



RESOURCE SCARCITY IN THE

Congo

New Challenges and Threats
to U.S. Prosperity and Security



A CHAPTER SUMMARY FROM
IN PURSUIT OF PROSPERITY

The Democratic Republic of the Congo (the DRC) has an enormous wealth of natural resources that the world craves, including minerals, forests, agricultural land and oil. But the DRC remains one of the poorest countries in the world, ranking near last on the United Nations Human Development Index. Years of war, institutionalized corruption and mismanagement, along with violence in the eastern provinces, have trapped the country in a vicious circle of poor governance.

Inadequate natural resource management handicaps efforts to rebuild the state. Because the state is weak, it cannot regain authority over its natural capital. Regional insecurity, disruption of commodity supplies and loss of global environmental goods make the management of the DRC's resources a global concern.



Environment

Congo has been described as a “geological scandal” because of its amazing mineral wealth. The country is a major producer of cobalt, copper and industrial diamonds. In addition, oil, cadmium, gold, silver, tantalum, tin, zinc and uranium can be found within Congo's

borders. Rich in renewable resources, the DRC can also be considered a “biodiversity scandal.” Its complex of ecosystems includes the world's second-largest intact tropical forest, about half of Africa's water resources and abundant arable land.

Despite such vast resources, development remains elusive. Only 9% of Congo's population has access to electricity, and about 40% of the country's children are malnourished. The DRC is fragmented by the lack of transportation infrastructure and the dense humid forest that covers the central basin. Most economic activity is in the informal sectors. Charcoal production, bushmeat hunting and artisanal mining circumvent administrative controls and taxation. The DRC's rural population depends on forests for food, medicines, building materials and fuelwood.

However, these renewable resources are often exploited unsustainably. Mineral reserves, however, remain underexploited. Illegal artisanal mining and resource extraction have funded political and rebel groups in the DRC for many years, and the profitability of this practice keeps mining in the informal sector. Metals such as coltan, used in electronics, are mined illegally in the eastern provinces and continue to fund local conflict.



Congo's position in the heart of Africa is more of a liability than an asset. The pillaging of Congo's natural resources has been closely tied with cross-border violence. Oil resources embitter relations with Angola and Uganda, and there have been disputes over diamond fields along the Angolan border. The eastern border is the most affected. Rwanda has systematically encouraged illegal trade, plundering gold, diamonds and other minerals from the DRC. Rwanda has also abetted local insurgencies and corruption. Timber and minerals are illegally exported to Uganda, also with links to insurgent groups. Demand for wildlife parts in Asia has spawned global criminal syndicates that export Congo's biodiversity. The proceeds of illegal transactions have profited Congolese rebel bands.

Poor governance remains a nearly insurmountable problem. In an extractive economy without a functioning state, appropriation of natural resources is the key determinant of power and wealth. In the DRC, that wealth begins with bush meat, forest clearing and artisanal mining. Expansion of wealth can result from large-scale mining operations, oil and gas extraction, and wildlife crimes. A system of mafia-type control over different resources replaces government regulatory and management systems.

Establishing a national governmental presence is rendered virtually impossible by the lack of a national transportation and communication network. Moreover, Congo does not have a qualified cadre of civil servants motivated to manage the



natural resource sectors sustainably. A governance reform process led by international financial institutions has helped pass legislation and regulatory standards for forestry and mining. Unfortunately, it has failed to put enforcement and oversight mechanisms in place. In that political void, domestic and international NGOs have de facto taken on some state functions. But the country's resource patrimony remains largely under the control of predatory domestic and external forces.

Implications for the U.S.

As a strong proponent of human rights and the rule of law, the U.S. finds the continuing crisis in Congo a diplomatic embarrassment. Diplomatic efforts have resulted in criticism of the DRC's human rights record and included attempts to mediate between the government and rebel groups. The U.S. has also provided military training and sent special forces, but with little impact.

Whether Congo is able to develop a functional state and govern its immense natural resource wealth is relevant to the U.S. not only for the moral issues of poverty and ongoing violence. Congo matters because of its potential contribution to protecting the global commons and the value of its natural resources. Improving the situation in the DRC is critical to halting the mismanagement and corruption fueling

crime and conflict not only within its borders, but beyond. However, the U.S. must recognize that it has very limited influence over Congolese affairs. With growing global demand for the DRC's natural resources, Congolese authorities do not have to acquiesce to U.S. opinions about good governance.

Protection of Congo's tropical forests is vital in the fight against global climate change and biodiversity loss. International pressure to halt deforestation has brought attention and a modicum of financial support for sustainable forest management. The U.S. Presidential Initiative against Illegal Logging is designed to exclude illegal timber from U.S. markets. However, the impact of such initiatives is threatened by the lack of governance and by large timber importers that ignore issues of sustainability.

The potential disruption of mineral commodity markets is another concern. However, mineral supplies to the U.S. from Congo are relatively small. Despite the country's troubled past, the supply of minerals has never been significantly disrupted. Congo's participation in global oil markets is also limited.

Of greater concern is the role mineral and wildlife resources play in perpetuating violence. Local militant organizations threaten to destabilize U.S. allies and trading partners throughout



the region. The profits generated from natural resources are now believed to finance international terrorist organizations. And there is the risk that Congo's valuable minerals, notably uranium, could get into the wrong hands. To help break the link between natural resources and violence, the U.S. enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act, requiring U.S. companies to prove that the minerals they buy are not fueling bloodshed. It is debatable whether this legislation will help end violence in the region by depriving militia of profits or simply drive out investors who could bring economic development.

Recommendations

Breaking out of the current vicious cycle is a chicken-and-egg problem. Does governance need to be improved before private sector investment and economic development can take place? Or is economic growth needed first to support stronger political institutions and civic responsibility? Without trying to resolve this debate, it is clear that governance and state-building initiatives need to be embedded in improved natural

resource management. Policy makers should begin by carefully tracking trends and making vital policy linkages among the agriculture, forestry, mining and energy sectors. For example, sound forestry policy will require improvements in agricultural production and energy provision.

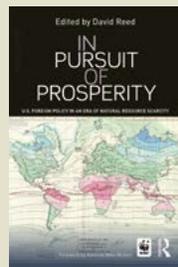
The U.S. government has devoted funding and diplomatic energies to the struggle to save the forests of the Congo Basin. This work should continue, but with recognition that improved forest



management is primarily a political, social and cultural problem rather than a technical challenge. The role of international support for Congolese environmental management is crucial. Foreign support—ranging from the World Bank to small NGOs—has been crucial in making linkages between poverty reduction, economic development and good governance on the one hand, and natural resource management on the other.

This summary is drawn from In Pursuit of Prosperity, Chapter 4, by Theodore Trefon, author of Congo Masquerade: The Political Culture of Aid Inefficiency and Reform Failure.

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In Pursuit of Prosperity: U.S. Foreign Policy in an Era of Natural Resource Scarcity explores the evolution of environmental sustainability in U.S. foreign policy. Through expert analysis of nine strategically important regions, WWF's David Reed and a team of experts in foreign policy and environmental affairs identify emerging threats to the prosperity and national security of the United States. They assert that the combined impacts of climate change and natural resource scarcity require a fundamental shift in U.S. foreign policy to ensure the prosperity of our country's trading and political partners around the globe.

For more about WWF's In Pursuit of Prosperity initiative, visit www.worldwildlife.org/ipop.

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