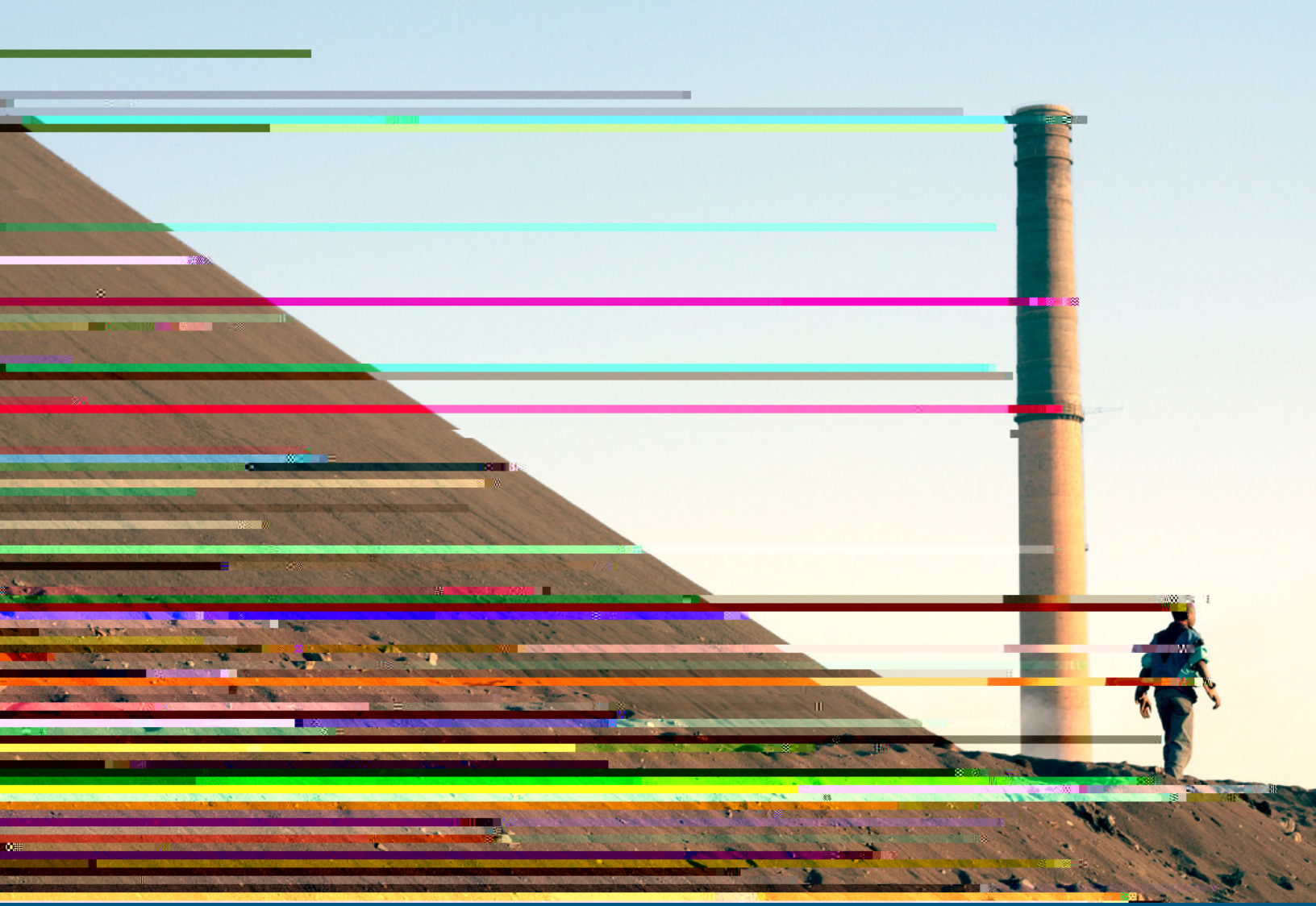

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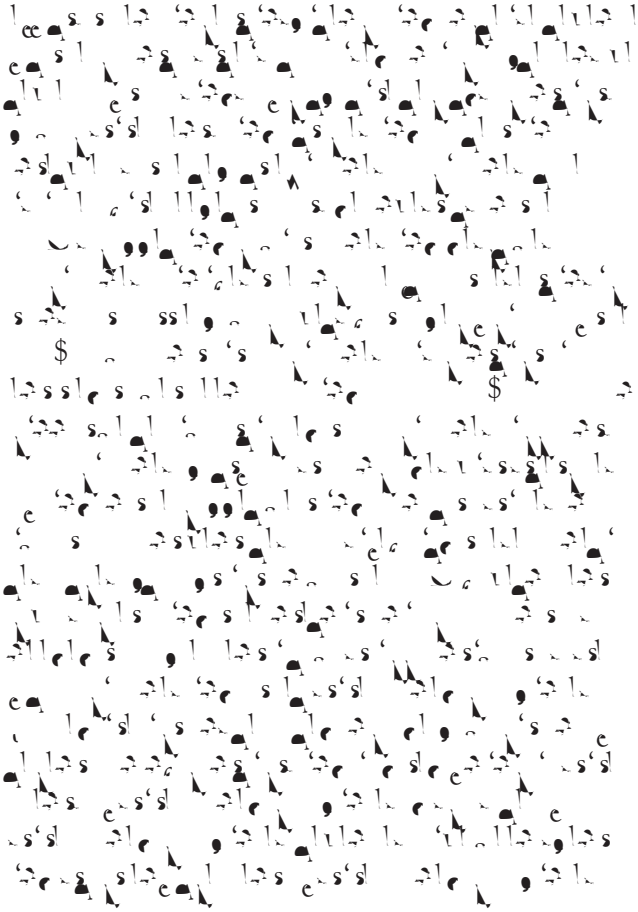

