After the Storm:

The Impact of Emergency Humanitarian Assistance on Market Systems in Kasaï Central

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Glossary of Abbreviations

ACF	Action Contre la Faim
ASI	Adam Smith International
CF	Congolese Franc
COPEMECO	Confédération des Petites et Moyennes Entreprises Congolaises
CPA	Comité d'acheteurs et évacuateurs des Produits Agricoles
DFID	Department for International Development
DGDA	Direction Générale des Douanes et Accises
DGI	Direction Générale des Impôts
DGM	Direction Générale de Migration
DGRKOC	Direction Générale des Recettes de Kasaï Central
DRC	Democratic Republic of Congo
FAO	Food and Agriculture Organisation
FARDC	Forces Armées de la République Démocratique du Congo
FCDO	Foreign, Commonwealth and Development Office
FEC	Fédération des Entreprises du Congo
FENAPEC	Fédération Nationale des Artisans, Petites et Moyennes entreprises du Congo
GAM	Global acute malnutrition
HI	Handicap International
INGO	International Non-Governmental Organisation
IPC	Integrated Food Security Phase Classification
LWF	Lutheran World Federation
NFI	Non-food item
NGO	Non-Governmental Organisation
NRC	Norwegian Refugee Council
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
PAP-RDC	Programme d'Appui au Développement des Populations Forestières
SNCC	Société Nationale des Chemins de Fer du Congo
SNEL	Société Nationale d'Electricité
WASH	Water, sanitation and hygiene
WFP	World Food Programme

Introduction

This study seeks to evaluate the impact of emergency humanitarian assistance on market systems in the province of Kasaï Central, with a particular focus on Kananga, its capital. The evaluation informs recommendations that are intended to contribute to improving the positive sustainable impact of emergency humanitarian assistance, and to facilitate earlier economic recovery in affected areas.

Fieldwork for this study was conducted in mid-July 2018 in Kananga and at the border crossing of Kalamba Mbuji in Kasaï Central province, by Diane Bommart and Gregory Mthembu-Salter. The research consisted of a literature review, first hand observation and interviews with numerous primary sources from the private sector, public sector and humanitarian organisations.

The report focuses on the impact of emergency humanitarian assistance on the agriculture, transport and trade in goods sectors in Kananga and the province of Kasaï Central more generally, and provides an analysis of its impacts on the city's hospitality, banking and telecoms sectors.

The report begins with a brief political economy and conflict overview of Kasaï Central, before addressing the research question for each sector in turn. This is followed by recommendations, particularly aimed at the humanitarian and development aid sector and the donor agencies that fund this sector.

1. Kasaï Central political economy and conflict overview

Two years ago, in mid-2016, the previously peaceful province of Kasaï Central erupted into violent conflict. Following the death in 2011 of his father Ntumba Mupula, the customary chief of Kamuina Nsapu in Dibaya territory, his son Jean-Prince Mpandi considered himself the rightful heir to the chieftancy. The central authorities in Kinshasa, however, never confirmed Mpandi's appointment. In April 2016, Mpandi assembled a youth militia in Dibaya, also called Kamuina Nsapu, to press his claim to the chieftaincy. Soon after, the militia attacked Tshimbulu town in Dibaya territory. In August 2016, the Forces Armées de la République Démocratique du Congo (FARDC) retaliated, attacking Mpandi's residence and killing him. Kamuina Nsapu continued and intensified its rebellion, however, attacking Kananga in September 2016.

The militia attracted new recruits through a ceremony called tshiota, and soon spread to neighbouring territories and, later, provinces. Kamuina Nsapu militia attacked the Kasaï provincial capital of Tshikapa in December 2016, and in the same month again attacked Kananga and also struck Luebo. The FARDC across the Kasaïs was steadily reinforced from late 2016 onwards, and it launched a counter-insurgency, displacing hundreds of thousands of people and inflicting an unknown number of casualties. Between March 28 and March 30, there were reports that the FARDC had conducted a counter-insurgency operation in the Kananga suburb of Nganza in which over 100 people were killed.[1]

In April 2017, interior minister Ramazani Shadari announced a new Kamuina Nsapu chief, Jacques Ntumba Kabeya, who appeared to have the support of the late Ntumba's family. This went some way to reducing the incentive of Kamuina Nsapu combatants to keep fighting. At the same time, the FARDC counter-insurgency progressively contained the rebellion, leading to a visit to Kananga by president Joseph Kabila in late May 2017 as part of a brief tour of the Kasaïs. Militia activity remains near-continuous in neighbouring Kasaï province, but by the end of 2017 the Kaminua Nsapu rebellion had effectively been crushed in Kasaï Central, save for a few isolated incidents of militia violence that have continued to the present day. Government administrative staff throughout the province who had fled their posts during the crisis have mostly returned to them. Many of the extra FARDC troops who were brought in to defeat Kamuina Nsapu have returned to eastern provinces, though some remain, often manning roadblocks on major transport routes where soldiers extort money, steal goods and generally harass trade and traders.

