agreement, appears to have been completed. Sporadic fighting nonetheless continued, shifting the conflict towards the east along the borders with Rwanda and Burundi and the shores of Lake Tanganyika. Much of this fighting has pitted the Rwandan and Burundi armed groups or "negative forces" and the Congolese Mayi-Mayi militias against the Rwandan Patriotic Army, the Burundi Army and the RCD-Goma rebel forces. ALIR I, regrouping ex-FAR and Interahamwe, moved through the Kivus and crossed the border to attack RPA. The attack was repelled by RPA. The most recent armed activity has centred on the town of Fizi in South Kivu near Lake Tanganyika. There have also been reports of sporadic clashes between Mayi-Mayi fighters and different forces in the north-eastern regions of Orientale Province and North Kivu. Some fighting was also reported to have broken out among different factions of the Ugandan-backed rebel groups.

13. Efforts towards reconciliation and reunification moved forward. In August 2001, the preparatory meeting for the inter-Congolese dialogue, the negotiations among the Congolese parties on a post-conflict political transition, was held at Gaborone. A sense of compromise and cooperation reigned and one result was the signing of a Declaration of Commitment by all the participants. Among the many issues on which the participants committed themselves to start taking action was the protection of natural resources from illegal exploitation. The dialogue itself began at Addis Ababa in September; the talks, which adjourned prematurely, in part because of funding problems, will reportedly resume in December in South Africa. The Kinshasa Government continued to push for the participation of the Mayi-Mayi groups in the negotiations. Talks aimed at building confidence were held between President Joseph Kabila and the heads of State of the signatories to the Lusaka Ceasefire Agreement. As a gesture of good will, intended to encourage the withdrawal of Rwandan troops, President Kabila announced that 3,000 soldiers in Katanga Province, identified as ex-FAR and Interahamwe, would be disarmed and demobilized under the supervision of the United Nations.

14. As regards the exploitation of natural resources, Zimbabwe is the most active of the allies. Many of its joint ventures are in the development stage and likely to mature with the help of badly needed capital from outside investors. While many of the investors are offshore companies, Zimbabwe also appeared to be considering a less active role for its army in these commercial activities and more involvement by government ministries. On the side of the uninvited forces, the commercial networks put in place by UPDF commanders have allowed them to continue their exploitation activities despite the withdrawal of a significant number of troops. RPA continued to collect and channel profits from trade in natural resources through a sophisticated internal mechanism.

IV. Exploitation of the natural resources

15. Investigations conducted by the Panel, which focused on evaluating whether changes in trends had occurred since the release of the report, confirmed a pattern of continued exploitation. The exploitation is carried out by numerous State and non-State actors, including the rebel forces and armed groups, and is conducted behind various facades in order to conceal the true nature of the activities. While some of these activities may be conducted under the umbrella of joint ventures, other activities are carried out by the de facto authority in the area, which purports to exercise the same authority and responsibilities as the legitimate Government. Still others take different forms, which will subsequently be highlighted. Given its mandate, the Panel limited its examination of specific material resources to coltan, gold, copper and cobalt, diamonds and timber, since they best illustrate the current patterns of exploitation. Selecting these resources also permitted the Panel to examine some of the reactions presented to the report.

16. The Panel would also like to emphasize another very important aspect of the exploitation that previously was not given sufficient importance. This relates to the exploitation of human resources by all parties to the conflict, a far graver phenomenon than the exploitation of material resources. This form of exploitation has resulted in flagrant and systematic violations of the fundamental human rights of the Congolese people. Human resources constitute the most important wealth of a nation, and the Panel strongly feels the need to reinforce the international community's attention to this situation so that urgent measures are taken.

Coltan (columbo-tantalite)

17. An excellent conductor, this metal ore occurs throughout the eastern region of the Democratic Republic of the Congo. After increased demand from the hi-tech, communications and aerospace industries drove coltan prices to an all-time high of more than $300 per pound in 2000, prices plummeted during the first six months of 2001, levelling off at the current $20 to $30 per pound. This price fluctuation, due to an increase in world production - in particular in Australia - and diminished demand, coincided with the publication of the Panel's report. There have been some accounts that part of the decrease in demand resulted from manufacturers' desire to disassociate themselves with what became known, following release of the report, as "blood tantalum".

18. The fluctuation in the price, as well as the Panel's report, have had a number of effects on the coltan trade from the eastern region of the Democratic Republic of the Congo. In response to the recommendations of the Panel, a bill was introduced in September 2001 in the United States House of Representatives to prohibit temporarily coltan imports from certain countries involved in the conflict in the Democratic Republic of the Congo. Some United States corporations that process and use tantalum, such as Kemet and Cabot Corporation, cancelled orders for coltan originating from the region. The Panel also confirmed that the Belgian company Sogem, a subsidiary of Umicore (formerly Union Minière), which was cited in the report, ended its partnership with its coltan supplier, MDM, in Bukavu in November 2000. Sogem, it should be added, had been operating and was established in the area long before the outbreak of hostilities.

19. These factors have also led to a change in tactics by the Rwandan army. Congolese operators were selected as partners to handle the coltan trade. In addition, the Rwandans relocated some of their comptoirs, which had operated in Bukavu and Goma, back to the Rwandan border towns of Cyangugu and Gsenyi. In addition, the decrease in coltan prices has meant a sharp reduction in revenues for the Congolese rebel groups such as RCD-Goma. For example, the Panel received reports that only one of the six remaining comptoirs d'achat has been able to pay its mandatory contribution to RCD-Goma. The rebel group has, as a result, resorted to other means of collecting revenue. RCD-Goma officials are now retroactively demanding higher taxes from local businesses and have imposed much higher customs tariffs. Desperately short of funds, RCD-Goma has even begun imposing customs duties on relief material brought in by humanitarian organizations.

20. Transport networks have also been reconfigured since the publication of the report. Sabena halted the transport of all coltan shipments from Kigali. Instead, the Netherlands carrier Martinair is now shipping coltan from Kigali twice a week to Amsterdam. DAS Air, a Ugandan-owned freight company, is also believed to be transporting coltan from Bukavu and Goma to Europe via Kigali. South African-owned air companies are also reportedly shipping coltan, either directly from the Kivu region or via Kigali to South Africa. The Panel has been informed by Interfreight that the company ceased transporting coltan as of May 2001. Interfreight is the company which had bought, prior to the conflict, 80 per cent of Panalpina's East Africa transport company. Although Panalpina currently only holds 20 per cent of the shares, Interfreight, nevertheless, has continued to use Panalpina transportation documents. As a result, the Panel's report had referred to Panalpina as the operator of Interfreight Operations.

21. While some of the patterns and modes of coltan transport have changed, others have remained constant. Kigali remains the main point of exit for coltan originating from the Democratic Republic of the Congo, while Ostende and Antwerp in Belgium remain the main ports of entry into Europe. In the case of transport by sea, which is the cheaper mode, the French company SDV-TRANSINTRA still transports coltan from Kigali to Mombasa and Dar es Salaam, from where it is shipped by another French company, Safmarine, to Antwerp and Ostende.

22. The Panel has learned that a large amount of coltan is transported to Hamburg, Germany, from Ostende and Antwerp. However, the Panel has learned from credible sources that the coltan then finds its way to the Ulba tantalum processing plant in Kazakhstan. According to a 1997 agreement between Finconcord SA of Switzerland and the Ulba plant, Finconcord marketed the processed coltan to its clients in Europe, the United States and Japan. Owing to the non-payment of taxes, and a resultant police investigation in Kazakhstan, Finmining, directed by the same individual, replaced Finconcord as Ulba's marketing agent. The Panel wishes to record that although it contacted the Government of Kazakhstan to verify information relative to the transportation of coltan, it did not receive a response from the Kazakh side.

23. In addressing some of the complaints made regarding references to coltan in the Panel's report, the Government of Rwanda claimed that its coltan production figures match those for total exports, which are supported by certificates of origin. However, the Panel was not able to reconcile these statistics. The Government of Rwanda also emphasized that the discrepancy between recorded coltan production and export figures

was equal to the tonnage resulting from the re-processing of stockpiled scrap ore. The Panel was informed that these quantities of relatively low-grade coltan, known as "secondary" production, are recorded in statistics on exports, but not in those for production. The Government of Rwanda also claimed that coltan was imported in order to make use of the Rwandan processing facilities' surplus capacity, yet it could not precisely identify which statistics reflect those quantities. Certificates of origin were not presented for review. In addition, overall, data presented by the Government of Rwanda on coltan production and exports, including that from the National Bank of Rwanda on the annual volume and value of coltan exports, were not coherent. However, the general trend revealed by the statistics was that Rwanda's coltan exports almost tripled from 1998 to 2000.

24. The Government of the United Republic of Tanzania and the Tanzania Harbour Authority have also vehemently denied that coltan originating in the Democratic Republic of the Congo has ever been exported from the port of Dar es Salaam. However, the Panel has credible information that this is not the case. It refers, as an example, to the shipment of one container of coltan, which left the port of Dar es Salaam on 13 July 2001 on the Karina S, a Safmarine vessel, headed for Hamburg via Antwerp.

25. One of coltan's component elements, niobium (colombium), is produced by the Congolese company SOMIKIVU in the region north-west of Goma, which is under the control of RCD-Goma rebel group. In the Panel's report, it was reported that a preferential loan of DM 500,000 had been made by the Government of Germany to Karl Heinz Albers, a German citizen who is the Managing Director of SOMIKIVU, to expand the company's capacity. The Government of Germany later clarified information regarding these monies, stating that they were "a payment resulting from a federal guarantee for the original investment of the shareholder registered in Germany, the Gesellschaft für Elektrometallurgie mbh, Nürnberg". The monies were provided in the 1980s and "the investor had to be covered in the early 1990s for economic losses incurred because of the wars in the east of the Democratic Republic of the Congo". The Government of Germany has emphasized that it does not offer "trade promotion measures" to SOMIKIVU or any other company named in the report.

Gold

26. Gold deposits can be found in the north-east and eastern regions, in the Kivus and Maniema and Ituri Provinces. During the last days of the Mobutu era, this was the only mineral that was recording increases in sales. Following an initial attempt at privatizing the gold mines through joint ventures, industrial gold mining practically came to a halt as a result of the civil war that began in 1996. However, artisanal gold mining continued and continues to this date on a large scale.

27. The Panel's report sheds light on the gold mining activities carried out by the Ugandan army, which assumed control of this gold-rich area. The sharp rise in Ugandan gold exports, which also exceeded national production, was given as further evidence that this gold is transported by UPDF elements to Kampala, from where it is exported. The Government of Uganda contested the findings of the Panel in its report, attributing the increase in its exports to 1993 policies liberalizing gold sales and exports, where the revamped policies permitted artisanal miners in Uganda to keep hard currency earned from sales. Officials claimed that as a result of the ease with which gold can be

smuggled, Uganda became the preferred destination for gold produced by artisanal miners in the surrounding region.

28. The discrepancy between the gold export figures registered by the Ministry of Energy and Mineral Development and those recorded by the Uganda Revenue Service was attributed to the fact that the Ministry's figures reflect the quotas set for the production of the Ugandan export permit holders. These permit holders can buy from artisanal miners, the total of which appears on the export permits. While small-scale smuggling may in part explain the discrepancy in Uganda's production and export figures, the Panel has evidence that artisanal gold mining activities in the north-east by UPDF and RCD-ML, as well as the short-lived rebel coalition FLC, have continued. In the Kilo-moto area for example, operations at the Gorumbwa and Durba sites are under the control of UPDF and RCD-ML. The Malaka site reportedly employs 10,000 diggers and generates amounts of gold valued at $10,000 per day. Gold produced is still being sold through the Victoria comptoir in Kampala.

29. Another destination for the gold originating in the Democratic Republic of the Congo is Bujumbura. The Panel has learned from official and business sources in Bujumbura that gold smuggling into Burundi from Bukavu, Fizi Baraka and Uvira is a traditional activity because of the porous borders and Bujumbura airport's capacity to handle large cargo planes. In Bujumbura, gold dealers from countries such a Senegal, Pakistan and Greece buy this smuggled gold, which they subsequently transport personally to Europe and other destinations.