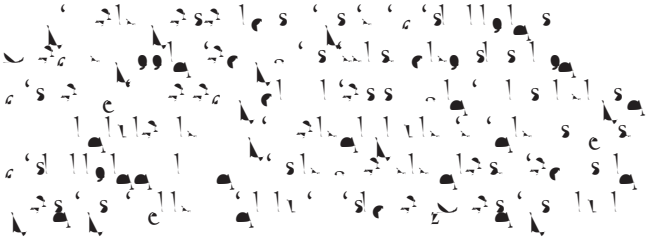

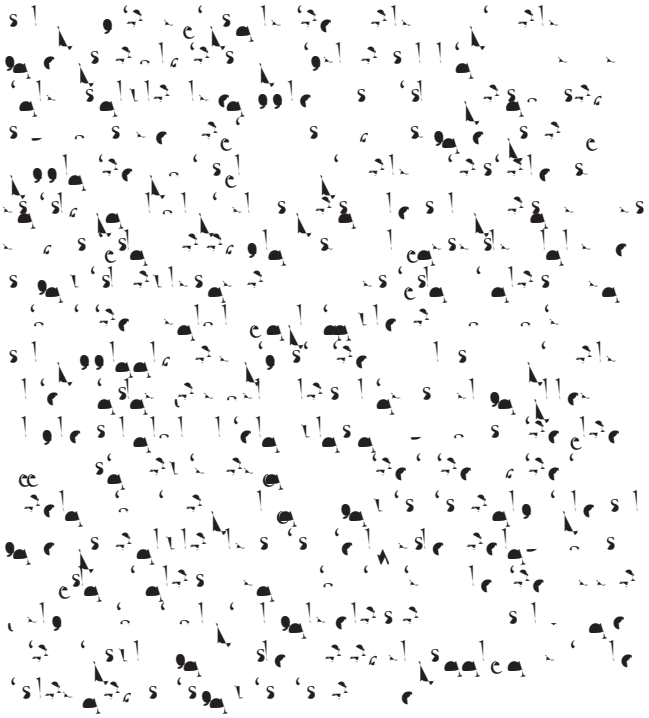

Transformation Into a "Commercial" Company: Cementing the Parallel Governance Track

Looking Forward

Report Structure

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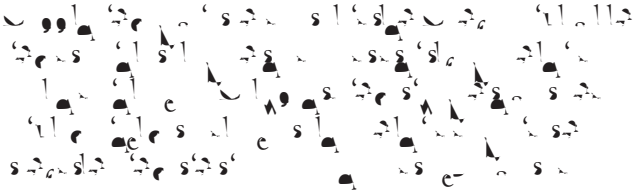
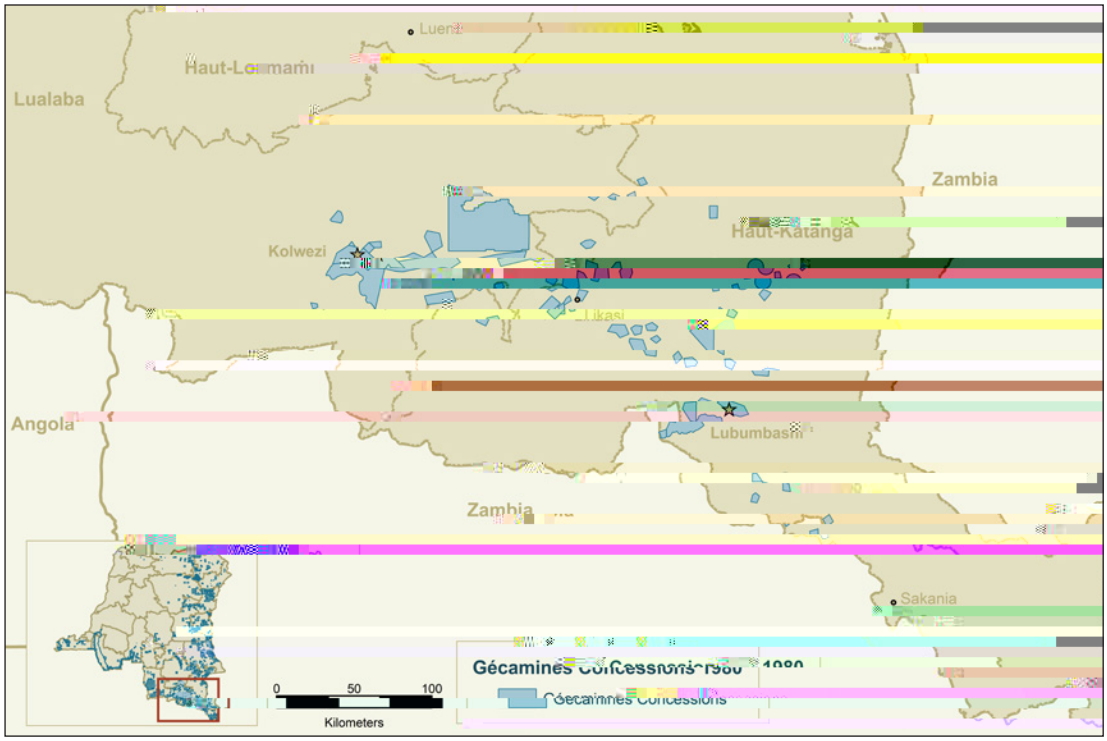
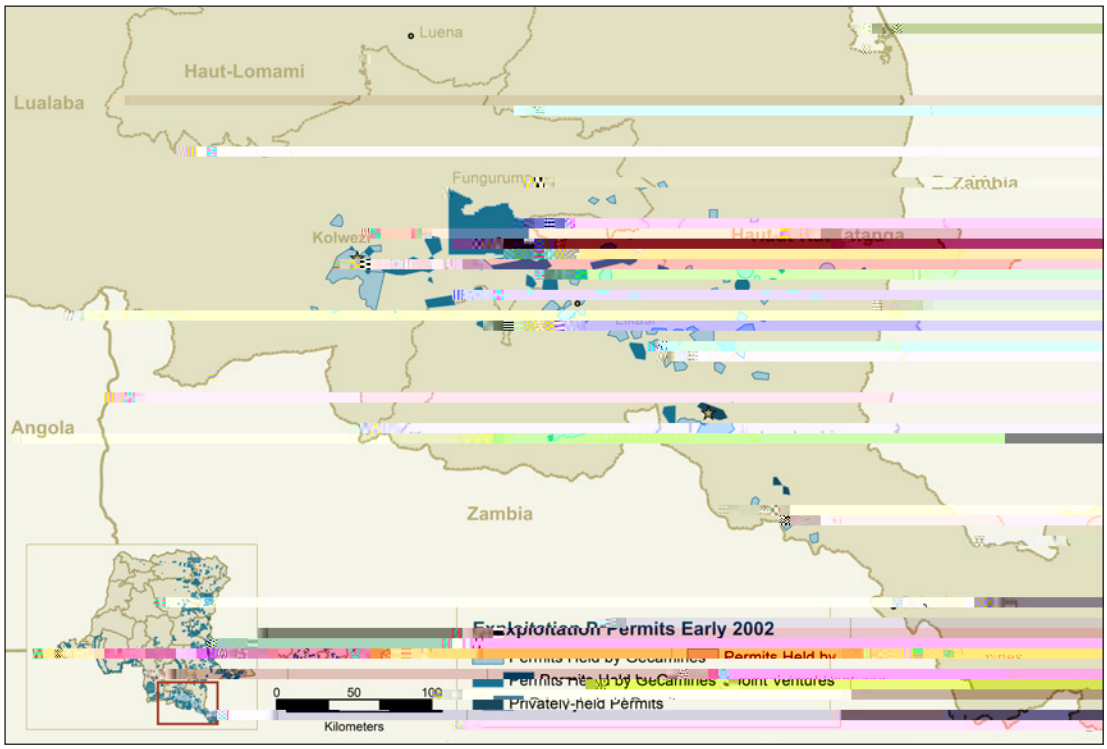
Haphazard Privatization (1995–2001)