The Kasaï Central governor at the time of the Kamuina Nsapu crisis, Alex Kande, was removed from office by the central authorities and replaced in December 2017 by Denis Kambayi, the former national minister of sport and a member of the ruling PPRD.

Kananga is one of the oldest cities in the Democratic Republic of Congo (DRC), and was briefly during the early colonial era slated as a possible national capital. Kananga, then Luluabourg, was the capital of Kasaï province, and the capital of Kasaï Occidental when Kasaï was divided into two in 1966. The decoupage of 2015 left Kananga the capital of an even smaller province, Kasaï Central. This latest decoupage separated Kananga and Kasaï Central from the most economically active parts of the old Kasaï Occidental, including the diamond hub Tshikapa, Mweka, which is an important maize growing territory, and the port of Ilebo, the transport hub that links the region to Kinshasa

[1] See for example, Radio Okapi, 3 April 2017, *Une centaine de morts dans la traque contre les miliciens à Kananga, selon un activiste des droits de l'homme,* https://www.mediacongo.net/article-actualite-25289.html

and Matadi. All three are now in Kasaï. The change has had a significant negative impact on the finances of the Kasaï Central provincial government in Kananga which has seen a sharp decrease in its tax revenues. As a predominantly administrative city, the *decoupage* has had a significant impact on Kananga, far more than for the province as a whole.

Post-decoupage, there are precious few economic hubs still left in Kasaï Central. The main economically productive areas in the province are the farmlands of Dimbelenge and Luiza territories – recovering from agricultural seasons lost to conflict; the artisanal gold mines of Luiza territory; and, increasingly, the border crossing of Kalamba Mbuji. The official opening of Kalamba Mbuji in April 2018 and the recent grading and widening of the dirt road connecting it to Kananga as well as the repair of several bridges on the route, is already having a noticeable economic impact in Kananga. Despite strict restrictions still imposed by the Angolan authorities on the number of Congolese traders authorised to cross the border at Kalamba Mbuji each day, a growing volume of Angolan cement, cooking oil, plastic goods and the like is entering Kasaï Central, trading for significantly less in Kananga than products sourced from Kinshasa or Lubumbashi. By way of illustration and according to local businesses, spaghetti from Angola now sells for FC 850 on the market whilst they used to go for FC 1.1000; a bag of cement from Angola goes for USD 18 against USD 23 for cement from Kinshasa.[2]

Traders in Kananga crave the day when they will also be able to source goods from all over the world via Kalamba Mbuji and the Angolan port of Lobito, thereby bypassing the onerous current requirement for them of sourcing international imports either via Matadi/Kinshasa/Ilebo or via Durban/Kasumbalesa/Lubumbashi. Both transport corridors present massive challenges to traders, in the main because both rely on the Société Nationale des Chemins de Fer du Congo (SNCC), the national rail system, which is rapidly degrading and is not able to respond to Kananga’s import needs in a timely manner.

The Kananga traders’ hope is that regulatory issues - which they understand to be the reason why they are currently unable to transit goods from Lobito through Angola without paying customs levies - will be resolved soon. Once Kananga-based traders are permitted to transit their goods through Angola, Kalamba Mbuji, which is already expanding, will grow even faster and could soon become one of the country’s most important border crossings. With its important warehousing capacity left from the colonial era, Kananga could emerge as a trade platform for international goods sourced via Lobito for inland Congolese provinces including Kasaï Oriental, Lomami, Sankuru, Maniema, Haut Lomami and even Tanganyika.

Société Nationale d'Electricité (SNEL) barely supplies any electricity to Kananga, leaving people and businesses dependent on generators for power. Megatron, a recent solar power installation for which the provincial government has incurred millions of US dollars in debt, was supposed to lessen this dependence on generators but has barely functioned thus far. The city is also waiting on the long-overdue rehabilitation of the 64MW Katende hydroelectric power station which could, in part, help Kananga regain its earlier role as a regional manufacturing and agro-processing centre. For the time being however, the revival remains on hold.