Copper and cobalt

30. Gécamines, the largest mining operation in the Democratic Republic of the Congo and once wholly State-owned, has holdings in government-controlled Katanga Province, which contain one of the largest concentrations of high-grade copper and cobalt in the world. Embezzlement, theft and pilfering, mismanagement and a lack of re-investment transformed it from the pillar of the Congolese economy, once earning 70 per cent of the country's hard currency in exports, into a dilapidated enterprise with production now at only one tenth of its former capacity.

31. Although Australian, United States, Canadian, Belgian and South African companies have established joint ventures in Gécamines' concession areas, the Government of the Democratic Republic of the Congo has primarily relied on it as a means to ensure the continued support of Zimbabwe. Zimbabwean Billy Rautenbach was named the Managing Director of Gécamines in November 1998 during a visit to Harare by President Laurent-Désiré Kabila. According to this deal, some of Gécamines' best cobalt-producing areas were also transferred to a joint venture between Mr. Rautenbach's Ridgepoint Overseas Development Ltd. and the Central Mining Group, a Congolese company controlled by Pierre-Victor Mpoyo, then Minister of State. Mr. Rautenbach also acted as Managing Director of the joint venture, a blatant conflict of interest. The Panel has information that President Kabila's decision to appoint Mr. Rautenbach - a man with no mining experience but with close ties to the ruling ZANU-PF party in Zimbabwe - was made at the request of President Robert Mugabe during that visit.

32. However, President Kabila replaced Mr. Rautenbach with Georges Forrest, a Belgian businessman, in March 1999, reportedly after the former failed to pay the Government's

share of the profits from the joint venture. President Kabila accused him of transferring profits to a shell company, as well as stockpiling cobalt in South Africa. Shipments of cobalt had allegedly been seized in Durban to pay Gécamines' South African creditors. Mr. Rautenbach has since taken legal action against the Government of the Democratic Republic of the Congo.

33. Under Zimbabwean pressure, in January 2001 John Bredenkamp's Tremalt Ltd. formed a joint venture with Gécamines, the Kababancola Mining Company (KMC). In a 25-year agreement, KMC acquired rights to a concession representing the richest Gécamines holdings. Mr. Bredenkamp, who pledged to invest $50 million in the mining operations, controls 80 per cent of this venture. Profits from his company's share will be split between the Government of the Democratic Republic of the Congo (68 per cent) and Tremalt (32 per cent).

34. The management of Gécamines changed hands again following an audit of all State-owned enterprises. The Minister to the Presidency, who has oversight for all public enterprises through his other post as Minister of the Portfolio, supervised an audit of these enterprises early in 2001. The audit reportedly revealed gross mismanagement and led to the firing of senior management officials at these enterprises in August 2001. A relative of the Minister was subsequently appointed to an influential post in the new management committee of Gécamines.

35. As in the past, Gécamines still continues to serve as a source of revenue for the Government of the Democratic Republic of the Congo. However, Gécamines' revenue-generating capacity no longer stems primarily from actual production, as it did during the early years of President Mobutu's regime. Instead, revenue mainly flows from the initial payments pledged by potential foreign joint-venture partners in return for the granting of concessions. The Panel has established that the amount of the payment is one of the primary considerations for the cash-strapped Government in granting concessions. As a result, unsustainable and environmentally hazardous mining operations currently characterize Gécamines' copper and cobalt mining activities. The future of what was once the giant of the country's economy appears bleak.

Diamonds

36. Owing to the size of the industry and the relatively stable price of diamonds, it is now an established fact that diamonds have had a significant effect on conflicts in Africa. In Angola and Sierra Leone, "conflict diamonds" mined in rebel-held areas1 have served as a motivation for and a means by which some of the longest and bloodiest civil wars in Africa have been and are still being fought. The Democratic Republic of the Congo is not an exception. In this respect, the Panel would like to emphasize the importance of efforts by those involved in the "Kimberley process" in developing an international regulatory framework that will prevent conflict diamonds from being marketed and traded through legitimate industry channels. The Government of the Democratic Republic of the Congo has recently begun participating in these efforts.

37. In 1998, the former Governor of Kasai Oriental Province, Jean Charles Okoto, was named Managing Director of Société minière de Bakwanga (MIBA). Statistics obtained by the Panel show that while industrial and lower grades of diamonds have consistently accounted for over 90 per cent of MIBA production over the past decade, the small

proportion of gem and near-gem quality stones, which averaged around 4 per cent of production, has shrunk progressively since 1999. By 2001, they represented barely 1.8 per cent of total production. The data, together with information provided by highly reliable sources, suggest that much of the company's most valuable diamond production is being embezzled and sold for personal profit by high-level MIBA and possibly other Government officials. The Panel believes, on the basis of credible, independent reports, that a portion of these embezzled gems are being smuggled through South Africa for sale in third countries. Credible information also suggests that Congolese authorities regularly skim millions of dollars from the proceeds of MIBA sales. In some cases, the funds are directly transferred from the company's Brussels account at the Banque Belgolaise. There are also widespread allegations, which the Panel was not able to substantiate, that diamonds from the Angolan rebel force UNITA are being laundered through MIBA in its tenders.

38. One of the largest joint ventures involving the Zimbabwe Defence Forces is the Sengamines diamond concession. The 25-year concession clearly represents the richest diamond deposits of MIBA holdings, with a potential production value estimated at over several billion dollars.

39. The joint venture originally featured a partnership between the ZDF-owned OSLEG (Operation Sovereign Legitimacy) and the Congolese company COMIEX-Congo. COMIEX-Congo is a State-private venture that acts as the Government's main platform for commercial deals and is reportedly linked to the Presidency and senior government ministers. The resulting joint venture, COSLEG, had neither the capital nor the expertise to develop the full potential of the concession. In a pattern that has developed in all of Zimbabwe's commercial investments in the Democratic Republic of the Congo, technical and financial support was sought from a third party. In this case, the party was Oryx Natural Resources, a British-Omani company.2

40. The exact capital structure of Sengamines remains somewhat unclear. Information obtained from Sengamines representatives and COMIEX in the Democratic Republic of the Congo indicated that Oryx retained 49 per cent of the shares, COMIEX 33.8 per cent and MIBA 16 per cent. The remaining 1.2 per cent is divided among several individuals, including the Minister for Public Security. Sengamines representatives also told the Panel that COMIEX would soon be dissolved and the government share in the venture would be controlled by the Ministry of the Portfolio. In a document concerning a planned reverse takeover of Oryx Natural Resources in 2000, reference is made, however, to dividing the "distributable profits" from the concession on the following basis: 40 per cent to the Oryx group, 20 per cent to OSLEG and 20 per cent to COMIEX-COSLEG. In this scenario, the Congolese partners would be considerably marginalized, especially MIBA. The separate Oryx Zimcon joint venture, involving yet another ZDF-owned company, is described as holding 90 per cent of the concession mining rights. Many well-informed sources emphasized to the Panel that the concession granted to Sengamines was the last strategic diamond reserve of MIBA and that MIBA has been irreparably weakened by the loss of this concession. Some sources even alleged that the granting of the concession is the prelude to liquidating MIBA, with Sengamines replacing it as the new premier diamond producer in the Democratic Republic of the Congo.

41. While the Congolese partner provides the resources to be exploited, Oryx furnishes the necessary capital and expertise. Through Abadiam, its agent in Antwerp, Oryx is also

directly involved in the marketing process. Although sharing substantially in the profits, the Zimbabwean side in this complex joint venture has no apparent role, apart from its strategic troop deployment in the diamond-rich Kasai region. This area is known for its secessionist tendencies and being the stronghold of popular opposition politician Etienne Tshisekedi of the Union pour la démocratie et le progrès social (UPDS).

42. An estimated one third of the total rough diamond production of the Democratic Republic of the Congo, valued at $300 million a year, is smuggled to the Central African Republic and the Republic of the Congo because the export duties are much lower in those countries. A significant percentage of these diamonds also find their way to South Africa. The Panel believes that the stones are mostly exported from these transit points, to the major diamond trading centres in Belgium, the Netherlands, Israel and the United Kingdom. The smaller diamond centres in Mauritius, India and the United Arab Emirates (Dubai), reportedly receive a lesser share. The new mining code of the Government of the Democratic Republic of the Congo, being drafted with assistance from the World Bank and advice from the World Diamond Council, is expected to redress the issue of the heavy taxes levied by the revenue-starved Government on diamond exports, which helps spur this illicit trade.

43. In following the trail of diamond exports from the Zimbabwean ventures in the Democratic Republic of the Congo, the Panel learned from the Ministry of Mines of Zimbabwe that the import of rough diamonds into Zimbabwe is prohibited. This information was corroborated by data provided by other credible sources, which showed no diamond imports originating from Zimbabwe. The Panel has been able to establish that these diamonds are handled by the South African-based Petra Diamonds Ltd.,3 which now owns Oryx Natural Resources, following a reverse takeover in 2000.

44. Diamonds from artisanal mining in the northern Kisangani area have provided a source of revenue for the rebels, RPA and UPDF for the continuation of the conflict. The high combined taxes imposed by the RCD-Goma rebel group and RPA ultimately resulted in diamonds mined in this area being redirected to Kampala, where lower tax rates prevail. Data on Ugandan diamond exports confirm this. From 1987 to 1996, no diamond exports from Uganda were recorded for this market. From 1997 to 2000, exports from Uganda ranged from 2,000 to 11,000 carats, with values of up to $1.7 million per year. Figures for 2001, extrapolated from the sales for the first eight months, show an estimated 35,000 carats, valued at $3.8 million, in Ugandan diamond exports to Antwerp.

45. To gain a better understanding of the diamond exploitation activities carried out in the rebel-held and occupied territories, the Panel has taken a closer look at the activities of the Belco-Diamant comptoir in Kisangani. Following the rebel administration's cancellation of the monopoly on diamond exports granted to Mr. Nassour in Kisangani, the Belco comptoir was established. This comptoir is owned by Mr. Lukasa, a former minister under President Mobutu, as well as Emile Serphati, and was licensed to export diamonds by the rebel administration. Although Belco pays a 5 per cent export tax to the RCD-controlled Ministry of Mines, the Panel has information that a 10 per cent tax is also levied on the comptoir by the "Congo desk" in Kigali. Buyers, such as Arslanian Frères, purchase diamonds from Belco, which are then shipped directly to Antwerp in Belgium. As there is no sanctions regime in effect against diamonds originating in the Democratic Republic of the Congo, the Diamond High Council in Antwerp inspected and approved

Arslanian Frères' imports of diamonds originating in the rebel-controlled region of Kisangani. The owner, Raffi Arslanian, told the Panel that Arslanian Frères had ceased all imports from Belco in May 2001 and furnished purchase receipts to substantiate this.

46. Statistics from credible sources also showed that diamond exports from Rwanda to Antwerp, in contrast to Uganda, have not increased. They informed the Panel that the reason behind this is the Rwandan Congo desk's relatively high tax (10 per cent) levied on the export of diamonds from the Democratic Republic of the Congo, added to the 5 per cent tax charged by the Congolese rebel administration. These taxes have driven many of the artisanal miners from the Kisangani area to smuggle their production through the Central African Republic and the Republic of the Congo. Diamonds are also reportedly transported personally by Asian and Lebanese traders operating in the eastern region, to South Africa and to Belgium and other European countries.

47. Belgium, along with the Diamond High Council in Antwerp, has taken serious steps to halt imports of conflict diamonds, for example from Angola and Sierra Leone, by instituting strict controls and by playing a leading role in the design and adoption of an international diamond certification system. However, it still remains an important destination for those tainted diamonds owing to the lack of similar controls in other European Union countries. Another related issue raised in the Kimberley process is the difficulty of adapting a certification and inspection regime to the customs and other trade procedures of a single integrated trade market such as the European Union.