Mining Code: A Common Framework for All Investors and Operators (2002–2003)





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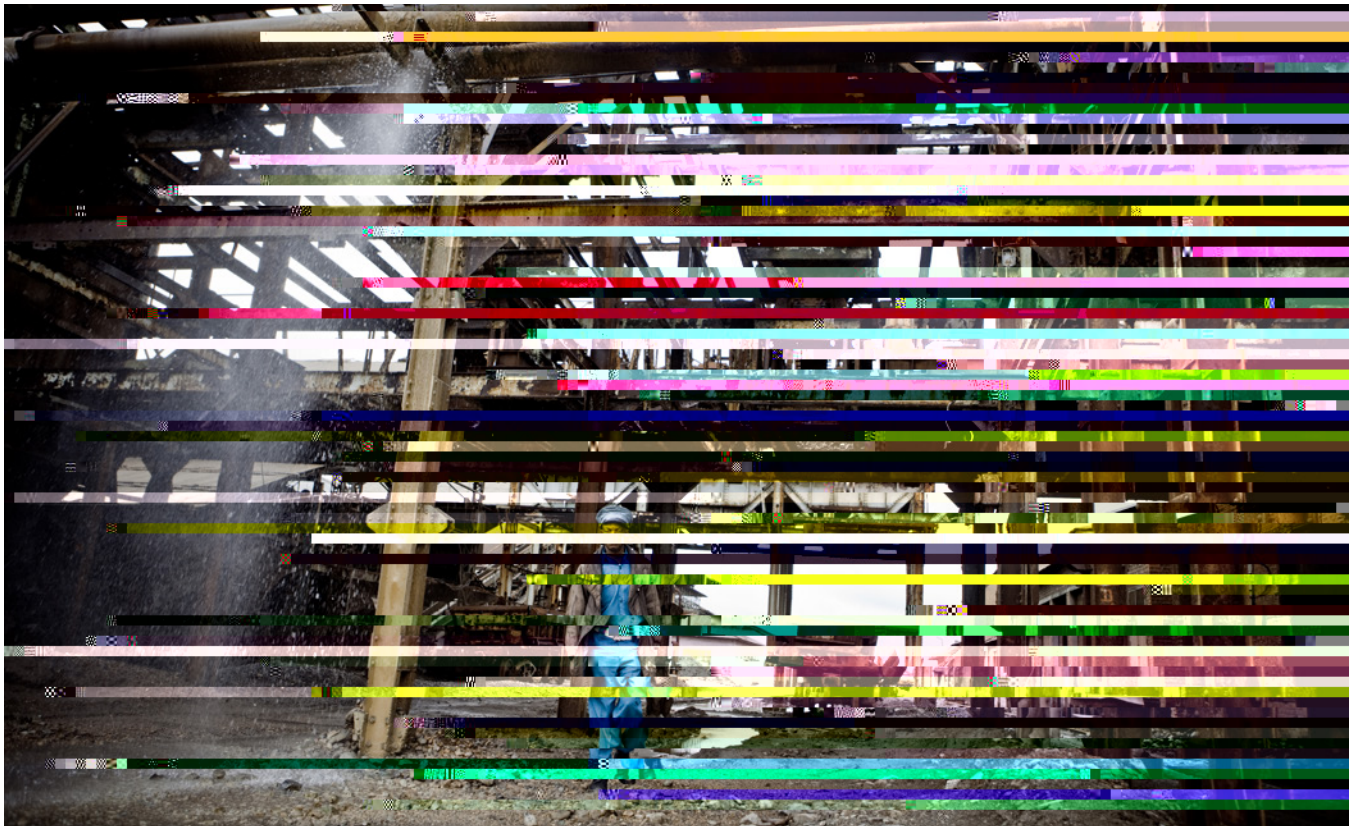
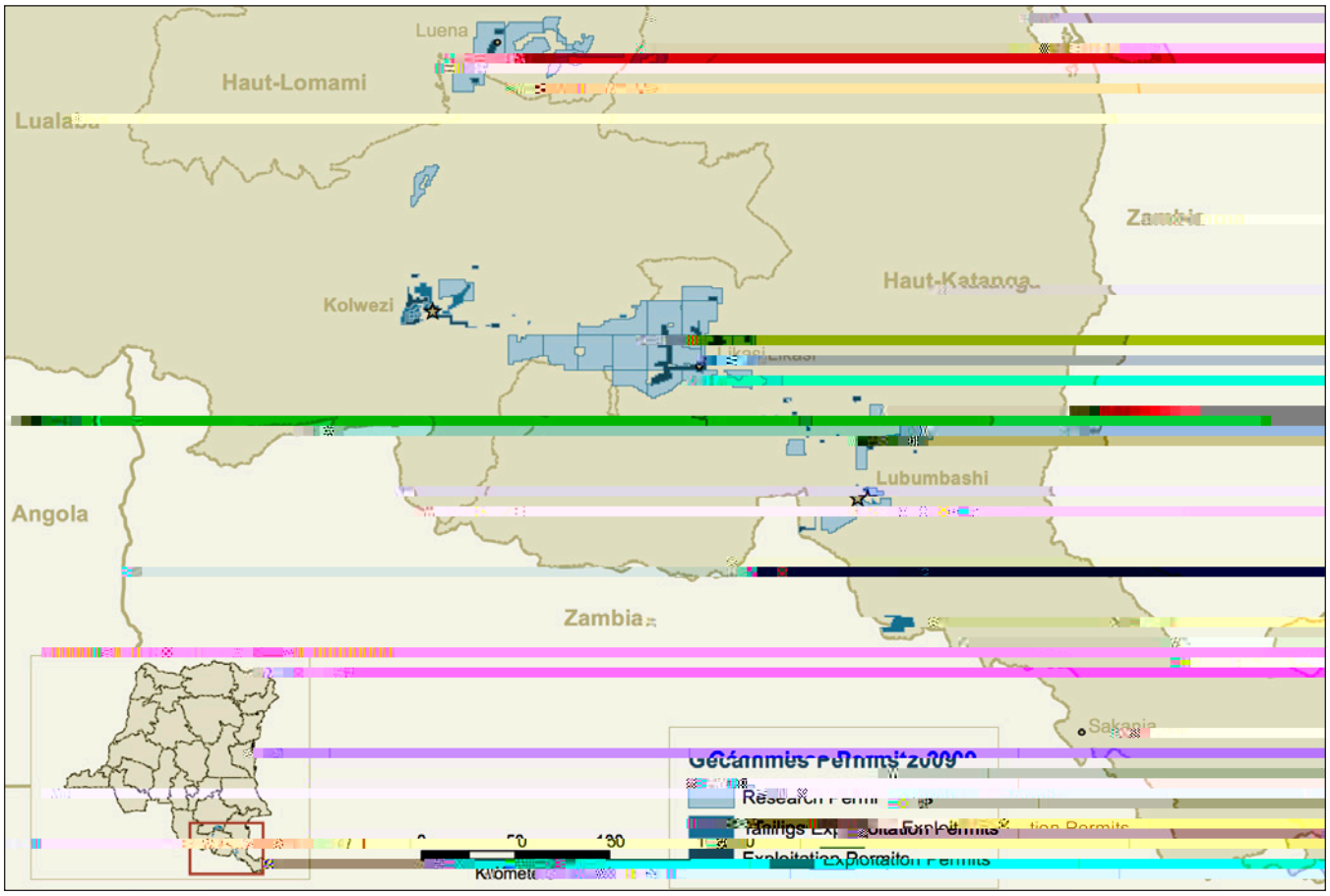
The Pre-electoral Privatization Wave (2005–2006)