[2] Interviews with Afrifood and Beltexco

2. Agriculture

Overview

Even before the 2016 crisis the Kasaï provinces were food insecure, despite decades of relative peace. It was thus grimly inevitable that the disruptions and population displacement generated by the 2016-17 Kamuina Nsapu conflict and the resulting loss of at least two and in some cases three harvest seasons would render food security significantly worse. A 2017 report from the Food and Agriculture Organisation (FAO) estimated that of a rural population of 3.3m in Kasaï Central, 34% were in IPC[3] phases 3 or 4. 14% of the province's population is reckoned to be suffering global acute malnutrition (GAM), well above 10%, which is the emergency threshold.[4] According to the World Food Programme (WFP), in mid-2018, 300,000 children in the Kasaï region as a whole were malnourished and at risk of starving to death.[5]

In 2017, the UN declared the Kasaï region a "corporate Level 3 Emergency", triggering an urgent scale-up in the humanitarian activities there. One of the major actors in Kasai, the WFP, has reported that it was assisting 40,000 beneficiaries in the Kasaï provinces at start of its intervention, but after the Level 3 declaration, this was later increased to 400,000 beneficiaries. In March 2018, the WFP's target was to reach more than 1m people by the end of June 2018.[6] To this end, the agency says it has committed almost a third of its total global emergency funding to the Kasaï region, and has procured 19,000 tonnes of food and US$750,000 as cash to be distributed to beneficiaries. According to the WFP logistics team in Kananga, as of July 2018 the agency was distributing 1,500 tonnes of food a month.[7]

Foreign Imports

The Food Security Cluster's guidelines, which oversee the coordination of humanitarian food assistance, recommend humanitarian actors to import to a market over local sourcing in order to avoid market price distortions and ensure distribution of quality and certified products. In that line, the WFP, whose operations dwarf the food distribution efforts of any other humanitarian agency in the Kasaï provinces, had not at the time of writing, and as far as we were able to ascertain, locally sourced any of the food that it had distributed in Kasaï Central. The WFP logistics team in Kananga said in July that it was "looking into" sourcing foodstuffs from the local market. The logistics team said private sector consultations would be launched at the end of August 2018 to enable WFP to understand the local supply chain better, and to evaluate the feasibility of the agency sourcing locally. According to the logistics team, the WFP in Kasaï Central sources food to Kananga exclusively via Lubumbashi and Kinshasa. The WFP import products to Kananga by train, truck and plane.

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[3] Integrated Food Security Phase Classification (IPC). 1 is the best, and 5 is the worst.

[4] FAO: The Democratic Republic of Congo Response Plan 2017-2018, Kasaï and Tanganyika Provinces, FAO, Rome, 2017, page 4.

[5] World Food Programme, Democratic Republic of Congo emergency, http://www1.wfp.org/emergencies/kasai-emergency

[6] World Food Programme, https://insight.wfp.org/wfps-immediate-response-account-saving-lives-in-the-kasai-region-of-drc-b029bdb4e5af?_ga=2.30488060.219745088.1533821134-516708862.1497506663

[7] Interview with WFP logistics team, Kananga, July 2018.

Foodstuffs sourced by the WFP via Lubumbashi had, apparently, been purchased in Zambia.[8] The association of agricultural goods traders in Kananga has complained that this means that valuable WFP funds went to their Zambian peers and not to them, meaning a lost opportunity to inject sorely needed new capital into the local economy in addition to food aid. The association insisted that while the Kasaïan market might not be able to supply all WFP's needs, there was sufficient local production for WFP at least to do more of its sourcing locally. The association claimed that over the last agricultural season Mweka territory in Kasaï province was able to export around 4,000 tonnes of maize to Kananga and this is not counting local consumption in Mweka or exports through Ilebo. Dimbelenge and Luiza territories were, in addition, said to be able to export several hundred tonnes of maize annually.[9]

National maize sourcing

Smaller international non-governmental organisations (INGOs), such as Handicap International (HI) or COOPI, have made local purchases from DRC-based private sector companies. Innov, a Kinshasa-based trader, had originally sought to respond to humanitarian demand in Kananga by importing maize flour from Zambia. However due to the unreliability of the train service the company felt compelled to sell its existing product in Lubumbashi instead, and to identify alternative production centres in the Kasai provinces and invest in fuel-powered flour mills in Kananga to meet client expectations there. The company now aggregates local production from Mweka and Dimbelenge by train and/or truck, and sells in Kananga, predominantly to humanitarian actors. The company claims that its warehousing capacity in Kananga allows for goods to be stored in anticipation of demand, thus overcoming time-delivery constraints linked to irregularity of the rail service and the poor quality of roads.