Timber

48. The Democratic Republic of the Congo is endowed with some of the finest hard woods in the world. Most timber products from the eastern region have traditionally been shipped via the Congo River for export in Kinshasa. The Panel learned, however, that since the beginning of the 1998 war, logging companies in the eastern region have used the port of Mombasa in Kenya for exports. Although the Panel has evidence to show that timber from the eastern Democratic Republic of the Congo is exported both from the port of Dar es Salaam and through Kampala to the port of Mombasa, the Governments of both the United Republic of Tanzania and Uganda denied that any transited through either country. Information provided to the Panel proves however that timber processed at Mangina (North Kivu) transits through Uganda on its way to Mombasa, transported by the freight company TMK. With regard to the United Republic of Tanzania, the Panel has obtained documents that clearly indicate that, during the period from December 2000 to March 2001, at least two shipments of timber originating in the Democratic Republic of the Congo were transported across the United Republic of Tanzania by railway from Kigoma to the port of Dar es Salaam. The documents also show that both shipments were intended for transit through the port. These shipments were consigned to companies in Greece and Belgium.

49. The exploitation of timber is also occurring in the Government-held territories. In 2000 COSLEG, the joint venture between the ZDF-owned OSLEG and COMIEX, established a subsidiary, Société congolaise d'exploitation du bois (SOCEBO), for the exploitation and commercialization of timber in the Democratic Republic of the Congo. It was set up with the aim to "contribute in the war effort in the framework of South-South cooperation".

50. The Panel has gathered contradictory information about the exact size of the concessions granted to the joint venture, as well as its operational status and investment strategies. SOCEBO representatives told the Panel that six concessions had been applied for in the Bandundu, Bas-Congo, Kasai and Katanga Provinces, totalling 1.1 million hectares. However, the United Kingdom non-governmental organization Global Witness reports that four concessions totalling 33 million hectares were granted, making it the largest timber exploitation operation in the world. According to Global Witness, these concessions cover 15 per cent of the national territory. The by-laws show COSLEG as holding 98.8 per cent of the shares in the joint venture, with the remaining 1.2 per cent of shares divided between Mawapanga Mwana Nanga, Abdoulaye Yerodia Ndombasi, Godefroid Tchamlesso, Charles Dauramanzi, Collins Phiri and Francis Zvinavashe.

51. According to some sources, timber from the Kasai and Katanga concessions would be transported by train from Lubumbashi, through Zambia to the port of Durban in South Africa, where it would be exported to Asia, Europe and the United States. The Panel also received very credible information that SOCEBO target markets would include South Africa.

52. President Mugabe told the Panel at a meeting in Harare that, although SOCEBO was supposed to commence logging activities in May 2001, it had been delayed owing to an inability to pay the customs duties to the Zimbabwe Revenue Service on machinery imported for the project. The SOCEBO Directors in Kinshasa emphasized, however, that a lack of sufficient capital had been the main obstacle to making SOCEBO fully operational. The Panel also received credible reports that the initial start-up capital of $600,000 intended for SOCEBO operations had been embezzled by representatives of the diamond buying office, Minerals Business Company, another COSLEG subsidiary. The Panel learned that a police inquiry into the disappearance of those funds had been suspended.

53. Heavy investment will still be required in order for the company to realize its objectives, over $5 million according to the company's own business plan. The Panel has not been able to substantiate reports that ZDF have contacted Malaysian, Lebanese and French investors to explore the possibility of forming joint ventures to develop these concessions.

54. According to information provided by SOCEBO, however, in July 2001 a joint venture was established with Western Hemisphere Capital Management (WHCM), described by some as a United Kingdom company based in Harare. The venture, SAB-Congo, was formed to develop one of the concessions in Katanga Province. WHCM, which is providing the needed capital and equipment, currently owns 60 per cent of the shares. SOCEBO holds 35 per cent, while the Institut National pour l'étude et la recherche agronomique (INERA), a Congolese State-run institute for agriculture, holds 5 per cent. The duration of the agreement is 10 years. The first timber sales from the venture are expected in November 2001. The Panel was unable to determine if WHCM is in any way linked to Western Hemisphere Resource Exploration (WHRE),[4] which recently formed a diamond mining joint venture with COSLEG, the Société congolaise d'exploitation minière. SOCEBO is also currently conducting negotiations with Assetfin, a Zimbabwean company owned by Time Bank, in a similar arrangement for another concession.

55. The Directors of SOCEBO told the Panel during an interview in September in Kinshasa that, while it continues to seek investors, it is currently exporting timber bought from local small-scale loggers. It is also in the process of annulling a partnership deal with a private Congolese logging company for its concession in the Bas-Congo, which it described as "unprofitable". While SOCEBO directors painted a picture of a company still struggling to get operations under way and burdened by debts and back-tax bills, the Panel has received credible reports that Zimbabwean military personnel have been carrying out intensive logging operations in the SOCEBO concession in Katanga, apparently in conjunction with SAB-Congo.

V. The link between exploitation of resources and the continuation of the conflict

Overview

56. Through its fact-finding, the Panel attempted to analyse to what degree the exploitation of natural resources and other forms of wealth constitutes the motivation behind each party's activities in the Democratic Republic of the Congo, and to what extent the exploitation provides the means for sustaining the conflict. In doing so, it assessed the recent developments in the conflict area and their implications for the exploitation activities. The Panel then evaluated, on an individual basis, the activities of the different States involved in the exploitation process.

Recent developments and their implications

57. There are indications that clashes during the past seven months in the Oriental and Kivu regions between the Mayi-Mayi, who appear to be better equipped and coordinated than before, and UPDF and the MLC rebel group have been directly related to control of coltan and gold. Similar short-lived battles have been fought by the Mayi-Mayi with RPA over access to coltan throughout the Kivus. The Panel also believes that the infighting among the Congolese rebel groups in recent months, which has caused them to splinter and led to occasional violence, has been related to control over coltan, gold and diamonds in the Beni and Bafwasende areas.

58. The Panel received credible information, corroborating reports from independent sources, that Zimbabwe is supporting the Burundian FDD rebel forces by supplying them with weapons and expertise. Many reliable sources have informed the Panel in this regard that the Zimbabwe Defence Forces are training FDD in Lubumbashi, where the FDD leadership is based and where Zimbabwean copper and cobalt investments are located. Another sign of their loosely structured coordination with the Burundian rebels is that the ALIR II forces are based near FDD in South Kivu and also have a command and liaison presence in Lubumbashi. The Panel concluded that the arming of these irregular groups is contributing to sustaining what could be viewed as a war by proxy in the east. It allows the ceasefire to remain intact, while creating a "controllable" conflict in the occupied zone that satisfies the interests of many parties. With this sporadic, low-intensity conflict dragging on, a certain status quo is being maintained in this region where many precious resources are extracted, traded and routed for export. Zimbabwe and Rwanda have the most important commercial presence in the Democratic Republic of the Congo as a result of their involvement in the war. The role that Zimbabwe plays in regard to continuing the conflict may well be shared with the Government of the Democratic of the Republic of the Congo, or at least some elements in it, as well as

others. This armed activity can continue to feed Rwandan and Burundian security concerns, becoming an added justification for those two countries to maintain their military positions. In the case of Rwanda, control can then be legitimately deepened over a considerable expanse of territory, as well as its population and resources. As Zimbabwe's joint ventures in mining and timber begin to mature and become profitable, it may be tempted to retain a sizeable military presence in the Democratic Republic of the Congo. The profiteering of private businesses of all kinds in illicit and criminal activities gives them vested interests in seeing the conflict continuing, in particular businesses in South Africa, Kenya and the United Republic of Tanzania.

59. The link to the control and commercialization of the resources of the Democratic Republic of the Congo is more implicit than explicit. The Fizi Baraka region, where the most recent and intense fighting has occurred, is strategic for many reasons. It has been a stronghold for certain Mayi-Mayi groups and a base for the Burundian rebel forces, particularly FDD. ALIR II forces, which many military sources describe as the better armed and commanded of the Interahamwe and ex-FAR groups, use this area and nearby Shabunda to coordinate actions with the Burundian rebels. In military terms, it is a gateway to Burundi which offers an escape route into the United Republic of Tanzania or Rwanda. It is also a crossroads between the South Kivu and Katanga Provinces and provides access to the northern section of Lake Tanganyika. Some have described it as a key transit zone for trade in commodities heading north and south between Katanga, South Kivu and Lake Tanganyika. Fizi and the neighbouring towns of Uvira and Bukavu have also been described as once-thriving trading centres for gold, copper, coltan and diamonds.

60. The continuation of the war can also be used as a cover by some influential Congolese officials, allowing them to continue to profit illicitly from the riches of their country. Peace could bring added pressure from many sides for greater transparency, oversight and accountability, and could ultimately prove far less profitable for some.

The allies

Democratic Republic of the Congo

61. From the outset, the Government of Laurent-Désiré Kabila followed the same methodology as its predecessors. That Government inherited an almost dysfunctional mining sector, however, and, as a result, used the granting of concessions and joint ventures as a tool to raise funds. With the outbreak of the war, President Kabila also used those assets to maintain the loyalty of his allies. He also utilized the country's resources to obtain military assistance and training, as the case of International Diamond Industries demonstrates. Although it served the immediate interests of the Presidency, the arbitrary nature of the decision-making process in an environment of lawlessness and the absence of a functional government often proved counter-productive, even for the Kabila Government itself.

62. In its fact-finding, the Panel tried to verify how much the war had cost the Democratic Republic of the Congo and its allies and how the costs of the war had been paid, in order to determine whether commercial agreements related to natural resources or the exploitation of other forms of wealth had somehow played a part.

63. Although they cannot be supported by historical budget data, the explanations given by Congolese officials and the Commission of National Experts on the Pillaging and Illegal Exploitation of Natural Resources and Other Forms of Wealth regarding how some of the costs of the war were covered appear credible. In 1999, the Government began to subsidize some of the costs of its allies' military intervention by printing, circulating and using additional currency to pay some of the allied troops. The results were disastrous, however. The foreign soldiers flooded the market with the extra Congolese francs that they exchanged for dollars, which led to a dramatic devaluation in the currency and hyperinflation. According to data compiled by the Commission of Experts, the new Congolese franc depreciated nearly 100 per cent from 1999 to 2000, while inflation rose to over 500 per cent in same period. Well-informed sources told the Panel that the monthly payments have nonetheless continued for the Zimbabwean troops. Labelled "payments to SADC armies", the monthly subsidies amount to CGF 100 million ($300,000) in pay and allowances. The Panel found no evidence that Namibian and Angolan troops have been supported in the same manner.

64. During a meeting in Harare, the Panel learned from President Robert Mugabe that a summit was held in Windhoek in December 1999, to evaluate the situation in the Democratic Republic of the Congo after the signing of the Lusaka Ceasefire Agreement. At the summit, the two heads of State and the Angolan Minister of National Defence, representing the SADC allied forces, informed President Laurent-Désiré Kabila that their extended military presence had to be compensated in some form. President Kabila responded by granting diamond mining concessions in the rich Kasai region, such as the Sengamines concession described above and the Tshikapa concession discussed below.

65. The Panel has information that, owing to the dire economic crisis faced by the country at the start of the war in 1998 and the immediate military threat posed by the attacking forces, the Kabila Government was forced to improvise the means to pay for the country's defence. The Commission of National Experts explained that these extrabudgetary expenditures included informal or secret agreements on the few resources remaining under the Government's control and special contributions to support the war from State enterprises.

66. Documentary evidence gathered shows that, in 1999, over 30 per cent of the first semester earnings of MIBA were transferred to Government accounts. Those transfers were vaguely labelled "payments to fiscal accounts" (paiements accomptes fiscaux). It is not clear who within the Government of the Democratic Republic of the Congo controls these accounts, or what the funds transferred to them are used for. Another 11 per cent of the earnings from that period were funnelled directly to the Congolese armed forces. Other transfers from MIBA sales are described in official documents as "deductions for the war effort", amounting to tens of millions of dollars. Testimony from very credible sources corroborates what these documents suggest: a pattern over the past three years of diverting a hefty percentage of MIBA earnings to high-level government officials for their personal benefit, as well as to cover war or military-related expenses.

67. In some cases, it appears that deals were concluded because they were linked, directly or indirectly, to arms and military support. In 1997, the Kabila Government ended the exclusive contract it had with De Beers to buy all of the industrial diamond output of MIBA. Following a period in which Congolese diamonds were sold on the international

auction market to the highest bidder, President Kabila reached an agreement with the Israeli-owned International Diamond Industries in August 2000 for a monopoly on diamond sales. According to the terms of the agreement, IDI agreed to pay $20 million in return for a monopoly on sales valued at $600 million annually. The Panel was informed by very credible sources that this deal included unpublished clauses, in which IDI agreed to arrange, through its connections with high-ranking Israeli military officers the delivery of undisclosed quantities of arms as well as training for the Congolese armed forces.