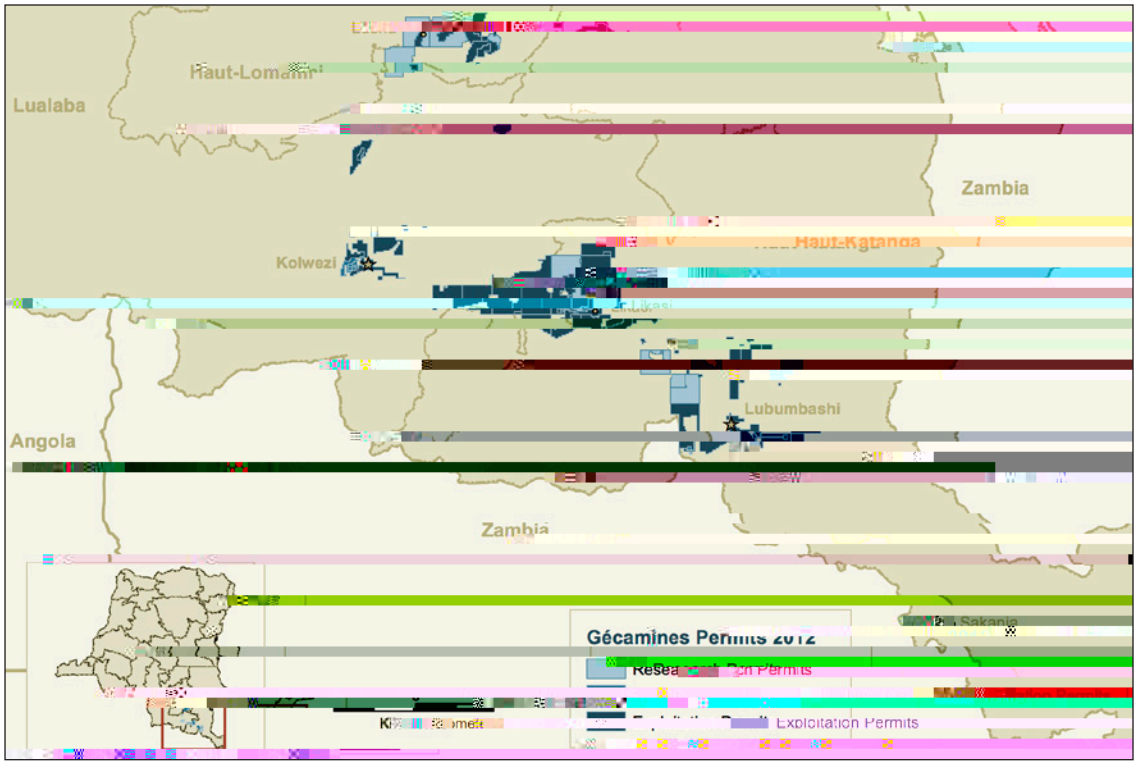


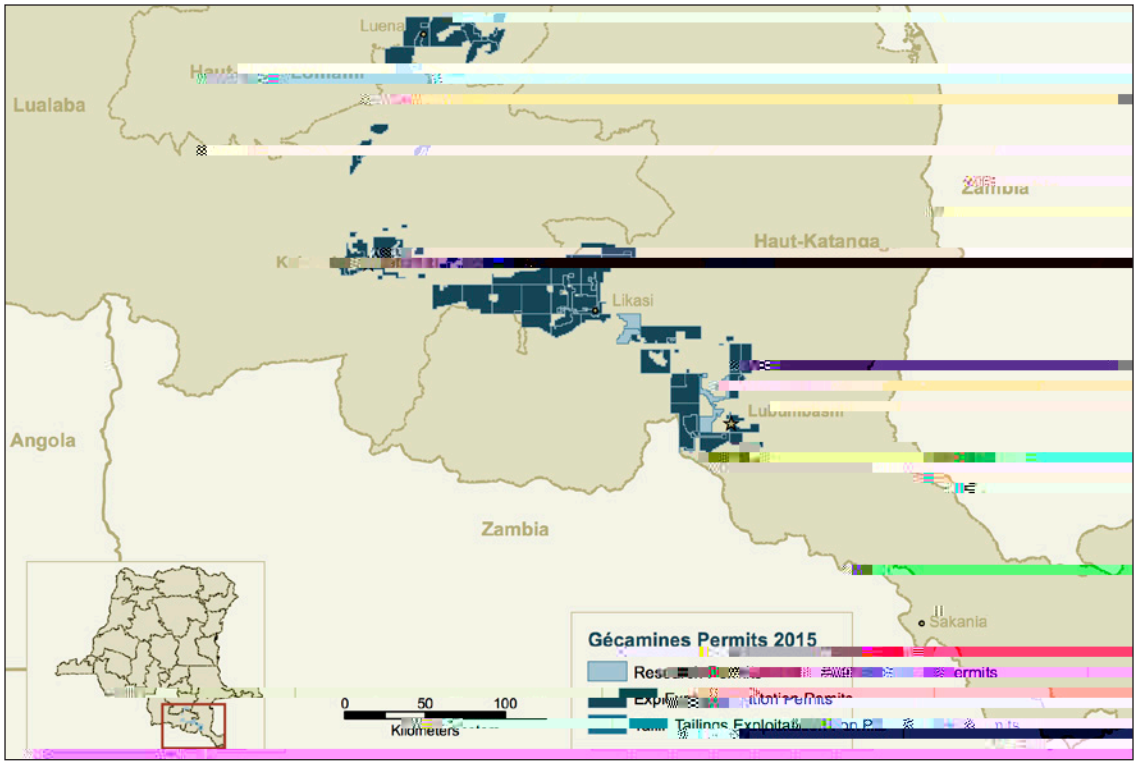
Keeping the Parallel Mining Registry Alive (2007–Ongoing)

Table 2—Gécamines' Mining Permits, 2009, 2012, 2015

Year	Research Permits	Exploitation Permits
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]