Local seed and maize sourcing

Among the many INGOs which have launched emergency interventions in the Kasaïs, a small number are sourcing maize and seed directly from the local market and Kananga-based traders. The agricultural products traders' association of Kasaï Central cited the Norwegian Refugee Council (NRC) and the Programme d'Appui au Développement des Populations Forestières (PAP-RDC) as having bought seeds from traders who were its members. Other INGOs, including Action Contre la Faim (ACF), have adopted mix-modalities, sourcing some products locally and importing others.[10]

Local seed purchases

The NRC in Kananga confirmed that it bought the seeds it is distributing to beneficiaries locally and said that in 2017 it was accused for this reason by the provincial government of driving up prices[11]. An NGO source close to NRC admitted that this presented a conundrum:

> *There is pressure on NRC to buy locally to help the local economy but the provincial government doesn't want us to reduce the amount of seed available in the market. I am*

[8] Interview with George Mukenge, Comité d'acheteurs et evacuateurs des Produits Agricoles (CPA), Kananga, July 2018.

[9] *Ibid*.

[10] Interview with the Food Security cluster, August 2018

[11] Sources indicated that this had occurred but from a fair organised by NRC in Mikalayi, in the periphery of Kananga, in September 2017. Kananga based traders bought and sold goods from Kananga to Mikalayi, driving up prices in Kananga as supply became scarce

not sure how we can do that. They cannot produce enough seed here. I'm not sure where they will get it all from.[12]

The Kananga agricultural traders' association, however, denied that NRC and PAP-RDC's seed purchasing had influenced the market:

These two have not influenced the market because they have not bought so much. We still have stocks. Our growers produce 600 tonnes of seed. NRC has bought 14.5 tonnes and PAP maybe 1.5 tonnes.[13]

The association further noted that even before the conflict, consumer demand for seeds from commercial vendors had been low as the FAO had been distributing a large quantity for no charge to the local population. We were unable during the fieldwork for this research to check the association's claim regarding this 600 tonnes production. An important factor is the quality of the seed available on the local market, since while it may well be true that traders have a large volume of seed stocked, how much of it is genuine, good quality, certified seed is another matter.

Thus far, the NRC's model in Kasaï Central has been first to identify and pre-qualify seed suppliers who are both officially registered and capable of supplying quality, certified seed, to issue tenders to, and then to select from among the bidders. The seeds that NRC purchases are then distributed free of charge to beneficiaries, though the agency indicated that it might review this approach in 2019. A review might create the opportunity to initiate changes that build a direct link in the value chain between seed producers and end users, boosting the sustainability of the seed market. This will be sorely needed when emergency humanitarian assistance comes to an end.

Local maize purchase and price variation

According to the agricultural traders' association, humanitarian agency purchases have not moved the local maize price in Kananga:

NGO grain purchases have not shifted the market. The quantities are too small.[14]

Handicap International (HI) has tracked maize and other agricultural commodity prices in a number of Kasaïan markets, including Kananga, since October 2017. The table below shows some of the results. The biggest standouts in the table are the dramatic falls in the maize and seed price recorded between December 2017 and January 2018. HI said that the Food Security Cluster had noted at the time the steady increase in the Kananga maize price in September 2017. Concerned that this was due to humanitarian agency purchases HI said that the agencies decreased their sourcing from the Kasaïs. World Vision, we were informed, sources all the foodstuffs it distributes from outside the Kasaïs.[15]

NGOs were relieved in January 2018 to see a sharp fall in the price of maize, but whether this was due to a shift by them to more sourcing from outside the Kasaïs remains is uncertain. Certainly, the fall in the maize price in Kananga in December 2017 was unlikely to have been due to seasonal

[12] Interview with NGO source, Kananga, July 2018.

[13] Interview with CPA, Kananga, July 2018.

[14] *Ibid.*

[15] Interview with COPEMECO, Kananga, July 2018.

factors, since Season A in the Kasaïs runs from August to October, with the harvest in March, meaning there is no significant arrival of locally produced crop onto the market in December. The WFP was adamant, also, that its increased food distribution elsewhere in the province was not a factor either:

> *We distribute a minimum of 200 kilometres away from Kananga. That is too far for people to bring the maize back to the city.*[16]

Another vital factor influencing the maize price in Kananga, however, is the performance of the SNCC. The crisis in the Kasaïs and the SNCC's own multiple woes prevented the SNCC for several months during the second half of 2017 from evacuating the maize crop from Mweka's Season B, which harvests in June and July. A Kananga-based journalist told us, however, that a goods train carrying the crop eventually rolled into the city in late December or early January 2018, which he believed played a major role in the price fall.