68. IDI ultimately paid only $3 million from the agreed sum of $20 million. President Joseph Kabila decided in April 2001 to end the contract, citing failure to pay as the reason. In his statement, the owner of IDI, Dan Gertler, claimed that IDI had complied with its obligations and alleged that the Government's decision was motivated by the fact that information about the agreement was included in the Panel's final report. The statement also insisted that the Panel did not consult with IDI and demanded that the Panel rectify its report. The Panel requested to meet with IDI representatives in Kinshasa in September 2001. IDI declined this request. IDI is reportedly trying to negotiate some form of compensation for breach of contract with the Government of the Democratic Republic of the Congo.

69. It is important to look at this failed Kabila-Gertler deal as a number of key aspects are significant. On the Congolese side, it comes within a pattern of miscalculated decisions taken by the cash-strapped Laurent-Désiré Kabila, whose main interest was the immediate cash flow. Although there was some discontent within Kabila's entourage at the outrageousness of the deal, it was, nonetheless, not revoked until seven months after it was signed. The Panel has credible information indicating that there is a growing involvement of Israeli businessmen in the region. Taking advantage of the withdrawal of De Beers from conflict diamond regions, a whole network of Israelis was established, including Mr. Gertler in the Democratic Republic of the Congo, Lev Leviev in Angola and Shmuel Shnitzer in Sierra Leone. In all three cases, the pattern is the same. Conflict diamonds are exchanged for money, weapons and military training. These diamonds are then transported to Tel Aviv by former Israeli Air Force pilots, whose numbers have significantly increased both in UNITA-held territory in Angola and in the Democratic Republic of the Congo. In Israel, these diamonds are then cut and sold at the Ramat Gan Diamond Centre.

70. During their meetings with the Panel, members of the Congolese Commission indicated that, as the country moves towards greater political openness, the Kinshasa Government will have to take action on the issue of Zimbabwe's activities in the Democratic Republic of the Congo. The Commission also expressed their view that the question should figure on the agenda of the inter-Congolese dialogue, and that a protocol d'accord must be established between the Democratic Republic of the Congo and Zimbabwe to rectify the irregularities, including agreements secretly signed under pressure of the military situation at the time.

71. Further evidence of this collapse of a functional State, and its inability to make decisions in its national interest, is reflected in the stance currently adopted by the Government of the Democratic Republic of the Congo towards the activities being carried out in the rebel-held areas. The Panel has learned, from commercial companies and individual business people who have operated under both the Kinshasa Government and rebel authorities, that the regulations and procedures have not, for the most part,

changed under rebel administrations. In fact, civil servants appointed by the Government are still performing such duties as customs control and tax collection in rebel-held areas. However, the taxes are not received by the Government in Kinshasa but are diverted for the use of the rebels and Uganda and Rwanda. This is acknowledged by the Government of the Democratic Republic of the Congo, which, offered in September 2001 to pay the 37-month arrears and salaries of those civil servants. Furthermore, the Government in Kinshasa appears to have recognized the activities of the commercial entities in the rebel-held areas. One of the many examples is the German-owned company Somikivu, which operates in the eastern Democratic Republic of the Congo, but continues to pay taxes to the rebels and maintains an office in Kinshasa. When asked about the legal status of the commercial entities operating in the rebel-held and occupied territories, the Congolese Minister of Justice informed the Panel during a meeting in September 2001 that none of the concessions had been revoked thus far, and that an evaluation on a case-by-case basis would be conducted when the Government regained control of the areas in which they are operating.

72. To further demonstrate this, the Panel has taken a closer look at the legal status of DARA Forest, a Thai-owned company operating in North Kivu Province. DARA Forest is a Congolese-registered logging company owned by five shareholders. Royal Star Holdings is the main shareholder, and is partly owned by the managing director of DARA Forest, John Kotiram. Besides Mr. Kotiram, there are three Congolese shareholders. In March 1998, DARA Forest registered as a Congolese company in Kinshasa, after which work was begun on building a sawmill in Mangina in North Kivu Province. In June 1998, DARA Forest was granted a 35,000-hectare logging concession from the North Kivu Provincial Authority, which grants these concessions following registration with the central Government. DARA Forest also acquired an exploitation licence from the same authority to buy and export from local loggers. Its exports, which were to the United States and China, started early in 1999, months after the beginning of the war.

73. DARA Forest, which the Panel has found to have complied with all the regulations in effect, currently pays its taxes at the same bank as it did before the area came under rebel control. It also deals with the same customs officials as it did before the rebels took control of the area when it exports its products and imports production equipment. The Panel has also learned that a bimonthly check is conducted by the local Congolese authorities in North Kivu to ensure that DARA Forest is complying with the terms of licences granted to it. Furthermore, DARA Forest was granted on 12 September 2001 a certificate of registration from the Ministry of Justice in Kinshasa. This would appear to be a clear sign of recognition of the company and acceptance of its work in the rebel-held areas by the Government of the Democratic Republic of the Congo.

74. The case of Arslanian Frères also demonstrates the ambiguity of the Government's approach. The diamond company Arslanian Frères, based in Belgium, has an agreement to buy all the stock of the Belco Diamants comptoir in Kisangani and to "help them financially when needed" and has been travelling to Kisangani to openly purchase diamonds mined in the rebel-held areas surrounding the town. Nevertheless, one of the owners of the company, Raffi Arslanian, was approached in writing in 2001 by the Government's Minister of Mines to invest in a multi-million-dollar project aimed at reorganizing the State-owned diamond-producing enterprise MIBA.

75. There are many indications that President Joseph Kabila is genuinely interested in

bringing about positive changes in his country. The Panel has noted that, not withstanding the political considerations involved in the granting of favourable concessions to his allies, there are serious attempts to attract foreign investment to restructure, modernize and liberalize the remaining State assets in the mining business. In this respect, the country's new mining code is expected to bring about some fundamental and positive changes to the mining industry in the Democratic Republic of the Congo.

Zimbabwe

76. According to information available to the Panel, there are five main factors at play, which helped to shape the Zimbabwean objectives in its involvement in the Democratic Republic of the Congo. One determining factor is Zimbabwe's desire to assert its role within SADC. Supporting the Democratic Republic of the Congo militarily presented such an opportunity. A second factor lies in Zimbabwe's ailing economy and political system. The results of the gross mismanagement of the economy, unchecked public expenditure, corruption and one-party rule are apparent and are reflected in falling standards of living. Like the land appropriation policy, a military campaign was seen as a means to rally public support for the State's leaders. The third factor is that Zimbabwe had supported President Kabila's AFDL in 1996, pledging $5 million to help finance the efforts to overthrow the Mobutu regime. The fourth, and most notable, factor was the lesson learned from Zimbabwe's military involvement in the civil war in Mozambique. As a revolutionary and freedom fighter, President Mugabe had pledged military forces to that country, only to find that South African businessmen moved in to monopolize the market after the Zimbabwean withdrawal. Government leaders were determined not to make the same mistake in the Democratic Republic of the Congo. There is yet a fifth factor, which the Panel has heard from a number of analysts. The declining exchange rate, the failing Zimbabwean mining industry, and the critical energy shortage in Zimbabwe have left few sources for personal enrichment by Government officials. These officials started looking to the Democratic Republic of the Congo.

77. Zimbabwean commercial activities in the Democratic Republic of the Congo began when Zimbabwean Defence Industries, a company owned by the Zimbabwe Defence Forces, secured the sale of foodstuffs and ordnance to Kabila's troops as they advanced towards Kinshasa. Following the outbreak of the war in 1998, Zimbabwe's new status in the Democratic Republic of the Congo was reflected in the appointment of Billy Rautenbach to head Gécamines, as well as the deal secured for Congo-Duka, a joint venture between ZDI and a Congolese company, General Strategic Reserves, to supply foodstuffs and other consumer goods to the Democratic Republic of the Congo. That company failed, however, because of its unsound financial policy, discouraging the very investors ZDI was hoping to attract.

78. The key figure in Zimbabwe's commercial involvement is Emmerson Mnangagwa. Viewed as a loyal member of ZANU-PF by President Mugabe, Mr. Mnangagwa first became involved in the Democratic Republic of the Congo when President Mugabe sent him in 1998 to investigate the state of the Zimbabwean forces there. Mr. Mnangagwa, the architect of the commercial activities of ZANU-PF, used his leverage on President Kabila, and drew up the first plans for Zimbabwe's commercial designs in the Democratic Republic of the Congo. It was during that phase, in 1999, that Operation Sovereign Legitimacy (OSLEG) was conceived, following the summit held in Windhoek in 1999, at

which the allies had demanded compensation for their involvement in the conflict.

79. OSLEG represents the commercial side of the Zimbabwe Defence Forces in the Democratic Republic of the Congo. Its directors are predominantly top military officials. Its principal platform for business ventures has been COSLEG, a joint venture agreement with COMIEX, a company then controlled by the late President Laurent-Désiré Kabila and ranking AFDL officials. The role of OSLEG was defined as that of the partner with "the resources to protect and defend, support logistically, and assist generally in the development of commercial ventures to explore, research, exploit and market the mineral, timber, and other resources held by the State of the Democratic Republic of the Congo". While President Kabila provided the concessions, the Zimbabweans supplied the muscle to secure the commercial activities. Third-party investors have been brought in to furnish needed capital and expertise. Attracting the third party has not been a difficult task, since Zimbabwe's added leverage on the Democratic Republic of the Congo has allowed it to obtain very favourable terms for its deals. The prevailing business environment is another incentive. The constraints of governmental controls and regulations and a functioning legal system to enforce them are often absent. As a result, the Zimbabwean army has been successful in enticing investors, often with off-shore companies, to bankroll and make operational its joint ventures. This pattern now characterizes all of the Zimbabwean exploitation activities, whether with MIBA, Gécamines, SOCEBO or the relatively recent SCEM.

80. It is important to note that the Government of Zimbabwe views these exploitation activities as legitimate commercial ties with a neighbouring sovereign State, to whose aid it had come under the SADC Treaty's collective security provision. The Government of Zimbabwe in fact went to great lengths initially to promote these commercial ventures to its citizens, at times exaggerating their profitability in order to justify the continued Zimbabwean presence in the Democratic Republic of the Congo after the immediate threat to the Kinshasa Government had subsided. The revenues from these ventures have yet to have a positive impact on Zimbabwe's weakened economy, however. The reason for this is that Zimbabwe's holdings in the Democratic Republic of the Congo seem to be controlled by top military and party officials who are also the direct beneficiaries.

81. In this regard, the Panel has learned that Zimbabwe is currently restructuring its commercial activities in the Democratic Republic of the Congo by reducing the direct involvement of the military and increasing the role of concerned ministries. The indirect involvement of the military would however continue through various management boards.

82. It is true that the Zimbabwe Defence Forces wield considerable influence over the Government of the Democratic Republic of the Congo. This control manifests itself in different ways. As the bulk of the Zimbabwean forces are in the rich Kasai and Katanga regions, the Zimbabwean army ensures that these two regions, which have a history of secessionist tendencies and where almost all of the country's industrialized mineral production is located, are kept under control, especially when unrest arises as the people see their mineral and diamond riches benefiting others. Zimbabwe has also ensured that Kinshasa's inner circle of power includes individuals who see eye-to-eye on Zimbabwean policies. President Joseph Kabila's personal protection is also partly ensured by Zimbabwean Special Forces. However, this does not mean that the

Government of the Democratic Republic of the Congo takes decisions with the sole intention of appeasing Zimbabwe. The personal interests of top Congolese officials figure greatly in the decision-making process. Zimbabwe also assures the loyalty of some Congolese officials by incorporating them into the joint ventures and other deals so that they also benefit. In many cases this is done through COMIEX, the main Congolese structure included in Zimbabwe's joint ventures. This company is known to be controlled by the highest Congolese officials. In other cases, prominent Congolese officials are direct minority shareholders in the joint ventures. Thus, while high officials in the Government of the Democratic Republic of the Congo are benefiting from the politically motivated concessions granted to the Zimbabwean army, it is once more the Congolese people who are the losers.