Lualaba
Zambia
Kolwezi
Lubumbashi
Angola
Zambia
Exploitation Permits


Lualaba
Haut-Katanga
Likasi
Angola
Zambia
Sakania
Gécamines Permits 2015
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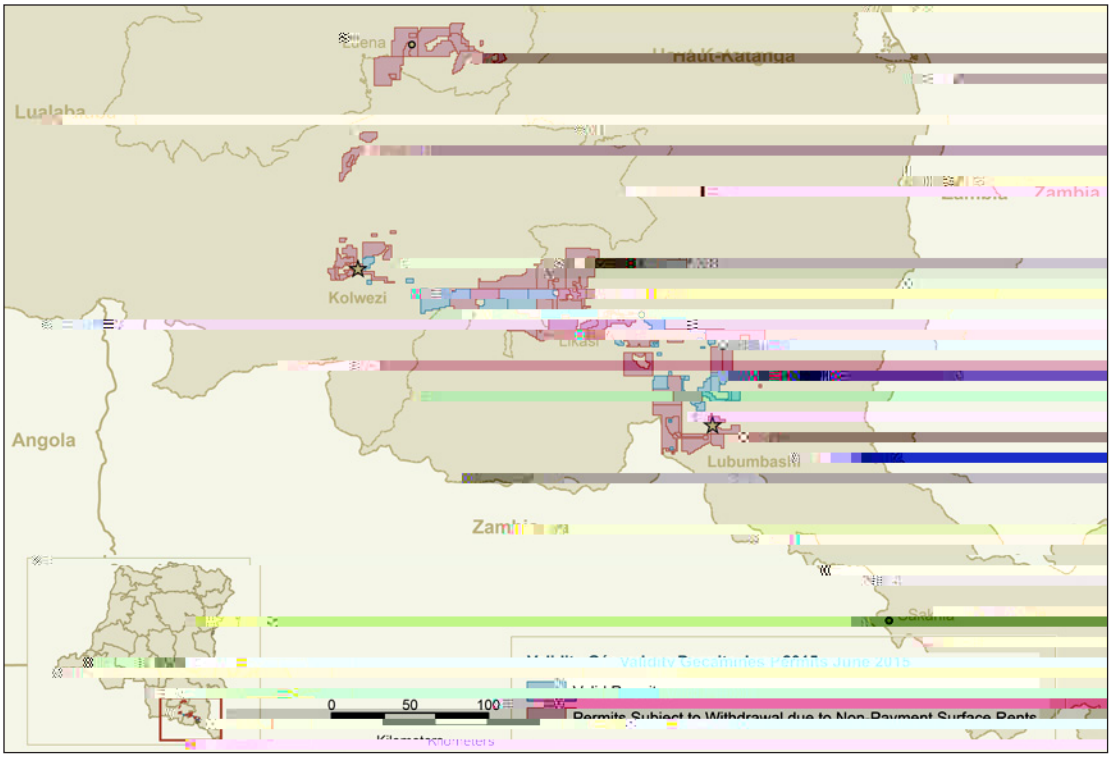
Luena
Haut-Katanga
Lualaba
Zambia
Kolwezi
Angola
Lubumbashi
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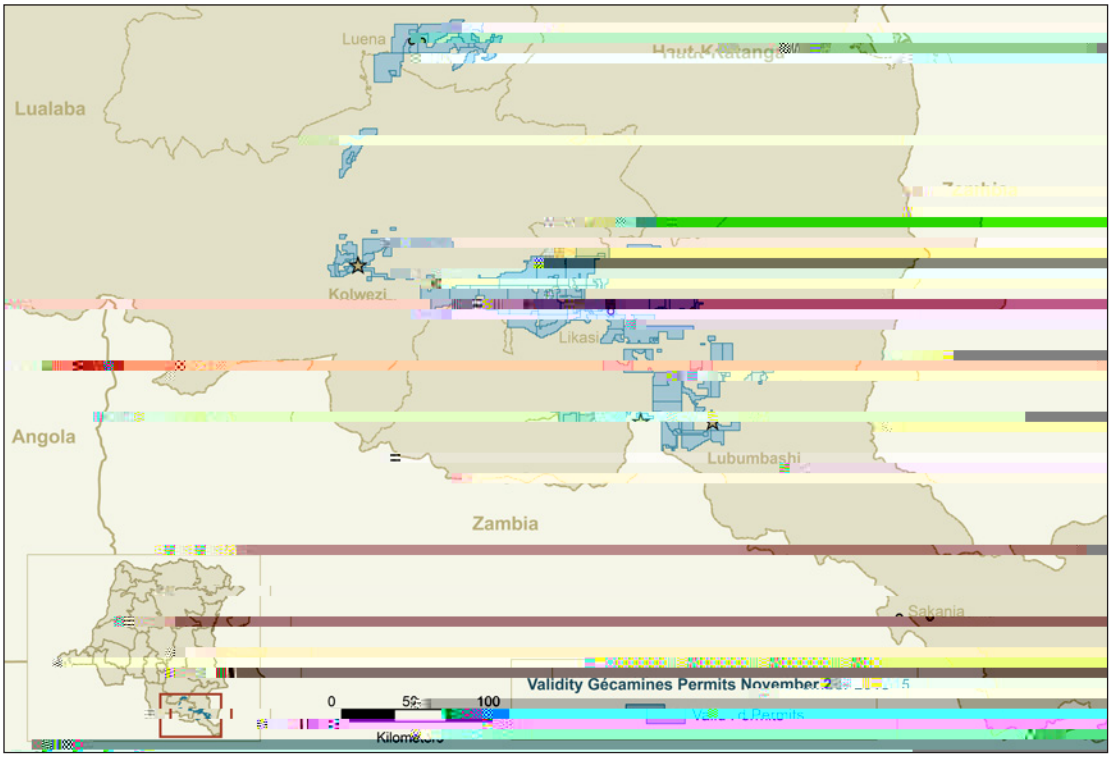