> *The provincial government's claim that the NGOs pushed up the maize price is false. That is just politics. It is our own weak production and delays in the arrival of the train with Mweka's maize to Kananga that is the problem. Once the train arrived, the maize price here fell.*[17]

Table 1. Kananga Market Prices (CF), October 2017-June 2018

	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	April 2018	May 2018	June 2018
Maize flour (kg)	2267	2717	2271	1325	1392	1233	1725	1783	1717
Maize seed (kg)	2450	2458	1771	1075	1113	1492	1458	1517	1458
Beans (kg)	6283	6233	6133	3400	3229	3542	5216	5075	5000
Palm Oil (litre bottle)	708	658	746	783	958	1596	1317	1333	1317
Salt (kg)	1263	1346	1463	1617	1754	1504	1350	1350	1350

Source: Handicap International

A reasonable possibility is that both the performance of the SNCC and the purchases of humanitarian agencies have had some impact on movements in the maize price in Kananga during 2017-18, particularly in an overall context of much-weakened local production. Traders in mid-2018 maintained that local food production was beginning to pick up as the market was beginning to recover from the crisis, while CARITAS Kananga offered the opposite analysis:

> *It is not clear that the main growing season will succeed this year. We fear that food security might actually get worse.*[18]

In this uncertain context, the HI data suggests that a significant increase in Kasaïan sourcing by the WFP could potentially influence the local maize market in future, most probably by pushing up prices once more. For this reason, while WFP should nonetheless source more maize and other foodstuffs locally to ensure a benefit to the local economy, this needs to be accompanied by continued careful

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[16] Interview with WFP logistics cluster, Kananga, July 2018.

[17] Interview with local journalist, Kananga, July 2018.

[18] Interview, CARITAS, Kananga, July 2018.

monitoring of price trends, and improved co-ordination and co-operation between the WFP, the SNCC, and the private sector.

According to the Food Security Cluster:

> *"The price situation will remain unstable [in Kasai] because of problems of access to land, soil erosion, poorly developed techniques of farmers, lack of rural storage, ethnic conflicts and road conditions that do not allow easy movement of goods.*[19]

Whilst this is leading to a shift from emergency humanitarian assistance to development to strengthen agricultural markets in the province, there is also increased scope too for humanitarian actors to make greater use of local traders to source and transport additional food supplies from elsewhere in the country.

Other foodstuffs

We spoke in Kananga to two of the city's main commercial foodstuff importers and traders, Afrifood and Beltexco, both of whom have a proven track record in successfully and sustainably managing the notoriously difficult logistics involved. Both expressed confidence that they were capable of sourcing significant volumes of food imports for humanitarian agencies at competitive rates. However the Afrifood manager said he had yet to see a tender from a humanitarian organisation, while the Beltexco manager alleged that while he had seen some tenders, none of his offers had been replied to, let alone accepted. Both managers speculated that they had, perhaps, been shunned by the logistics departments of humanitarian agencies due to the rigidity of their invoicing systems limiting possibilities for lucrative "margins".[20] Another possible reason is that humanitarian agencies have concluded that some potential suppliers do not meet their requirements for doing business. This would further support calls for improved communication between humanitarian, development and private sector actors.

[19] Interview, Kananga Food Security Cluster, August 2018.

[20] Interviews with Afrifoods and Beltexco, Kananga, July 2018.

3. Trade in Goods and Transport

Non-Food Items

The provision of non-food items (NFI) has been an important component of the emergency relief provided in the Kasaïs by humanitarian agencies. In contrast to the situation with foodstuffs, many of the humanitarian agencies we spoke to said they had taken steps to ensure that most, if not all, of their sourcing of these items was done locally. The Lutheran World Federation (LWF), for example, has been working in Kasaï Central since December 2017, providing interventions, it says, in water, sanitation and hygiene (WASH), livelihoods, nutrition and protection, including trauma work. The LWF issues tenders locally in Kananga for its supplies, only bringing them in itself from the outside if it has failed to source them locally. This sometimes means paying more:

> *Sometimes prices are higher here. In that case, we seek authorisation from the funder to pay more to source locally, though that may require adjustments to the quantity we can provide. We recognise that the private sector here has weaknesses, especially for bulk supplies.*[21]

In some instances, rather than purchase these items themselves, organisations such as NRC and PAP-RDC have instead liaised with local traders who have gone on to source and distribute the goods themselves, and provided beneficiaries with the means to purchase them through cash transfers or vouchers. Business people we spoke to in Kananga expressed support for this approach, saying it ensured that money spent by aid agencies circulated in the local economy. Unsurprisingly, the business people expressed a clear preference for vouchers that guarantee them a revenue, compared to cash transfers, which beneficiaries can spend wherever they like.

According to FENAPEC, a traders' association:

> *WFP brings everything in from outside, but NRC and PAP have engaged with us. We supply NRC with foodstuffs and other goods. It has awarded tenders to us and to COPEMECO. PAP does the same thing. That really helps us. But it is just those two. We buy the goods we need in Dubai, and bring them in via Dar es Salaam and the train. These contracts have helped compensate us for the huge losses we received from the conflict.*[22]

INGOs such as COOPI, have turned to large suppliers such as UAC for bulk orders of products such as soap. This is a positive development, but by placing themselves as an intermediary between consumers and suppliers by distributing the product to the beneficiaries, aid actors prevent market relations forming between consumers and suppliers, disrupting the value chain.