Angola

83. The Panel believes that the involvement of Angola in the Democratic Republic of the Congo is based on strategic concerns. It has faced, in the past, genuine security threats posed by both UNITA and the separatist FLEC movement in Cabinda Province. Its national oil company, Sonangol, also has $7 million to protect in assets at the port of Matadi in the Democratic Republic of the Congo.

84. There is little to suggest that the Government of Angola or its army have substantial commercial interests in the Democratic Republic of the Congo. Angola has sufficient national wealth in terms of diamonds and oil to cover its military needs. As a result, Angola is believed to be the only country that has not received any significant compensation for its military involvement in the Democratic Republic of the Congo.

85. Angola has established one joint venture for distribution and retail sales of fuel and petroleum products. Sonangol-Congo is the most prominent feature of Angola's commercial activities in the Democratic Republic of the Congo following its military intervention in aid of President Laurent-Désiré Kabila. Sonangol-Congo was created in October 1998 as a joint venture between Angola's oil conglomerate, Sonangol, and COMIEX, which is the company that facilitates the Zimbabwean commercial activities in the Democratic Republic of the Congo. Holding 60 per cent of the shares, Sonangol is the major shareholder.

86. Notwithstanding Sonangol-Congo's activities, the Panel believes that the interests of Angola in the Democratic Republic of the Congo remain primarily strategic, with the aim of, among other things, cutting the UNITA supply lines and diamond-smuggling routes. Its present commercial activities do not suffice for, and are not a factor in, its continued military presence in the Democratic Republic of the Congo.

Namibia

87. The involvement of Namibia in the Democratic Republic of the Congo was based on a personal decision taken by President Sam Nujoma. Symbolic at the outset, the Namibian forces in the Democratic Republic of the Congo did not exceed 2,000 troops and are currently estimated to be between 40 and 150.

88. Even this limited military involvement, however, which was estimated to cost $72 million, took its toll on Namibia's fragile economy. This was a factor in the convening of

the 1999 Windhoek summit, where the allies asked for compensation from President Kabila.

89. The Panel has verified that in July 1999 the Congolese Ministry of Mines granted concessions in the Tshikapa region to the Namibian holding company, 26 August. Whereas some sources indicate that the 40 Namibian soldiers remaining in the Democratic Republic of the Congo are there to protect the two or three Namibian diamond mines in the area, the Government of Namibia contends that 26 August is still undertaking exploration activities in the region, and that no actual extraction has begun. Accordingly, August 26, which is owned by the Namibian Ministry of Defence, created a subsidiary, August 26-Congo. The five-year concession consists of two blocks of about 25 square kilometres along the Kasai River, 40 km from Tshikapa. Whereas some sources believe that this mine is operational and profitable, none of its profits have registered in the Namibian budget. However, August 26 Holding informed the Panel in Windhoek that August 26-Congo is still in the prospecting phase, and is conducting a feasibility study in association with the Namibian Ministry of Mines and Geology.

90. There have been many reports that individuals, in both the Government and the military, have benefited from Namibia's involvement in the Democratic Republic of the Congo. The Panel believes, however, that the commercial interests of Namibia in the Democratic Republic of the Congo are modest in comparison to those of Zimbabwe and reflect its limited military presence throughout the conflict.

The Uninvited Forces

Rwanda

91. Rwanda entered the war of August 1998 primarily because of its security concerns and the threats posed by the ex-FAR and Interahamwe armed groups. These so-called "negative forces" had sought and found refuge in the Democratic Republic of the Congo, and are actively seeking to regain power in Rwanda. Thus the initial objectives, including the creation by Rwanda in July 1998 in Kigali of RCD, were primarily security-oriented. Accordingly, claims that Rwanda's previous involvement in support of Kabila's AFDL had predetermined its commercial objectives cannot be corroborated. The Panel has however demonstrated in its report the structured way in which the involvement of RPA developed into the full-scale commercial enterprise that it now represents.

92. In its response to the report, the Government of Rwanda accused the Panel of being insensitive to the ongoing threat to Rwanda's security posed by those who perpetrated the genocide, while failing to understand that what the Panel labels as illegal exploitation is in fact ongoing traditional commercial links in the region. While it is true that the landlocked countries of the Great Lakes region have traditionally been dependent on the ports of Mombasa and Dar es Salaam, the mining industry in the eastern Democratic Republic of the Congo mainly transported its diamond and gold output by air through Kinshasa. Timber products were, as explained, transported by river to Kinshasa. As for base metals, they were transported directly to the port of Dar es Salaam using the Tazara railway. This is not to negate the informal cross-border trade in the region. Indeed, the local population of the Democratic Republic of the Congo have always relied on the neighbouring countries for their commercial and trade links. However, this informal cross-border exchange involved mainly consumer goods, petroleum products

etc. To the Panel's knowledge, large quantities of coltan, diamonds or gold were not traditionally among the items traded by the people living on or close to the borders.

93. As for the security threats, it should be noted that the declared intention of the Interahamwe and ex-FAR, including ALIR I and II, is to topple the Kagame regime. Security concerns should not however be used as a pretext to maintain a large military presence, which also facilitates continuing exploitation of Congolese resources, in areas of the eastern Democratic Republic of the Congo such as Kisangani and Kindu.

94. Regarding the financial networks used in the exploitation of natural resources by RPA, the Panel met with Alfred Kalisa, Chairman of the Bank of Commerce, Development and Industry (BCDI) in Kigali and also a shareholder in and officer of the Banque de commerce et du développement (BCD) in Kinshasa. Mr. Kalisa confirmed that Tristar Investments SARL, which he described as owned by the ruling Rwandan Patriotic Front, holds 13 per cent of the shares in BCDI. The 2000 audit report on BCD, set up as a joint venture by the AFDL-controlled COMIEX, shows that Tristar owns 10 per cent of the shares. Mr. Kalisa told the Panel that information in its report regarding a banking transaction for monies paid to COMIEX-AFDL in 1997 was inaccurate. The Panel has been able to corroborate Mr. Kalisa's description of the transaction, in which $3.5 million were transferred from the Banque Belgolaise through Citibank to BCDI for payment to COMIEX. Mr. Kalisa also told the Panel that information in the report regarding a $1 million loan to the RCD-Goma controlled SONEX for payment of fuel bills with Jambo Safari airlines was incorrect. The loan was made, according to Mr. Kalisa, for payment of fuel from Alliance Express airlines.

Uganda

95. Uganda also has some legitimate security threats, which prompted its military intervention in the Democratic Republic of the Congo. In so intervening, the Government of Uganda enacted a protocol between the Democratic Republic of the Congo and Uganda, signed in April 1998, allowing two battalions from each country to cross the border in pursuit of perpetrators of terrorist activities.

96. The Panel notes that Uganda has complied with the presidential statement (S/PRST/2001/13) by establishing a national Commission of Inquiry, the Porter Commission.

97. While the effect of the Panel's report and the significant withdrawal of UPDF troops have given the impression that the exploitation activities have been reduced, they are in fact continuing. The commercial networks put in place by Ugandan army commanders and their civilian counterparts that were described in the report are still functioning in Oriental Province and Kampala. The Trinity and Victoria companies, for example, are still actively exploiting diamonds, gold, coffee and timber. UPDF have thus been able to pull out their troops, while leaving behind structures that permit military officers and associates, including rebel leaders, to continue profiting.

98. While the Government of Uganda does not participate directly in the exploitation activities, the culture in which its military personnel function tolerates and condones their activities. The commercial activities of senior UPDF officers are public knowledge. In an interview with the Panel in August 2001, the now retired General Salim Saleh admitted

that, while never having been in the Democratic Republic of the Congo, one of his companies had been engaged in exporting merchandise to the eastern part of the country. He noted that the aircraft transporting the merchandise was initially confiscated by General James Kazini. General Kazini, who also participated in the interview, in turn described his role in facilitating the transport of Ugandan merchandise to Kisangani and other areas in the Democratic Republic of the Congo. In full control of the areas under their administration, General Kazini and others used this power, as they would have done elsewhere, to establish a mechanism to promote their business interests. The characteristics of the area under their control predominantly determine the kind of exploitation activities carried out by UPDF personnel.

99. The Panel has noted that the UPDF officers usually conduct their business through a Congolese affiliate, on whom they bestow power and support. This was the case with Jean-Pierre Bemba, Adele Lotsove and, more recently, Roger Lumbala of the now defunct RCD-National, as well as Mbusa Nyamwisi. Sources have informed the Panel that RCD-National was formed by General Kazini in 2000 from RCD-Goma defectors, who gave them Bafwasende as their base. More recently, the Panel learned that Mr. Lumbala had signed two commercial agreements bearing the signatures of UPDF Commander Kahinda Otafire and Belgian and Austrian parties. In addition, the Panel has learned that, late in December 2000, Lumbala - who is reportedly a front for the monopoly of the Victoria company on the Bafwasende diamonds - was in Kampala delivering diamonds to what the sources termed his "masters". Another activity UPDF officers are involved in is the liberal siphoning off of the customs revenues on the illicit trade between the Democratic Republic of the Congo and Uganda. A very credible source informed the Panel in that regard that Mr. Nyamwisi "skims" up to $400,000 off the tax revenues collected from the Beni customs post at the Uganda border. According to the same source, Mr. Nyamwisi shares this money with General Kazini and General Salim Saleh.

100. There is a link between the continuation of the conflict and the exploitation of the natural resources, in the case of Uganda. Influential Government officials, military officers and businessmen continue to exploit the security situation for their vested commercial interests.

Burundi

101. The Panel found no evidence directly linking the presence of Burundi in the Democratic Republic of the Congo to the exploitation of resources. Although its army is positioned in the Democratic Republic of the Congo near a traditional trade and transit point for minerals, its presence has been and continues to be directed at blocking attacks from the Burundi rebel groups, particularly FDD, which are based in South Kivu and Katanga.

102. In its reaction to the Panel's report, the Government of Burundi contested the Panel's conclusions that Burundi had been exporting minerals it did not produce, and specifically mentioned the case of diamond exports coinciding with the 1998 occupation of the eastern Democratic Republic of the Congo. In an effort to verify this information, the Panel contacted the Africa Department of IMF, requesting a copy of an IMF memorandum which supports the report's statements. Although IMF representatives confirmed that they were trying to locate the document, the Panel has not been able to

obtain a copy of it. In addition, the Minister of Energy and Mines and representatives of Burundi's mining sector provided the Panel with information supporting Burundi's claims that gold, coltan and cassiterite deposits can be found in its northern and north-eastern regions. Modest quantities of coltan and cassiterite have also been produced and exported during the past eight years. The Panel found however that the data on gold production and exports were not coherent, as they confirmed that artisanal gold mining has continued over the past eight years, whereas export statistics recorded zero gold exports from 1997 to 2000. Concerning cobalt, the Panel was informed that there are significant deposits, but that production has not yet been developed. Private sector and Government representatives also stressed that there is no domestic production of copper or diamonds at this time.

103. The Panel confirmed that Burundi has traditionally served as a re-export and transit centre for gold and diamonds originating in the Democratic Republic of the Congo. Much of this trade has however subsided following a three-year embargo imposed on Burundi in 1996. Officials also emphasized that Burundi's inability to control its borders, together with its tradition of cross-border trade, has led to widespread smuggling by small-scale operations.

104. The Government of Burundi also provided the Panel with information to the effect that it had had a legitimate opportunity to profit from the mineral wealth of the Democratic Republic of the Congo in 1997 and had turned it down. A copy of the draft agreement shows that the Congolese Minister of Mines had offered the Government of Burundi and businessmen a joint mining venture in the Bafwasende region for a concession area of 20,000 km2, with abundant deposits of gold, diamonds, coltan and cassiterite.

VI. Transit countries

105. Although they are not directly involved in the conflict, the Panel has investigated the role of some of the neighbouring countries in the region to establish a more comprehensive picture of the exploitation activities.

