



# Conflict Minerals Reporting isn't Improving the Situation in the DRC

Fourteen years after Dodd Frank passed, violence and illicit trade in the Democratic Republic of Congo is still prevalent.

It's been 14 years since the U.S. passed the "Dodd Frank Act Section 1502" legislation requiring U.S.-listed organizations to perform due diligence on minerals sourced from the Democratic Republic of Congo (DRC) and neighboring countries. These minerals (tantalum, tin, tungsten and gold) are mined in an area of the world rife with armed conflict and illicit trade, and may find their way into cell phones, laptops and other electronics.

The trade of gold, tantalum, tin and tungsten helps finance violent conflict in the eastern region of the Democratic

Republic of the Congo. To reduce revenue to armed groups profiting from this trade, Congress directed the Securities and Exchange Commission to require companies using these conflict minerals to disclose their origins.

Despite government efforts to reduce the use of conflict minerals in electronics manufacturing, a new report from the U.S. Government Accountability Office (GAO) reveals that peace and security hasn't improved in the DRC as a result of the SEC disclosure rule.

"SEC's rule requiring the disclosures hasn't reduced violence," the GAO says in its report. "Armed groups continue to fight for control of gold mines in the country's eastern region. This is partly because gold is harder to trace and easier to smuggle than the other minerals."

## Key Findings

The GAO's latest report found that:

- There's no evidence that the rule has decreased the occurrence or level of violence in the eastern DRC, where many mines and armed groups are located.
- The rule was associated with a spread of violence, particularly around informal, small-scale gold mining sites. "This may be partly because armed groups have increasingly fought for control of gold mines since gold is more portable and less traceable than the other three minerals," it says.
- The number of violent events in the adjoining countries did not change in response to the SEC rule.
- The number of companies filing conflict minerals disclosures in 2023 increased for the first time since 2014, but many companies continued to report being unable to determine their minerals' origins.
- In 2023, an estimated 63% of companies made preliminary determinations, based on their inquiries, about their conflict minerals' origins. "Of those that then performed due diligence," the GAO points out, "an estimated 62% reported being unable to determine the minerals' source."

## The Upsides

Given the complexities associated with conflict minerals and the entrenched nature of conflict in eastern DRC, the SEC disclosure rule alone probably wasn't going to meaningfully reduce violence in the region.

However, the SEC disclosure rule has had benefits. "Experts and industry stakeholders told us that the rule has encouraged responsible sourcing efforts and helped make companies aware that their supply chains can affect conditions on

the ground," the GAO points out in [Peace and Security in the Congo Has Not Improved with Conflict Minerals Disclosure Rule](#). "The rule has also raised international awareness about the risks of minerals benefitting armed groups and contributing to conflict in the DRC."