Luena
Haut-Katanga
Lualaba
Zambia
Kolwezi
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Validity Gécamines Permits November
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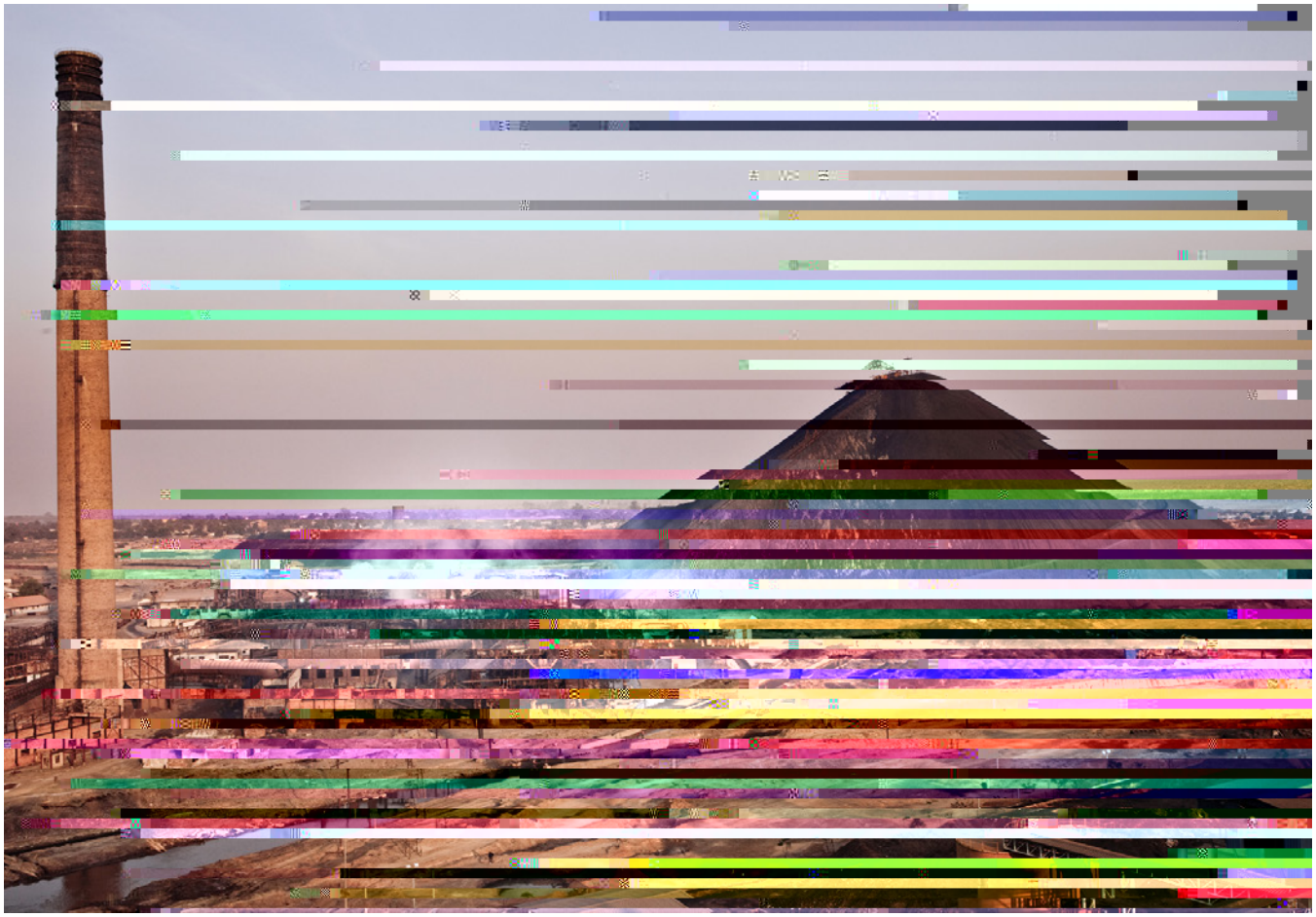
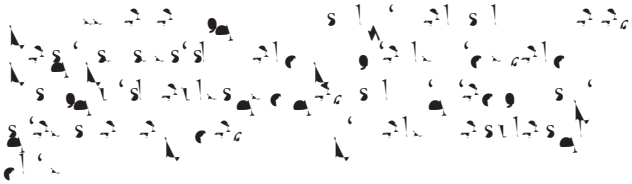
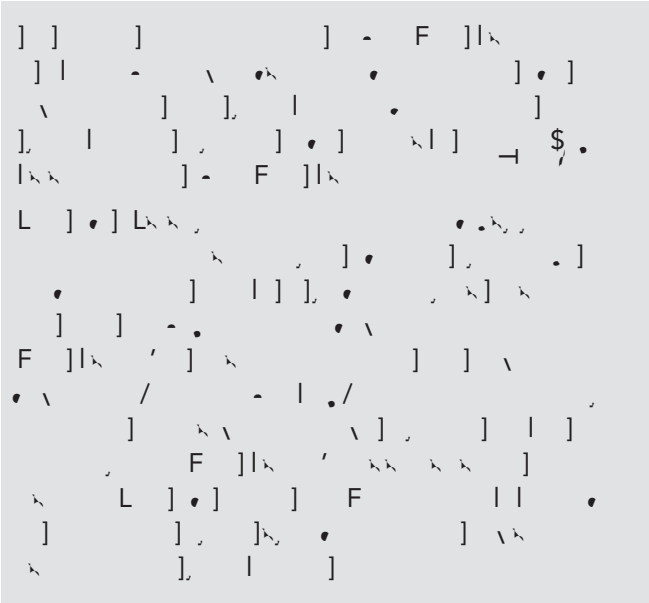