Office Supplies

Aid agencies have, in most cases, turned to the private sector for office supplies. UAC is Kananga's main retailer of office equipment. According to its manager, Usman Nur Alam:

[21] Interview with LWF, Kananga, July 2018.

[22] Interview with FENAPEC, Kananga, July 2018.

A lot of NGOs have come here. Handicap, ACF, UNICEF, World Vision… These people are helping my business! They have to start offices, so they need equipment. I am often giving bids, replying to tenders…[23]

Whilst UAC brings in goods from Kinshasa or Lubumbashi, and has the capacity to deal with high quality and large volumes of demand, INGOs such as NRC also turn to local workers to build furniture locally.

Aid agencies have also looked to the local private sector for trucks and other vehicles with which to distribute to beneficiaries in the province, which they have found to be in short supply and therefore expensive, but often in poor condition. According to the ACFR, a Kasaï Central transport and loading association:

We work with all these humanitarian agencies. They are good business for us.[24]

Fuel

The association of *pétroliers* of Kananga stated that they had not been asked to do bulk fuel supplies to humanitarian agencies:

They don't buy fuel from us. We are not seeing the money humanitarian agencies are spending circulating here in Kananga.[25]

The SNCC

While aid agencies use trucks and other vehicles to distribute food and NFIs, it is difficult for them to bring goods into Kasaï Central by road. As a result, unless aid agencies opt to fly goods in, as some of them have on occasion, despite the expense, agencies are forced to depend on the SNCC. The WFP in particular brings in maize on the train from Lubumbashi to Tshimbulu, for distribution around Dibaya territory. The SNCC, however, has by its own admission far too few functional locomotives and wagons, and is unable to operate a fixed timetable. Instead, the SNCC's over-stretched and under-resourced staff make customised arrangements as they seek to respond to demands that come from all over an enormous area of southern DRC. The situation has become so difficult that traders in Kananga have to wait up to nine months for their goods.[26] In a bid to improve matters, in early 2018 the governor of Kasaï Central travelled to the SNCC regional headquarters in Lubumbashi to plead for trains.

According to a director at the SNCC in Kananga:

During that meeting, the governor and SNCC found some kind of agreement and there has been some movement of goods on the network since then. But the real issue is that we have too few wagons, and they are in demand all over.[27]

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[23] Interview with UAC, Kananga, July 2018.

[24] Interview with ACFR, Kananga, July 2018.

[25] Interview with Association des Pétroliers, Kananga, July 2018.

[26] Interview with the Association des Vendeurs et Acheteurs de Poisson, July 2018

[27] Interview with SNCC director, Kananga, July 2018.

The association of *pétroliers* in Kananga reported that earlier in 2018 the SNCC even ran out of fuel and had to "borrow" it from Association members:

> *They had no fuel. We gave fuel to them so they could bring the maize from Mweka. They have not repaid us yet. We think they will repay us sometime.*[28]

3.5 Barriers

Road transporters were consistent in their response that the main impediment to their work was the barriers placed across key transport routes all over the province, manned by a mix of state officials, usually including the Direction Générale des Recettes de Kasaï Central (DGRKOC) and the FARDC. Traders crossing these barriers are almost invariably taxed and/or fined by at least some of these officials, rendering the movement of goods more difficult and more expensive, and reportedly continuing to discourage many would-be traders and consumers from even attempting their journeys.

According to the Kananga association of taxi motos:

> *People are still scared to travel. They do still travel but not like before. The problem is at the barriers they ask for money. There are 15 barriers between here and Mbuji Mayi. There are four to the frontier. It gets expensive.*[29]

The Kananga association of transport loaders agreed:

> *In trucks you pay CF50,000 or CF1000,000. At each barrier. Or the soldiers just steal a container of diesel from you. You cannot plead with them. They just make you get out of your vehicle and then they take your money.*[30]

According to provincial vice-governor Kabuanga Kabuanga Manix:

> *We have worked to get rid of illegal barriers and we have removed some, but the official ones have to stay. As for the FARDC's roadblocks… that is up to them. This is still a 'zone opérationnel'. The FARDC is allowed to do all these things without consulting us. And we do not know how long this state of affairs will last.*[31]

A senior official at the DGRKOC confirmed that the roadblocks around the province brought in useful revenue for his agency, particularly during the dry season when roads were passable, but lamented that in many instances private sector transport operators were able to avoid paying taxes because they were transporting goods for humanitarian agencies:

> *"They dodge our taxes by wearing humanitarian helmets.*[32]

[28] Interview with Association des Pétroliers, Kananga, July 2018.

