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DEMOCRATIC REPUBLIC OF CONGO

 AFJN’s advocacy to ensure full implementation of section 1502 of Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 continues. The Multistake Holder Group made of companies, non-governmental organizations and socially responsible and faith-based investors, of which AFJN is a part, recently sent additional comments on the rules to govern Dodd-Frank 1502. While we wait for the release of the rules, we are aware of lobbyists’ work to undermine the implementation of this law on behalf of those who would rather see the Democratic Republic of the Congo (DRC) remain unstable for their financial gain. However, we continue to believe in the promise of Commissioner Elisse B. Walter: these rules will ensure that the illicit mineral trade is addressed and allow willing investors to continue buying resources from DRC. In the light of the all the pushback against compliance with Dodd-Frank 1502, we thought we could answer some of the questions that opponents of the law have neglected to focus on.

**In-Depth: U. S Conflict Minerals law**

**Frequently Asked Questions**

**Which minerals are covered by the law?**

The law is very clear: “*Columbite-tantalite (coltan), cassiterite (Tin), gold, wolframite (tungsten), or their derivatives; or any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the Democratic Republic of the Congo or an adjoining country*.”

However, not all minerals from DRC are conflict minerals. There are mines in conflict-free areas of DRC. If it is proven that these minerals are not connected to the network of armed groups or other conflict networks, they qualify as conflict-free and legal under the law.

**What is the US Conflict mineral law?**

# As part of US public law 111-203, Dodd-Frank Wall Street Reform and Consumer Protection Act promulgated on July 21, 2010, **“*Section 1502 is a disclosure requirement that calls on companies to determine whether their products contain conflict minerals – by carrying out supply chain due diligence – and to report this to the Securities and Exchange Commission (SEC)*.”** (Global Witness in “The Dodd Frank Act's Section 1502 on conflict minerals”)

# **Has the US ever imposed an embargo on minerals from**

**Is the DRC government supportive of the law?**

DRC authorities have been complaining a lot about this law, claiming loss of income because of it. It has hit pockets of many DRC politicians, army commanders, influential business people and most importantly rebel groups who count on the illicit mineral trade to finance their war. The law also disrupts networks in other countries that are connected to DRC minerals. DRC had no choice but to pay attention to Dodd-Frank 1502. The ministry of mining has done some work to comply with the law and we hope it will initiate more reform of the whole mining sector.

**Which criminal networks are included?**

The list is long and can be found in UN reports and others. Dodd-Frank defines them as: “*perpetrators of serious human rights abuses in the annual Country Reports on Human Rights Practices under sections 116(d) and 502B(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(d) and 2304(b)) relating to the Democratic Republic of the Congo or an adjoining country*.”The RDC national army is on the list because some of its members are involved in the illicit trade network.

# **the Democratic Republic of the Congo?**

There has never been a US embargo on minerals from DRC or adjoining countries. In fact, Dodd-Frank 1502 has mobilized international, regional and national efforts to end the plundering of DRC’s natural resources and the war financed by the illicit mineral trade. “*Despite alarmist talk of an end to eastern Congo’s minerals sector, major international companies are planning to invest in the areas covered by the law, and initiatives aimed at effective tracing and auditing to clean up the minerals trade are being developed.*” (Gavin Hayman, Director of Campaigns, Global Witness)

**Why did the US pass it?**

The Dodd-Frank 1502 act is the result of years of consistent advocacy. US-based organizations mobilized grassroots movement around the crisis in DRC and Senator Dick Durbin and former Senator Sam Brownback championed the DRC case. Organizations like the Enough Project were very instrumental in drafting this law.

**What are the pros and cons of Dodd-Frank 1502?**

Anyone who used to buy minerals from DRC conflict zones will have to think twice now because there could be serious consequences as a result of this law. People are taking the law seriously, as evidenced by the presence of a diverse group of representatives at the June conflict minerals conference held by Global e-Sustainability Initiative (GeSI) and Electronic Industry Citizenship Coalition (EICC). There were representatives from governments, jewelry retail, electronic, automobile and airspace industries, and (most importantly) law firms.

Unfortunately for them, profit and exports of either gold, tungsten, tin and coltan by DRC’s neighboring countries (like Rwanda and Uganda) are expected to go down as a result of this law.

The final word

As buyers wait to find a way to comply with Dodd-Frank 1502, the loss of income has been felt by people and businesses which benefited from the illicit trade cash flow in the conflict zones. These are artisan miners, restaurants and many other businesses at mining sites. However, ***“What good to eat and be satisfied today just to die tomorrow knowing that there is no happiness in the plight of the dead?”*** asks the Bureau of Study, Observation, and Coordination of the Regional Development of Walikale (BEDEWA). Dodd-Frank 1502’s goal is to eliminate the financial power of armed groups in DRC, promote peace, a cornerstone of prosperity and progress. *On November 3rd the Rwandan government returned to DRC about 82 tones of smuggled minerals from DRC into Rwanda. This is one of many positive outcomes of Dodd-Frank 1502*.■

**Is Dodd-Frank 1502 the answer to the complex DRC crisis?**

 “Dodd-Frank [*is not a solution to the social, historical, political, and economic problems of the DRC*](http://congojustice.org/)*.* No single law, particularly foreign, can solve these issues. The Dodd-Frank provision is …a strong and firm U.S. response to the call from the Congolese people, advocacy groups, and Congolese civil society groups for an international effort to end years of illicit plundering.”(Aaron Hall and Bahati Jacques in “US Conflict Mineral Law Opens the Door to Peace in the DRC”). Dodd-Frank is the second US law regarding the DRC. US Public law 109-456, focused on democracy, human rights, good governance, humanitarian relief, development aid and regional forces destabilizing the DRC.

**What does the US have to gain?**

Colonel Emma K. Coulson, a military fellow researcher at the Joint Center for Political and Economic Studies, says: “*It benefits the US to partner with the DRC in settling their conflict and gain positive control of their natural resources*,” in her paper “*Impact of gender based violence on stability and security.”* She argues that:“*The US is the largest consumer of coltan, which it uses to produce electronic products and high-end electronics critical to defense weapons systems. The DRC possesses 80 percent of coltan reserves-guaranteeing a role for the DRC in the international mineral trade as consumption increases. This is considering when the US begins to strategically evaluate where its vulnerabilities lie in procuring critical minerals for tomorrow’s defense technology*.”