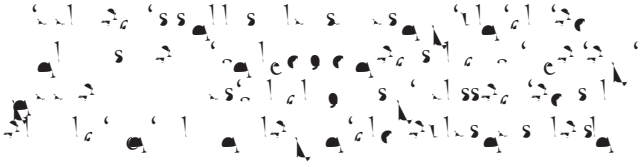
The "revisitation," as the DRC contract review process came to be known, served mainly to strengthen Gécamines' business position in its partnerships and increase the likelihood of financial benefits.

Setting the Stage for Contract Review (2003–2006)

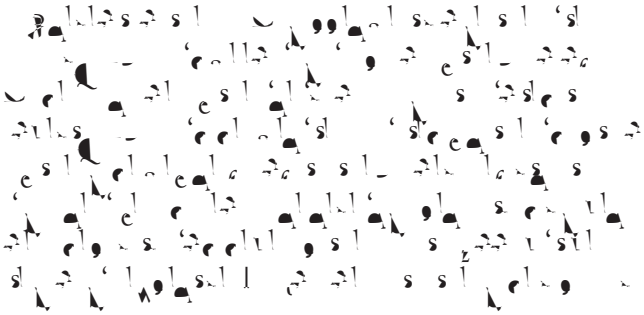
The logic, it seemed, had been that a little instant cash directly in the hands of state-owned companies mattered more than larger sums for the state treasury in some distant future.







One Dollar for Gécamines Rather Than Two for the Treasury



In cases in which one investor wanted to buy out another, Gécamines required the buyer to pay several million dollars in fees or advances to Gécamines.

One Dollar for Gécamines Today Rather Than Two Dollars for Gécamines Tomorrow

While Gécamines was preventing partners from selling their stakes to new investors (unless the partners paid Gécamines a significant fee), it allowed one particular investor, Dan Gertler, to acquire stakes and then sell them to multinationals without much resistance.

U.S. court files suggest that Gertler might have courted government officials more directly with bribes to top officials. "For us an attack on Gertler is an attack on the Congo," a presidential spokesman commented. "We don't want one Gertler, we want 10 Gertlers."

Gertler's Business Partners: ENRC and Glencore

Assessing the Benefits of Gécamines' Contracting

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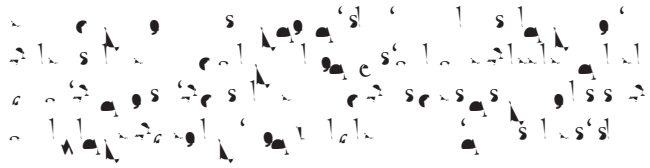

Restricting Governmental Oversight to a Small Group of People

The Inner Circle

"I only dreamed of one thing: [to] become (…) the CEO of Gécamines," Katumba wrote about his teenage ambitions in his autobiography. He was Gécamines' shadow CEO for at least the half-decade preceding his death in 2012.

Since November 2010, the new management team has put great effort into presenting itself as a commercial rather than state company. "Now that they're a commercial company, they don't tell us anything," a senior member of the DRC parliament complained.

Control Over Gécamines' Assets

According to the legislation on state-owned companies, supervision rests with the minister of portfolio alone, who has the power to call Gécamines management to account at any time. Minister of Portfolio Louise Munga has not seemed to tightly supervise Gécamines' activities.

Spending Partnership Revenue

Table 5—Gécamines' Direct Contributions to the DRC State, 2009-2014, in US$ Millions

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The Failed Attempt to Move Gécamines' Interests to a Secrecy Jurisdiction

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The Production Bubble

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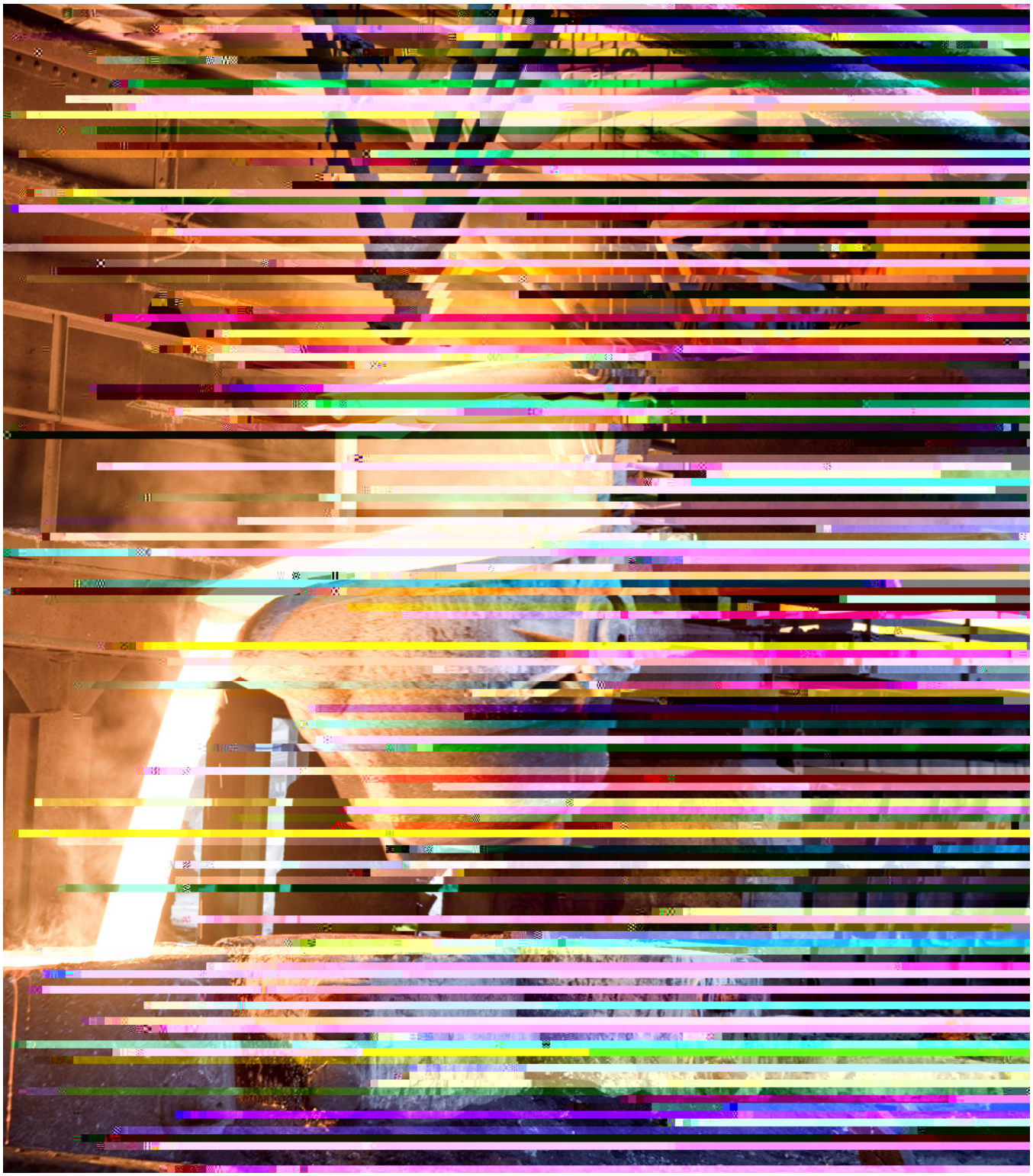

