



February 27, 2017

Michael S. Piwowar
Acting Chairman
United States Securities and Exchange Commission
100 F Street, NE
Washington DC 20549

RE: Comments on Reconsideration of Conflict Minerals Rule Implementation

Dear Acting Chairman Piwowar,

Partnership Africa Canada (PAC) is submitting this statement to strongly affirm its support for Dodd-Frank Section 1502 and call for its full implementation.

Partnership Africa Canada is a global leader in developing innovative approaches to strengthen natural resource governance. For 30 years, we've collaborated with partners to promote policy dialogue and solutions for sustainable development. Our work to investigate the lack of accountability, poor governance and human rights violations associated with conflict minerals, as well as implement solutions to end their illicit trade, includes supporting the development of clean supply chains.

We are a technical partner to the International Conference on the Great Lakes Region (ICGLR), supporting their efforts to end the illegal trade of natural resources. As part of our efforts to support the strengthening of natural resource governance in the Great Lakes Region, we are piloting the Just Gold project that has created the first chain of custody system for conflict-free, legal and traceable artisanal gold in the Democratic Republic of Congo, proving that it is possible to track the gold supply chain to the source.

In 2010, the adoption of Dodd-Frank Section 1502, requiring US-listed companies to undertake due diligence on their supply chain was a turning point. It spurred African governments to take action and address the issue of conflict minerals within their borders.

Shortly after, the ICGLR adopted six tools to address the trade of conflict minerals, including a Regional Certification Mechanism (RCM). The Mechanism allows for the sources of these minerals to be tracked, verified and certified as meeting regional and international standards, providing a means for companies to carry out and report on the due diligence they have undertaken, as required by Dodd-Frank. The tools also address the root causes of the illegal exploitation of natural resources, including promoting the formalization of artisanal mining. The countries are in various stages of implementing all of the tools.

The adoption of the conflict minerals provision by the United States brought many adjustments that were felt locally in Democratic Republic of Congo. However, this impact was primarily a direct result of companies who were unwilling to take action on their supply chain and disclose the origin of their materials.

Today, the trend for clean supply chains has left the station. The requirement for due diligence now applies globally. A new conflict minerals law has passed in Europe and the OECD Due Diligence Guidance is being integrated into legal frameworks and policies around the world, and is increasingly becoming industry standard.

For those commenting that Dodd-Frank Section 1502 is too burdensome on companies and must be repealed—whether the law exists or not—companies will be required to undertake due diligence on their supply chain. Since the adoption of Dodd-Frank, systems have been rolled out to assess, monitor and report on supply chains. Cross-recognition and harmonization of efforts increasingly allows for important efficiencies. We encourage the United States to continue to lift the veil and remove the market for minerals that promote corruption, human rights violations, and war.

Sustainable development and change takes time. After almost seven years since the law came into place, Democratic Republic of Congo can spotlight evidence of a strengthened natural resource governance sector exporting conflict-free minerals—a direct result of Dodd-Frank Section 1502.

Evidence of success:

- 220 mine sites have been validated as conflict-free by teams of civil society, government and private sector, in accordance with national laws and regional regulations. Mines can only become conflict-free once there are no armed groups, Congolese armed soldiers engaged in human rights violations, children or pregnant women.
- Minerals that are fully tracked, traced and originate from validated conflict-free mines are receiving ICGLR regional certificates at export.
- Mapping by civil society actors clearly demonstrates that armed actors have left the 3T commodity chain. This is due in part to private sector-led due diligence-based mineral chain of custody schemes that have been tested and are in successful operation.
- Partnership Africa Canada's Just Gold project is fully operational in Ituri Province, where the trade of responsible artisanal gold is fully tracked and due diligence carried out on the supply chain. As a result, a local exporter has also begun to implement due diligence to satisfy international market expectations, as they apply to artisanal gold.

These successes and more, demonstrate how key actors in the minerals trade, who once contributed to the trade of conflict minerals, are making significant improvements in their sourcing.

Putting in practices for responsible mineral supply chains is a test of political will in Africa. If the United States pulls out, not only will it be seriously jeopardizing political will, but it will send the signal to warlords and smugglers that the world is indifferent to corrupt, exploitative and possibly violent practices.

Acting Chairman Piwowar, we welcome you to visit north-eastern Democratic Republic of Congo and introduce you directly to the people impacted by the conflict minerals provision, to a community that has taken on the task of mining and exporting conflict-free artisanal gold. While they may be spurred by international regulations for clean supply chains, they understand the benefits that conflict-free minerals bring to the community, including to the well-being of women and children. They understand how sourcing responsibly opens the door to international markets.

If you suspend Section 1502, you are shutting the door on their commitment to responsible trade and its contribution to improved security.

Sincerely,



Joanne Lebert
Executive Director

