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Secretive mining deals risk financing Congo elections again, Global Witness warns

Press Release

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Profits from secretive mining deals risk illicitly financing this year's disputed presidential election campaign in Democratic Republic of Congo, Global Witness said in a new report today. The warning comes as global leaders prepare to arrive in the UK next week for a major anti-corruption summit.

Global Witness's concern is based on evidence from Congo's previous elections, when six opaque mining and oil deals lost Congo \$1.5 billion – over twice the country's annual health and education spending. Part of the proceeds from the sales was used to contribute to a government fund for the 2011 election. The rest has gone into private hands and denied the Congolese people money for much-needed spending on hospitals, schools and roads.

Each of the six deals involved anonymous companies in the British Virgin Islands (BVI) linked to Israeli billionaire Dan Gertler, a close friend of Congo's embattled President Joseph Kabila, who managed to win the disputed 2011 poll despite claims of ballot stuffing and intimidation of opponents. The Congolese constitution limits presidents to two five-year terms in office; Kabila, who also won the 2006 election, is supposed to step down this year. However analysts suspect that he will try to delay the elections or even change the constitution so that he can run again.

Since 2015 more secretive mining deals have been struck, raising the risk of funds from mining asset sales being diverted to finance Kabila's efforts to remain in power. An unannounced copper deal involving Congo's state mining company was struck with Glencore and Gertler's Fleurette Group in early 2015 but only revealed several months later by the press, while a potentially huge agreement with China Nonferrous Metal Mining Co. announced in July 2015 has still not been published.

“With a bitter political battle on the horizon, there is a risk that more secret deals in Congo will be struck and that part of the profits from those deals could be used for off-the-books financing to influence or delay the elections,” said Nat Dyer, Congo team leader at Global Witness. “To help prevent this happening Congo must publish the full details of all natural resource sales, including information on the real beneficiaries of the companies involved.”

In the period around both the 2006 and 2011 elections, mining magnate Gertler secured mining and oil assets at prices that were often well below market value, before later striking lucrative deals for those assets with the likes of London-listed giant commodities trader Glencore. Gertler [is accused of](#)

[profiting from these deals at the expense of the Congolese state](#). He was also mentioned over 200 times in the 'Panama Papers' leak of offshore documents, [according to Haaretz](#).

Next week global leaders will arrive in the UK for a major anti-corruption summit hosted by British Prime Minister David Cameron. The deals outlined in Global Witness's report 'Out of Africa' show the harm caused by the secrecy afforded to offshore companies registered in British-controlled territories. The UK must now take the lead in combatting this problem by compelling its offshore tax havens to introduce public registers of beneficial ownership, so that we can discover who really profited from these deals.

"The deals we discuss in 'Out of Africa' have resulted in huge profits for BVI companies at the expense of the Congolese people. The full list of the beneficial owners of these BVI companies remains a secret thanks to the regulations of the offshore territory. The only way to stop this is to put an end to the secrecy of the offshore world, especially in the UK's Overseas Territories and Crown Dependencies," said Dyer.

Mr Gertler vigorously disputes the various charges levelled against him calling them "false and unsubstantiated". His spokesperson has said that his business dealings are above board and have helped bring economic growth to Congo. Glencore has [also denied any wrongdoing](#).

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