[29] Interview with association of taxi motos, Kananga, July 2018.

[30] Interview with ACFR, Kananga, July 2018.

[31] Interview with Kasaï Central vice-governor Kabuanga Kabuanga Manix, Kananga, July 19, 2018.

[32] Interview with senior DGRKOC official, Kananga, July 2018.

3.6 The border

The Angolan government closed the country's border crossings with the Kasai provinces during the Kamuina Nsapu rebellion but has since been reopening them. On 31 April 2018 the Kalamba Mbuji border crossing was reopened, connected to Kananga, 250 kilometres away, by a dirt road that has been widened and graded by a Chinese construction company. The road has also had its bridges repaired, to the point that it is now passable, during the dry season at least, by any vehicle. 180 kilometres from the Kalamba Mbuji border crossing is the Lunda Norte town of Dundo and it is there that Angolan and Congolese traders buy a range of Angolan goods for sale on the Congolese side of the border, both at Kalamba Mbuji itself in a market that is growing in size daily and in Kananga. The Angolan border authorities allow ten Congolese traders across the border per day. The principal traded goods that the Angolan customs authorities permit to leave the country are cement and other construction materials, bottled drinks, beers and plastics. A host of other goods that the Angolan government has forbidden to cross but which do so nonetheless in considerable volumes include cooking oil, rice, milk powder, Brazilian sugar, maize flour and fuel. The Angolan goods all retail in Kananga for considerably less than Congolese equivalents and also imports that have been sourced via the Kasumbalesa or Matadi corridors. These cheaper, Angolan goods are an important and much-cherished boon for hard-pressed consumers but constitute a serious blow for Kananga traders who are supplied through the Kasumbalesa and Matadi corridors. The Kananga-based traders, who are all heartily fed up with having to deal with exasperating realities of Kasumbalesa and Matadi, would in most instances prefer instead to source their international imports via Kalamba Mbuji and the port of Lobito, on Angola's Atlantic coast. However, the traders report that the Angolan authorities have not thus far been able to issue them with transit documents to enable them to bring their goods across Angolan territory and into DRC.

Vice-governor Kabuanga commented reassuringly:

> *The Congolese and Angolan heads of state have agreed on the key issues and I think the transit issue will be resolved very soon. You will see.*[33]

[33] Interview with vice-governor Kabuanga Kabuanga Manix, Kananga, July 19, 2018.

4. Telecoms, Banking and Hospitality

Telecom companies have had limited direct relationships with humanitarian agencies in Kananga aside from the exploration of a few mobile money initiatives. Vodacom management in the city said the company had noticed an uptick in spending since humanitarian workers started operating from there, which encouraged the population to return.[34]

The arrival of humanitarian organisations has also been a boon to commercial banks. A representative of Rawbank in Kananga said that many humanitarian workers received their salaries and did their banking at his branch. The representative also observed that the humanitarian agency preference for paying suppliers via banks had diverted some cash from the local market.[35]

Local economic actors and authorities as well as humanitarian actors agree that most humanitarian staff are recruited from outside of Kananga and the Kasais. The explanations, however, diverge. Local politicians and economic actors often blame ethnic favouritism and corruption, while humanitarian actors say there is a lack of local expertise in emergency response. Whilst most INGOs we met still find difficulties in hiring local staff, other INGOs such as NRC, which originally recruited staff from the east to deal with the first wave of response, are now moving to hiring more local (Greater Kasai) staff and complete their objective to hire 80% of their staff locally.

The *association des cambistes* has seen a sharp decrease in the availability of US dollars in the market. They compare this with the early 2000s when, the association said, MONUSCO paid staff in cash[36] and the money was available locally. The development of the banking system in Kananga since 2013 has allowed humanitarian agencies to pay staff and suppliers via the banks. This, combined with the recruitment of staff from outside the province, means that a proportion of the money earned by humanitarian actors in Kananga does not circulate in the local economy but is instead sent elsewhere in the form of remittances. Similarly, the requirement for suppliers to have bank accounts to be paid in, means that funds from the few local purchases tend to be spent outside of the Kananga market.

There was broad consensus among interviewees that one of the most tangible economic impacts of the arrival of humanitarian agencies in Kananga was a rapid rise in the cost of rented property in the city.[37] Rents in some *quartiers* have more than tripled since 2016. Some hotels in the city were said to be on the verge of closure, to be rented out in their entirety instead to humanitarian organisations.[38]

According to a senior official in the DGRKOC, rental increases in Kananga were having a positive knock-on effect on provincial revenues:

> *The wonderful thing with the humanitarian organisations is that they pay rent up front. 20% of your rental bill is for us, the DGRKOC. And they also don't try to dodge their*

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[34] Interview with Vodacom, Kananga, July 2018.