South Africa

106. South Africa maintains a neutral stance towards the conflict in the Democratic Republic of the Congo, and is calling for the implementation of the Lusaka Ceasefire Agreement and the end of the conflict. South Africa also maintains close ties with all the parties and is actively involved in the peace process. Its former President, Nelson Mandela, is also the mediator for the Arusha peace process in Burundi.

107. On the commercial level, South Africa is very much involved in the Democratic Republic of the Congo. The Panel was able to see this at first hand during its visit to the northern Zambian border area with the Democratic Republic of the Congo. Around 150 large trucks cross this border every day, carrying foodstuffs, machinery and other products predominantly from South Africa. Many of the trucks transport copper and cobalt to South Africa on the return trip, where it is processed and shipped from the ports of Durban and Nelson Mandela (Port Elizabeth) to its final destinations, thus effectively ending the role of the port of Dar es Salaam as the traditional port of exit for Congolese copper and cobalt. As South Africa is a country with potential water shortages, South

African businessmen are currently studying the option of importing water from the Democratic Republic of the Congo.

108. Large South African mining conglomerates, such as Anglo-American, are active in the Democratic Republic of the Congo. The Panel also has information that these companies play a prominent role in Zimbabwe's concessions in the Democratic Republic of the Congo.

109. The Panel has credible information indicating that various actors, some based in South Africa and others outside, are using the territories and facilities of South Africa to conduct illicit commercial activities involving the natural resources of the Democratic Republic of the Congo. For example, the Panel has evidence that coltan, diamonds, and gold from the Democratic Republic of the Congo are being smuggled into South Africa, either through its porous northern border or through its 4,000 unmonitored airstrips.

Zambia

110. Zambia shares with the Democratic Republic of the Congo the rich copperbelt region. It has also traditionally served as a vital transit artery for the Kasai and Katanga regions. In addition, cross-border trade through its predominantly agricultural north has defined that region's economy. A recently held Zambian export exhibition in Lubumbashi signals a new commercial relationship dominated by Zambian exports to the Democratic Republic of the Congo.

111. Zambia's relative stability, despite the spillover from conflicts taking place in several neighbouring States, should not be misconstrued as an ability to control all the activities related to the exploitation of the resources of the Democratic Republic of the Congo that are carried out within its territory. The Panel has information that various Congolese resources from the Democratic Republic of the Congo transit illegally through Zambia, mainly because of its inability to enforce effective control over its borders. Furthermore, Zambia does not have the capacity to exert much control over the refugee camps in its territory, where training activities have been conducted for incursions carried out from Zambian territory.

112. While activities resulting from the conflict in both Angola and the Democratic Republic of the Congo are carried out beyond Zambia's control, other related activities are carried out with the acquiescence of the high-level officials who have a stake in them. Although the Zimbabwean army in the Democratic Republic of the Congo is predominantly linked to Zimbabwe by air, Zambia has granted land access to the Zimbabwean army to transport heavy equipment through its railway and the Kasumbalesa-Chirundu Highway, despite official denials. It is unclear what is being transported by the Zimbabwean army when it uses this route.

113. The Panel has learned that weapons transit through both Zambia and the United Republic of Tanzania to Molero, where they are stockpiled until they are transferred to the different rebel groups in the Democratic Republic of the Congo.

114. The Secretary-General of COMESA explained to the Panel that the lack of cooperation of the Government of Zambia with the Panel was due to its report, which had hardened the positions of the parties to the Lusaka Ceasefire Agreement.

United Republic of Tanzania

115. The port of Dar es Salaam has traditionally served the landlocked region. The United Republic of Tanzania has maintained a neutral role in the conflict in the Democratic Republic of the Congo. To that effect, the Panel was informed that the United Republic of Tanzania had played a significant role in drafting the Lusaka Ceasefire Agreement. During the Panel's visit to Dar es Salaam, the Government of the United Republic of Tanzania demonstrated hostility towards the Panel. Officials of the Government based that on its strong objections to references made to it in the report. The United Republic of Tanzania denied that timber from the Democratic Republic of the Congo transits through the port of Dar es Salaam. It has also denied allegations that there is a presence of RCD-Goma in Dar es Salaam, and that diamond-smuggling activities have taken place through the Bank of Tanzania. While it acknowledges the country's stringent laws, which in general deter mineral smuggling into the country, the Panel in this instance has documents to corroborate all three allegations. Furthermore, the Panel notes what has been mentioned before about the systematic transportation of coltan from the port of Dar es Salaam. This is yet another established fact of which the Panel has evidence, and which the Government denied. The Government and the Tanzania Harbour Authority have in this case vehemently denied that coltan originating in the Democratic Republic of the Congo has ever been exported from the port of Dar es Salaam. However, as mentioned earlier, the Panel has proof that this is not the case. It refers, as an example, to the shipment of one container of coltan, which left the port of Dar es Salaam on 13 July 2001 on the Karina S, a Safmarine vessel headed for Hamburg via Antwerp. Safmarine has been systematically transporting coltan for a number of years from Dar es Salaam. Accordingly, the Panel concluded that the Government of the United Republic of Tanzania is complicit in the exploitation activities in the Democratic Republic the Congo.

116. In addition, the Panel was informed that all arms transiting through the United Republic of Tanzania are checked and are accompanied by military escort throughout Tanzanian territory. The Panel has however learned from credible sources that weapons to the armed groups are transiting through the United Republic of Tanzania to Molero in the southern Democratic Republic of the Congo.

117. The role of the United Republic of Tanzania in the exploitation activities remains limited to its role as a strategic transit route.

Kenya

118. Kenya, home to a significant Congolese refugee community, serves as a financial and commercial hub for the Great Lakes region. The port of Mombasa plays a very important role in the transit trade in the region, particularly for the eastern Democratic Republic of the Congo. Statistics show that the volume of transit goods from the Democratic Republic of the Congo quintupled from 1999 to 2000. While there are indications that the TAC air freight company is transporting coltan, and possibly gold, from Bukavu to Europe via Nairobi, there is no evidence that Kenya plays a significant role in the ongoing conflict in the Democratic Republic of the Congo or the exploitation activities.

Central African Republic and Republic of the Congo

119. The Panel has credible information that the Central African Republic, also a diamond producer, is one of the primary transit countries for diamonds smuggled from the Democratic Republic of the Congo. These diamonds are routed mainly through the North-Ubangi area (Equateur Province), the base of the Ugandan-backed MLC rebel group, and the town of Kisangani (Oriental Province), which is effectively under RPA control. This flow includes both diamonds from the Government-controlled Kasai region, smuggled via Kinshasa, and diamonds from the rebel-controlled areas surrounding Kisangani. The Panel has established that these Congolese diamonds are then exported to various overseas diamond-trading centres, accompanied by certificates of origin identifying them as diamonds produced in the Central African Republic.

120. This illicit trade results in large part from the relatively low taxes on diamond exports in the Central African Republic, compared to those imposed by the Government of the Democratic Republic of the Congo and RPA. Many factors contribute to the ease with which this illicit trade is conducted. These include the difficulties of controlling the border along the Oubangui River, mismanagement within the public administration of the Central African Republic and lax air traffic controls.

121. In the Panel's report, Jean-Yves Ollivier was named as a facilitator of exploitation activities in the Ugandan- and rebel-held areas in the Democratic Republic of the Congo. The report mentioned that Mr. Ollivier used Bangui as his rear base for operations. Mr. Ollivier met with the Panel. He explained to the Panel that, while active in the region as an independent political mediator, he is not involved in commercial activities in the Central African Republic and the region.

122. A similar pattern of re-exporting of smuggled Congolese diamonds, resulting from lower export tax rates and the liberalized diamond trade policies, was observed by the Panel in the Republic of the Congo.

VII. Armed groups

National armed groups

RCD-Goma

123. The Congolese rebel group RCD-Goma is the creation of the Rwandan State, and depends financially, politically and militarily on Kigali. Created in Kigali in July 1998, RCD originally combined a diverse selection of Congolese nationals with disparate ideological backgrounds from the diaspora, including remnants of the Mobutu regime and former Kabila associates. Following a divergence over who should assume control, RCD split into RCD-Goma and RCD-ML. The latter then switched allegiance to Uganda and relocated to Kisangani. Following the ousting of Ernest Wamba dia Wamba, RCD-Goma is currently headed by Adolphe Onusumba.

124. This group has faced more defections recently. Mbusa Nyamwisi, a physician with strong ties to South Africa, is now heading RCD-ML and is supported by Uganda. Uganda has actively tried to weaken RCD-Goma, and hence Rwanda's hold on the eastern Democratic Republic of the Congo.

125. RCD-Goma has assumed control of all the State administration functions in the areas it holds. Taxes and customs duties collected go directly to the rebel group's top officials.

126. RCD-Goma has received a hard blow with the fall in the price of coltan, which it exploits and levies taxes on. The rebel group has had to resort to different fiscal tactics to regain its financial stature. The raising of taxes retroactively, and enforcing customs duties on humanitarian aid, are some of the extreme measures they have had to resort to. It is also believed that the fall in the price of coltan has had a positive effect on the relative flexibility demonstrated by this group during the preparatory meeting for the inter-Congolese dialogue in Gaborone.

127. There is a link between the exploitation of the resources and the ongoing efforts of RCD-Goma to continue the conflict, or at least to maintain the status quo.

RCD-ML

128. Following its secession from RCD-Goma and Rwanda, RCD-ML was plagued by in-fighting; it later merged with MLC to form FLC.

MLC/FLC

129. Led by Jean-Pierre Bemba, MLC/FLC has been Uganda's equivalent of Rwanda's RCD. The son of the affluent Congolese businessman and politician, Bemba Saolana, Jean-Pierre Bemba quickly understood the tactics of UPDF personnel, contributed, and as a result benefited greatly during the initial phase of the exploitation of resources. In his meeting with the Panel in September 2001, Mr. Bemba strongly refuted the charges against him mentioned in the report and also produced some documents supporting his claims.

130. However, Mr. Bemba's ambitions and his association with certain Mayi-Mayi groups were perceived as a threat to Uganda's presence. Accordingly, he had to accede to sharing power with the leader of RCD-ML, Ernest Wamba dia Wamba, in the new FLC coalition.

Mayi-Mayi

131. The Mayi-Mayi were formed in 1996 in reaction to the dominant presence of foreign troops within the AFDL forces of President Kabila. The founding member is said to be General Dunia and his group is located in the Fizi area. As from August 1998, the Mayi-Mayi have considered the Rwandan army their principal enemy. Some Mayi-Mayi groups are based in or have established vaguely structured presences in the United Republic of Tanzania.

132. The Mayi-Mayi, who consider themselves to be a nationalist militia, use their control of the terrain and knowledge of enemy movements to obtain arms from victories in battle. The Mayi-Mayi have denied to the Panel that they use funds from sales of natural resources to buy arms. In fact, they have said that the Mayi-Mayi groups are fighting RPA and RCD to deny them the control of resources such as coltan, diamonds and gold.

They view the income generated from these resources as the sole motivation for the continued occupation by the Rwandan military. The Mayi-Mayi do not have a sufficient trade network to be able to rely on resource exploitation to support their military efforts. On one occasion, having seized control of the Shabunda airport, the Mayi-Mayi contacted the Government of the Democratic Republic of the Congo to evacuate stockpiles of coltan. The Mayi-Mayi occasionally receive financial support from Kinshasa, by airdrop. This is used for purchases of food and medicine.

133. The Panel has highly credible information that in the lead-up to the inter-Congolese dialogue, Mayi-Mayi leaders in the Democratic Republic of the Congo have been secretly establishing connections with Middle East countries in order to build up a new consolidated Mayi-Mayi force in the eastern Democratic Republic of the Congo. These leaders hoped to obtain arms and other military materiel in exchange for natural resources and bilateral trade activities.

134. In analysing the activities of the national armed groups, the Panel was able to establish the following patterns:

(a) All groups have a central political leadership and a fluid military corps. That is, the armed soldiers affiliated with these groups, a large number of whom are ex-FAZ, identify more with a region than with a movement;

(b) Claiming control over a territory is not automatically equated with a physical presence in that area. There are also many overlapping zones of influence. Actual physical control is, however, determined by the resources in that area. This results in grave suffering for those unfortunate enough not to be living in a resource rich area, as they do not even receive the meagre, diminished, services provided by the rebel administration.