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Decoding the Black Box

Table 6—Significant Partnership Revenues Apparently Missing From Partnership Records, 2011–2014, in US$ Millions

In the absence of a response from Gécamines to a request seeking clarification of these discrepancies, The Carter Center has attempted to track the allocation of these specific revenue flows.

The continued absence of transparency in Gécamines' spending raises questions about whether the revenues are used for political ends. Going forward, Gécamines may continue to privatize its remaining assets, probably in the name of its "revival," without guarantee that the money will actually make it to Gécamines' coffers. This risk seems to be even greater when elections are supposed to take place.

Masking the Parallel Track


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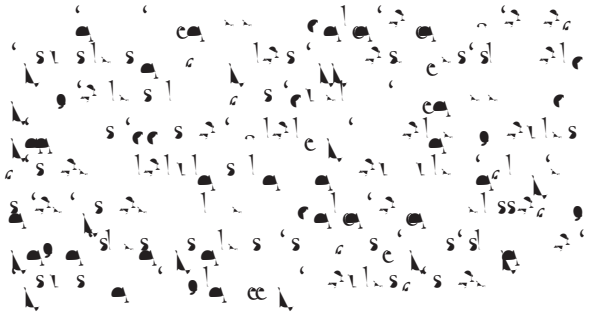
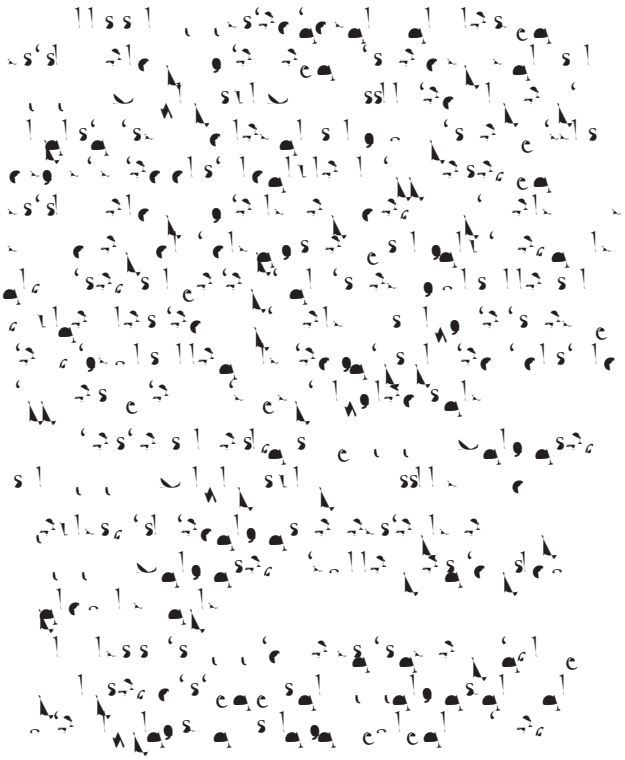
Gécamines no longer acts like un *Etat dans l'Etat*—a state within the state. Instead, Gécamines seems like a parallel state operating beyond the scope of regular state institutions and oversight, able to grant mining assets, collect significant income, and determine how to channel those funds.



Multistakeholder Initiatives and Civil Society

EITI information disclosure on assets and revenue



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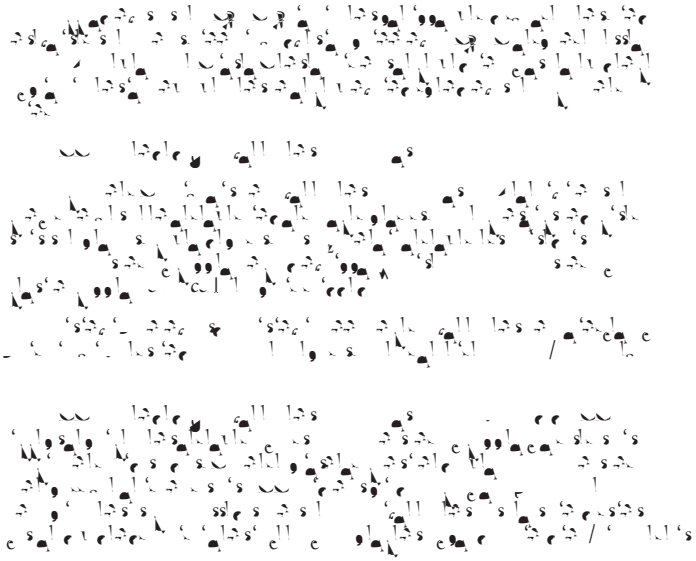

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Case Study 1: Kamoto Copper Company

[illegible]

Case Study 2: Mutanda Mining

[illegible]

Case Study 3: Tenke Fungurume Mining

[illegible]

Case Study 4: First Quantum Minerals

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