[35] Interview with Rawbank, Kananga, July 2018.

[36] Interview with the Association des Cambistes

[37] One of the main landlords in Kananga, reportedly, and the supplier of several properties to aid agencies, is the provincial director of the Direction Générale des Impots (DGI), Johnny Ndjondo.

[38] Interview with hotel proprietor, Kananga, July 2018.

property rates bills like others in this city do. Our problem comes when their landlords mis-declare all this money the humanitarians are giving them.[39]

[39] Interview with senior DGRKOC official, July 2018.

Conclusion and Recommendations

Supplying food has been central to the emergency humanitarian intervention in the Kasaïs, which is exactly as it should have been, since the provinces are food insecure at the best of times, and the conflict of 2016-17 made it instead the worst of times. Most of the procurement and distribution of emergency food supplies in the Kasaïs since the crisis to date has been carried out by the WFP. In Kasaï Central, we were informed that the agency has not thus far procured any of the food it distributes from within the Kasaïs. Local sourcing of emergency food aid by humanitarian agencies, however, means that the money to pay for it circulates within the crisis-affected area, rather than in more distant and (relatively) prosperous food growing zones. This extra capital can assist with economic recovery and for this reason is to be encouraged.

But there is a catch.

Food production and distribution have come under immense strain in Kasaï Central, not only because the conflict has disrupted harvests but because of the dysfunction of the SNCC and the parlous state of the road transport network that connects the province to the rest of the country. This makes the availability and hence the price of basic foods in the province more vulnerable to the impact of large-scale purchasing by humanitarian agencies. As we saw earlier, the Food Security Cluster confirmed that humanitarian agencies deliberately increased their sourcing from outside Kasaï Central in an effort to avoid distortion of the maize market. It is possible that a significant increase in buying locally by the WFP might also push up the maize price.

That should not mean that the WFP or other aid agencies should abandon their efforts to source locally. Instead, there should be a gradual ramp up of local sourcing, coupled with continued careful price monitoring, and more proactive engagement by the aid agencies with both the SNCC and the private sector. More generally, improving the functioning of the SNCC and repairing the arterial roads connecting Kasaï Central to the rest of the country are essential to the economic revival of the province. This is an expensive and long-term project, however, for which there has been no apparent political appetite for many years. In the meantime, in cases such as Kasaï Central where local production and/or distribution bottlenecks are severe, humanitarian and development agencies should also consider making more use of the often robust national and regional supply chains that have been built up over time by some of the larger and more established local private sector actors.

Timeliness of delivery is often cited by humanitarian actors as an obstacle to working with the local private sector. Considering the low frequency of trains between production and consumption centres such as Mweka and Kananga, the important storage capacity cited by local traders could be capitalised upon by both private sector and aid actors to ensure availability of the product locally and rapid response to demand.

Other humanitarian and development agencies should follow the example of NRC and a handful of other agencies, and ramp up their local purchasing of seed for intended distribution to beneficiaries, engaging with producers to ensure high quality. However by directly distributing seeds themselves, INGOs make themselves a link in the maize value chain, preventing the development of a direct relationship between supplier and consumer. Whilst fairs go a step further, by bringing the supplier to the consumer, they are artificial markets with no independent life of their own. Developing agro-dealer networks which not only sell the products but can also provide much needed technical expertise to the customer could strengthen the sustainability and impact of agricultural revival projects.

An urgent response is key to humanitarian actors in the immediate aftermath of disaster. Humanitarian actors, however, should subsequently place more emphasis on supporting local economic operators.

The provincial government has complained that it is insufficiently informed by humanitarian and development agencies about what they are up to – a charge all the agencies we spoke to denied. The government is also, rightly, concerned at the impacts of the work of those agencies on the province's economy. To help aid agencies source supplies locally in ways that are least likely to disrupt the market, the provincial government should continue with its efforts to combat the erection of illegal road barriers by the FARDC in the province. In addition, in order to boost the movement of goods around Kasaï Central, the DGRKOC should lower the charges it levies at barriers in and out of Kananga and other parts of the province. Instead, the revenue authority should concentrate more on collecting property taxes, particularly in Kananga where house prices are rising fast because of aid agency-driven demand.

The restoration of electricity to Kananga would have a strong positive impact on the economy of the city and the province. This impact would be amplified if international goods docked in Lobito were permitted to transit Angola freely and to cross into Kasaï Central at Kalamba Mbuji and, further, if the road between Kananga and Kalamba Mbuji were upgraded to all-weather status. Were all this to happen, Kananga might become an *entrepôt* of goods for much of southern DRC, potentially transforming the city's economic fortunes.

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