Foreign armed groups (the negative forces)

135. A significant number of foreign rebel groups operate in the Democratic Republic of the Congo, taking advantage of the support granted to them by the Kinshasa Government and its allies, as well as the state of lawlessness that prevails throughout the vast expanse of the territory. These groups include the Ugandan ADF, the West Nile Bank Front and the recently formed PRA. There have been conflicting reports about the current level of activity of the Ugandan rebel groups in the Democratic Republic of the Congo. The Angolan rebel groups, UNITA and FLEC, have also used and operated in the territory of the Democratic Republic of the Congo. In addition, there are the FDD and FNL rebel groups from Burundi. However, the Panel concentrates in this section on the Rwandan ex-FAR and Interahamwe, part of which have regrouped within ALIR I and II, as well as FDD.

FDD

136. Zimbabwe and the Government of the Democratic Republic of the Congo supply arms to the FDD rebels. These weapons are often bartered and exchanged with other armed groups. The officers and non-commissioned officers are also trained by the Zimbabwean army, and reportedly by North Korean military, in Lubumbashi. In exchange, FDD forces, acting essentially as mercenaries, fight alongside the Mayi-Mayi and ALIR forces against RCD-Goma, RPA and the Burundi army. There is, however, no

joint or coordinated command between these groups. Short-term alliances have been established for tactical purposes. It appears that FDD function as the focal point in coordinating this loose-knit alliance among the armed groups.

137. There are an estimated 5,000 to 6,000 FDD combatants in the Democratic Republic of the Congo, armed with Kalashnikovs. Given the difficult terrain and fighting conditions, each combatant is usually accompanied by porters, armed with machetes. One could consider that the troops are backed by thousands of porters who could eventually be transformed into combatants.

138. The head of FDD, Jean-Bosco Ndayikengurukiye, is based in Lubumbashi. He is rumoured to control or own mining interests in the Katanga region, the profits from which he uses to cover some of his senior officers' expenses.

139. FDD are in part supplied by aircraft using a small airstrip in Kilembuye in the Mitumba mountains, west of Bukavu and Uvira. There have been clashes with the Mayi-Mayi for control of the airstrip. The airstrip had been used by ADFL in 1996 and 1997.

140. FDD recruit youth, who are promised land in Burundi as an enticement, from the nearby refugee camps in the United Republic of Tanzania, which now shelter several hundred thousand refugees. They have scored small military victories in rather isolated areas of Burundi.

Interahamwe and ex-FAR (ALIR I and II)

141. After an unsuccessful month-long offensive against RPA that began in May, the remnants of ALIR I dispersed through the North Kivu region, mostly around Masisi. Reportedly planned with the support of the Zimbabwean army, the offensive failed owing to the inability of the ALIR I and II forces to coordinate their attacks and a lack of support from the Rwandan population. Since their top commander was captured by RPA, the remaining ALIR I forces have carried out sporadic attacks mostly for the sake of survival. Some attacks have reportedly involved attempts to seize coltan stocks and other resources. ALIR I is believed to be seriously weakened and to no longer pose a serious threat, many of its troops having been captured and placed in a rehabilitation camp in Rwanda.

142. ALIR II, over 5,000 strong, is mostly based in South Kivu, near Shabunda, Fizi and Baraka, but also has a command and liaison presence in Lubumbashi in Katanga Province. Some of its troops are reportedly recruited from the Zambian refugee camps. As part of a fluid, ongoing alliance with FDD and the Mayi-Mayi, they reportedly have been clashing with RCD-Goma and Rwandan and Burundian forces in the South Kivu region. The continued, and sometimes intensifying, fighting appears aimed, in the opinion of many informed sources, at either controlling a corridor into Burundi or continuing to destabilize the region so as to prevent an effective demobilization effort from getting under way. Credible sources also indicate that several thousand ALIR combatants were recently incorporated into the Congolese Armed Forces. During the visit of the Secretary-General to the Democratic Republic of the Congo in September, President Kabila announced that 3,000 ex-FAR and Interahamwe soldiers located in Kamina (Katanga Province) would be demobilized, under the supervision of the United

Nations Organization Mission in the Democratic Republic of the Congo.

VIII. Conclusions

143. The systematic exploitation of natural resources and other forms of wealth of the Democratic Republic of the Congo continues unabated. These activities involve a large number of State and non-State actors, belonging both to the region and outside, some directly involved in the conflict, others not. The exploitation has resulted in the further enrichment of individuals and institutions, who are opportunistically making use of the current situation to amass as much wealth as possible.

144. Without a resolution of the broader conflict in the Democratic Republic of the Congo and the region, it would be highly unrealistic to expect an end to the exploitation of natural resources and other forms of wealth in the country. Exploitation of natural resources in the Democratic Republic of the Congo cannot be viewed and dealt with in isolation, disregarding the factual situation existing in the area. It needs to be realized that this is one part of the problem which is inextricably linked to other serious issues in the region.

145. A primary and fundamental reason for the continuing and systematic exploitation by various "predatory" groups operating in the country is the effective collapse of all State institutions and structures of the Democratic Republic of the Congo. Unable or unwilling to resist any pressure, it is vulnerable in the extreme. It must be remembered that a weak State offers significant financial opportunities and rewards to unscrupulous elements operating under the garb of various Governments, businesses, mafias, individuals etc. It would be highly unrealistic to expect a State under such conditions to exercise even a modicum of authority over its territory. In order to redress this grave condition, it is of the utmost importance to start rebuilding the State institutions. This will require a systematic and sustained approach stretching over many years, and with the full assistance and cooperation of the international community.

146. The conflict continues at a low intensity level, mainly by the various armed groups confronting the foreign forces so as to deny them access to and control of various resources. However, the ceasefire is generally respected on the front line, leaving the exploitation of the resources as the main activity of the foreign troops, as well as the different armed groups, where the former tolerate the activities of the latter as a controlled military opposition to ensure the continuation of the security threats, and hence justify their continued military presence in the Democratic Republic of the Congo.

147. Accordingly, there is a clear link between the continuation of the conflict and the exploitation of natural resources. It would not be wrong to say that one drives the other. The military operations and presence in the Democratic Republic of the Congo of all sides have been transformed into self-financing activities, whereby no real budgetary burden is borne by the parties concerned. This allows them a greater degree of freedom and no financial compulsion to end the conflict.

148. The initial motivation of foreign countries or armies to intervene in the Democratic Republic of the Congo was primarily political and security-related in nature; over a period of time, and owing to the evolving nature of the conflict, it has become the primary motive of extracting the maximum commercial and material benefits. This holds true for

both government allies and rebel supporters.

149. Owing to the prolonged nature of conflict and civil war in the region, many countries appear to have a sense of heightened insecurity and suspicions about their neighbours' motives. Countries involved in the conflict should not, however, be allowed to use this as a pretext for furthering their own national ambitions and agendas.

150. Contrary to its strong protestations, the Government of the Democratic Republic of the Congo has been involved in allowing some foreign companies to continue the exploitation of resources in rebel- occupied areas without renouncing or cancelling any concessions. This is borne out by the fact that some ministries in Kinshasa maintain contacts with these companies, with whom they actively interact.

151. The actual sources for financing the war effort by all parties in the conflict, including the Democratic Republic of the Congo, remain shrouded in mystery. No clear answer was given by anyone the Panel questioned and it was evident that there was much to conceal and not make public. The official defence budgets of countries engaged in the hostilities, in those cases where selected information was provided, clearly indicate that these countries could not afford the cost of their involvement in the Democratic Republic of the Congo. It is evident that in such cases the war effort was financed from extrabudgetary sources, giving rise to much suspicion and misgivings. Some of the international aid may have been misused for financing the conflict. This can be misconstrued as recognition and acceptance of their activities in perpetuating the conflict in the Democratic Republic of the Congo.

IX. Recommendations

Institutional

152. To enable the Democratic Republic of the Congo to have effective control over its territory and to protect its natural resources from illicit activities, the international community should assist in formulating a plan of action on the rebuilding of State institutions in the Democratic Republic of the Congo. This should be linked to the convening of an international conference on peace and development in the Great Lakes region.

153. All concessions, commercial agreements and contracts signed during the era of Laurent-Désiré Kabila (1997-2001) and subsequently in the rebel-held areas, including such concessions, contracts and commercial agreements signed secretly and under duress, should be reviewed and revised to address and correct all the irregularities. In redressing these contractual obligations, the renegotiation process should be conducted under the auspices of a special body to be created by the Security Council. This process will enhance President Joseph Kabila's efforts towards rebuilding and reconstructing his country in a transparent and structured manner, which would encourage the genuine foreign investment of which the Democratic Republic of the Congo is in such dire need. Establishment of a broad-based government of national unity may facilitate this process.

154. The United Nations Organization Mission in the Democratic Republic of the Congo should accelerate the disarmament, demobilization and reintegration process in order to reduce the security concerns expressed by a number of States in the region, including

the Democratic Republic of the Congo, to a level that makes it possible for the countries concerned to negotiate among themselves the modalities of securing their borders without infringing upon the sovereignty of any State.

Financial and technical

155. The World Bank, IMF and the other international donors are best placed to critically evaluate their assistance. Those international donors may consider submitting to the Security Council, within the shortest possible time, their assessment of the role of their assistance in helping to finance the continuation of the conflict and the maintenance of the status quo in the Great Lakes region.

156. A moratorium should be declared for a specific period of time banning the purchase and importing of precious products such as coltan, diamonds, gold, copper, cobalt, timber and coffee originating in areas where foreign troops are present in the Democratic Republic of the Congo, as well as in territories under the control of rebel groups.

157. During the period of the moratorium, countries directly or indirectly involved in the conflict in the Democratic Republic of the Congo - in particular transit countries such as Zambia, South Africa, Kenya and the United Republic of Tanzania - should review their national legislation, and pass the necessary laws to investigate and prosecute the illicit traffickers of the high-value products from the Democratic Republic of the Congo.

158. During the same period, all technical measures that are under consideration should be finalized, such as the standardization of certificates of production, harmonization of tax regimes and verification regulations, compilation of analyses of diamond production and trade statistics. These measures should be monitored to verify their effectiveness by the related bodies such as the World Diamond Council, the United Nations Forum on Forests and CITES. Emphasis on standardization and unification of procedures and regulations should also be placed at the ports of entry at the final destination.

159. Revenues from the resources of the Democratic Republic of the Congo should be channelled through States' budgets. Tax collection and use should be rigorously controlled, transparent and accountable.

Sanctions

160. The Security Council may consider the imposition of sanctions. The timing of such sanctions would depend, however, on the evolution of the situation with regard to the exploitation of the natural resources of the Democratic Republic of the Congo, as well as developments in the Great Lakes region, after the present addendum is issued. Pending any action that the Security Council may decide to take, there is a need to establish a monitoring and follow-up mechanism, which would report on a regular basis to the Security Council on whether progress has been made in exploitation activities and other issues under consideration by the Council, prior to a decision on sanctions.

(Signed) Mahmoud Kassem, Chairman
(Signed) Mujahid Alam
(Signed) Mel Holt
(Signed) Henri Maire

(Signed) Moustapha Tall
(Signed) Gilbert Barthe

Annex I. Countries visited and representatives of Governments and organizations interviewed

The Panel wishes to express its deep appreciation to the government officials, diplomats, non-governmental organizations, journalists and others with whom the Panel met and who have assisted it in making possible the present addendum. The Panel would especially like to express its gratitude for the high level of cooperation extended to it by the Governments of Burundi, Namibia and Uganda.

The Panel, however, expresses its disappointment at the lack of adequate cooperation from the Governments of South Africa, the United Republic of Tanzania, Zambia and Zimbabwe.

The Panel also wishes to extend special thanks to the United Nations Organization Mission in the Democratic Republic of the Congo, and, in particular, both Ambassador Kamal Morjane and Ambassador Amos Namanga Ngongi; the United Nations Office at Nairobi, the United Nations Office in Angola and the United Nations Office in Burundi, as well as the United Nations Development Programme offices in Bujumbura, Dar es Salaam, Harare, Kampala, Kigali, Lusaka, Pretoria and Windhoek.

The following is the list of government officials and others with whom the Panel met during the course of its mandate. This list does not include many others with whom the Panel met, who, in their interest, did not wish to be mentioned.

Angola

Government officials
Minister for Foreign Affairs
Minister of Defence
Minister of the Interior
Minister and Vice-Minister of Geology and Mines
Minister of Petroleum
Governor of the Central Bank
Vice-Minister of Commerce
Vice-Minister of Finance
Chairman of Sonangol

State representatives

Ambassador of Belgium
Ambassador of France
Ambassador of the United Kingdom of Great Britain and Northern Ireland
Embassy of Portugal
Embassy of the United States of America

International organizations

Representative of the Secretary-General in Angola

Others

Chairman and General Director of the Angola Selling Corporation (ASCORP)

Belgium

Government officials

Ministry of Foreign Affairs
Ministry of Economic Affairs

Others

Chairman of the Belgian (Geens) Parliamentary Commission of Inquiry on the Illegal Exploitation of the Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo
Diamond High Council (HRD), Antwerp
University of Antwerp
International Peace Information Service (IPIS)

Burundi

Government officials

His Excellency President Pierre Buyoya
His Excellency Vice-President Domitien Ndayizeye
Minister for Foreign Affairs
Minister of Defence
Minister of Commerce and Industry
Minister of Energy and Mines
Minister of Finance
Department of Customs
Bank of the Republic of Burundi

State representatives

Embassy of Belgium
Embassy of the Democratic Republic of the Congo
Embassy of the United States of America

International organizations

Representative of the Secretary-General in Burundi
Heads of the United Nations agencies
World Bank

Others

Association de banques commerciales
Comptoir minier des exploitations du Burundi (COMEBU)
Burundi Mining Company (BUMINCO)

International Rescue Committee

Central African Republic

Government officials

Ministry of Mines, Energy and Hydraulics
Central Bank of the States of Central Africa
Office de la réglementation de la commercialisation et du contrôle des produits agricoles

State representatives

Embassy of France
Embassy of the Democratic Republic of the Congo
Honorary Consul of Belgium
European Union

International organizations

Representative of the Secretary-General in the Central African Republic
UNDP

Others

Diamond export comptoirs

Democratic Republic of the Congo

Government officials

His Excellency President Joseph Kabila
Minister for Foreign Affairs
Minister to the Presidency
Minister of National Security and Public Order
Minister Delegate of Defence
Minister of Economy, Finance and Budget
Minister of Justice
Minister of Planning and Reconstruction
Minister of Agriculture
Minister of Health
Minister of Environment and Tourism
Minister of PTT
Minister of Transport and Communications
Minister and Vice Minister of Mines and Hydrocarbons
OFIDA (Office of Customs and Excise)

State representatives

Ambassador of Angola
Ambassador of Belgium

Ambassador of Namibia
Ambassador of the United Kingdom of Great Britain and Northern Ireland
Embassy of France
Embassy of the United States of America

International organizations

Special Representative of the Secretary-General in the Democratic Republic of the Congo
MONUC Force Commander and Chief of Staff
Major General Chingombe, SADC Task Force Commander
UNDP Resident Coordinator and Deputy Resident Coordinator

Others

Jean-Pierre Bemba, MLC/FLC
Banque de commerce et du développement
Commission of National Experts on the Pillaging and Illegal Exploitation of Natural Resources and Other Forms of Wealth
COMIEX
COSLEG
Catholic Relief Services
Group Forrest
International Human Rights Law Group
Kababankola Mining Company
Kisenge Manganese
Oxfam (United Kingdom)
Sengamines
SOCEBO
SODIMICO

France

Ministry of Foreign Affairs

Kenya

Government officials

Minister of Foreign Affairs
Office of the President
Ministry of Finance and Planning
Ministry of Trade and Industry
Ministry of Transport and Communications
Ministry of the Environment and Natural Resources
Department of Defence
Customs and Excise Division
Port Authority, Port of Mombasa
Customs Division, Port of Mombasa

State representatives

Ambassador of Belgium
Ambassador of China
Ambassador of France
Ambassador of Rwanda
Ambassador of Switzerland
Ambassador of Thailand
Ambassador of the United States of America
High Commissioner of Uganda
High Commissioner of the United Republic of Tanzania
High Commissioner of Zambia
Embassy of the Democratic Republic of the Congo
Embassy of Germany
Embassy of the Netherlands
Embassy of the Sudan
High Commission of South Africa
High Commission of the United Kingdom
Head of the European Commission delegation

Namibia

Government officials

His Excellency President Sam Nujoma
Minister and Deputy Minister for Foreign Affairs
Minister of Defence
Minister of Trade and Industry
Minister of Mines and Energy
Permanent Secretary of the National Planning Commission
Office of the President

State representatives

High Commissioner of the United Kingdom of Great Britain and Northern Ireland
Ambassador of France
Head of the European Commission delegation
International organizations

UNDP Resident Coordinator

Others

August 26 Holding Company

Republic of the Congo

Government officials

Department of Customs

State representatives

Ambassador of Belgium
Ambassador of France
Embassy of the Democratic Republic of the Congo
European Union

Rwanda

Government officials

His Excellency President Paul Kagame
Office of the President, Special Envoy for the Democratic Republic of the Congo and Burundi
Deputy Chief of Staff of the Rwandan Patriotic Army
Minister of Commerce
Minister of Energy, Water and Natural Resources
Permanent Secretary of the Ministry of Foreign Affairs
Permanent Secretary of the Ministry of Finance
Permanent Secretary of the Ministry of Defence
Ministry of Justice
National Bank of Rwanda
Rwanda Revenue Authority
Magasins généraux du Rwanda (MAGERWA)

State representatives

Ambassador of the United Kingdom of Great Britain and Northern Ireland
Embassy of Belgium
Embassy of Canada
Embassy of France
Embassy of Germany
Embassy of the Netherlands
Embassy of South Africa
Embassy of Switzerland
Embassy of the United States of America

International organizations

World Bank
Heads of the United Nations agencies

Others

Federation of the Rwandan Private Sector (FSPR)
Federation of Customs Clearance Commissioners
Bank of Commerce, Development and Industry (BCDI)
Rwandan Bankers Association
Banque commerciale du Rwanda

Banque de Kigali
Eagles Wings Resources
Rwanda Metals SARL
SOGERMI SARL

South Africa

Government officials

Department of Foreign Affairs
Government Diamond Valuator

State representatives

Ambassador of Belgium
Ambassador of the Democratic Republic of the Congo
Ambassador of France

International organizations

Heads of the United Nations agencies

Others

Institute for Strategic Studies
Anglo American Corporation

Uganda

Government officials

His Excellency President Yoweri Museveni
Minister for Foreign Affairs
Minister of Defence
Minister of Finance, Planning and Economic Development
Minister of Agriculture
Minister of Tourism, Trade and Industry
Minister of State for Mineral Development
Minister of State for Environment
General James Kazini
Lieutenant Colonel Nobel Mayumbu

State representatives

High Commission of the United Kingdom of Great Britain and Northern Ireland
Embassy of France

International organizations

Resident Representative of the World Bank

Resident Representative of the International Monetary Fund

Others

General (Ret.) Salim Saleh
The Ugandan Commission of Inquiry (Porter Commission)
British Broadcasting Corporation (BBC)
The East African
The Monitor
The New Vision
DARA Forest

United Kingdom of Great Britain and Northern Ireland

Government officials

Foreign and Commonwealth Office
Customs and Excise

Others

Amnesty International
Africa Confidential
Global Witness
British Petroleum
De Beers
Anglo American Corporation
America Mineral Fields
Oxfam
Hart Ryan Productions

United Republic of Tanzania

Government officials

Permanent Secretary of the Ministry of Foreign Affairs
Permanent Secretary of the Ministry of Defence
Permanent Secretary of the Ministry of Energy and Minerals
Ministry of Industry and Trade
Ministry of Home Affairs
Governor of the Bank of Tanzania
Tanzania Harbour Authority

United States of America
World Bank
International Monetary Fund

Zambia

Government officials

His Excellency President Frederick Chiluba
Minister of Defence
Minister of Finance and Economic Development
Minister of Commerce, Trade and Industry
Minister of State for Presidential Affairs
Permanent Secretary of the Ministry of Foreign Affairs
Permanent Secretary of the Ministry of Mines and Mineral Development

State representatives

Ambassador of the United States of America
Embassy of the Democratic Republic of the Congo
Embassy of France

International organizations

Secretary-General of COMESA
SADC Mining Coordinator

Others

Afronet

Zimbabwe

Government officials

His Excellency President Robert Mugabe
Minister of Mines and Energy
Minister of Transport and Communications
Minister of Environment
Permanent Secretary of the Ministry of Foreign Affairs
Chief of the Army

State representatives

Ambassador of Belgium
Ambassador of France

International organizations

United Nations Resident Coordinator

Others

Commercial Farmers' Union
Zimbabwe Defence Industries

Annex II. Abbreviations

AFDL Alliances des forces démocratiques pour la libération du Congo-Zaïre (Alliance of Democratic Forces for the Liberation of Congo-Zaire)
ADF Allied Democratic Forces
ALIR Armée pour la libération du Rwanda (Army for the Liberation of Rwanda)
BCD Banque de commerce et du développement (Trade and Development Bank)
BCDI Banque de commerce, de développement et d'industrie, Kigali
coltan columbo-tantalite
COMESA Common Market for Eastern and Southern Africa
COMIEX Compagnie mixte d'import-export
COSLEG COMIEX-OSLEG joint venture
FAC Forces armées congolaises
ex-FAR former Forces armées rwandaises
FDD Forces pour la défense de la démocratie
FLC Front de libération du Congo
FLEC Frente para a Libertaçao do Enclave de Cabinda (Front for the Liberation of the Enclave of Cabinda)
FNL Forces nationales pour la libération
Gécamines Générale des carrières et des mines
IDI International Diamond Industries
IMF International Monetary Fund
LRA Lord's Resistance Army
MIBA Societé minière de Bakwanga
MLC Mouvement de libération congolais
MONUC United Nations Organization Mission in the Democratic Republic of the Congo
OSLEG Operation Sovereign Legitimacy
PRA People's Redemption Army
RCD Rassemblement congolais pour la démocratie (Rally for Congolese Democracy)
RCD-Goma Rassemblement congolais pour la démocratie, based in Goma
RCD-ML Rassemblement congolais pour la démocratie - Mouvement de libération, initially based in Kisangani, now based in Bunia
RCD-National Rassemblement congolais pour la démocratie, was based in Bafwasende
RPA Rwandan Patriotic Army
RPF Rwandan Patriotic Front
SADC Southern African Development Community
SCEM Société congolaise d'exploitation minière
SOCEBO Société d'exploitation du bois
SOMIKIVU Société minière du Kivu
Sonangol Sociedade Nacional de Combustiveis de Angola
UNDP United Nations Development Programme
UNITA União Nacional para a Independência Total de Angola (National Union for the Total Independence of Angola)
UPDF Uganda People's Defence Forces
ZANU-PF Zimbabwe African National Union-Patriotic Front
ZDF Zimbabwe Defence Forces
ZDI Zimbabwe Defence Industries

Footnotes:

1 Diamonds that originate in areas controlled by forces or factions opposed to legitimate

and internationally recognized Governments, and are used to fund military action in opposition to those Governments or in contravention of the decisions of the Security Council.

2 The company, directed by an Omani entrepreneur, is registered in the Cayman Islands.

3 Petra Diamonds Ltd. is actually registered in Bermuda although most of its operations and holdings are in South Africa. The company also has subsidiaries or concessions, some active and other not, in Namibia, Botswana and Angola. Its directors include a former United States diplomat, an Omani government official and a Commonwealth Secretariat official.

4 WHRE is registered in the Isle of Man and according to the by-laws is owned by Elki Pianim.

Top

Related Documents:
Latest Emergency Updates: Great Lakes (Burundi; DR Congo; Kenya; Rwanda; Tanzania; Uganda)
Latest By Country: Angola; Burundi; Congo (Democratic Republic of the); Namibia; Rwanda; Uganda; Zimbabwe
Other documents by: UN Security Council