University of Colorado Student Government Legislative Council

Date: September 29, 2011 75 LCR 01 — Conflict Free Minerals

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A Resolution of Support for Conflict Free Products

Resolution History

The Democratic Republic of the Congo (DRC) is engulfed in intense conflict, particularly in the eastern region which has suffered for more than a decade. According to the International Rescue Committee, over 5 million civilians have died, making this the deadliest conflict since WWII. The mortality rate is estimated at 45 thousand per month due to famine, preventable disease, displacement, killings, and sexual violence. Although there are many specific problems contributing to the ongoing conflict, the demand for the minerals of tin, tantalum, tungsten and gold found in nearly every consumer electronics product are at the root. These minerals are plentiful in the eastern DRC mines, which are exploited by various militant and rebel groups, fueling the violence.¹

A critical aspect in helping end this conflict is severing the link between the minerals trade and the armed groups committing atrocities in the Congo. Transparency and accountability are crucial to make any progress toward a legitimate supply chain that is able to contribute to the positive development of the region. A framework that includes the concepts of trace, audit, and certify can create a system that will eliminate funding mechanisms for militia groups and armed factions. The chain for this change begins with the consumers of the end electronic products: us.

The US is helping lead this issue with the recent passage of provisions on conflict minerals from eastern Congo in the Dodd-Frank Wall Street Reform act. This has brought unprecedented attention to the linkages between trade in minerals crucial to consumer electronics products and the ongoing conflict in DRC. If conflict minerals originated in the DRC or in an adjoining country then a company will have to file a report with the SEC that describes the measures taken by the company to exercise due diligence on the source and chain of custody of the minerals. Until now, companies have relied upon assurances from their suppliers that they do not purchase conflict minerals, without independent verification. With this law, the burden of proof shifts: now companies must find out where their suppliers actually source from. Most importantly,

^{1.} Enough Project. (2010). Campus Initiatives. Accessed October 14, 2010, from http://www.raisehopeforcongo.org/content/initiatives/make-your-campus-conflict-free.

^{2.} Understanding Conflict Mineral Provision (2010). Accessed October 21, 2010 http://www.enoughproject.org/special-topics/understanding-conflict-minerals-provisions.

companies need to provide independent verification of these steps through an independent private sector audit of their reporting.¹

Although Congress has taken this first step, there remains a long path towards ending the illicit conflict minerals trade in the Congo. Specifically, this legislation currently only requires companies to trace and audit their supply chains, but does not establish either a certification requirement or penalties for companies who source from conflict areas. Given the negative publicity likely to accompany any public reporting of conflict minerals supply chains, one route for companies to take is to simply not source from the Congo or its neighbors at all. While this embargo may help clean up supply chains in the short term, it won't solve the problem in the long term. Minerals smuggled out of the Congo are smelted with non-conflict minerals which mean that without a certification scheme in place there is simply no guarantee of our products being conflict-free. Furthermore, the Congo is home to a substantial supply of the world's tin, tungsten and tantalum, which means that eventually the need for these minerals will reemerge and our supply chains will be tainted once more.¹

The Conflict-Free Campus Initiative is a nation-wide campaign for universities to take action in order to build the consumer voice for conflict-free electronics – cell phones, laptops, and other devices that do not finance war in eastern Congo. Through using our power as students and important electronic consumers, we can actually bring about a shift in corporate and government policy and help bring peace to Congo.¹

In Spring 2010 Stanford University took the lead in raising the voice of academic institutions speaking out against the conflict in Congo by passing a resolution that commits their full support to corporate or shareholder led measures that would result in consumer electronics becoming conflict-free products. This has helped spur a nationwide movement among campuses. Due to the status of universities and colleges as thought leaders, corporate account holders, investors, and educators, the University of Colorado at Boulder's voice as an institution acknowledging and publicly committing to the support of conflict-free products will be both powerful and influential. This would be an even more influential move than Stanford's actions in its commitment to purchase conflict-free minerals rather than just committing support. Universities' moves are precisely the type of initial action that will help push for a system to trace, audit, and certify companies' supply chains to guarantee conflict-free products and raise awareness.

Putting pressure on those parties responsible for perpetuating the supply chain of conflict minerals from end-product to mine extraction is the best way to get the market to stop buying conflict minerals. Students and universities have immense power to influence electronics companies because they are highly coveted individual and institutional consumers of computers, lab equipment, and other electronics products, thus pushing them to pursue responsible practices in line with and beyond the Dodd Frank Act. By sending a clear signal to major electronics companies, CU Boulder can influence the supply chain and create a financial incentive for companies to perform their due diligence to reach a market that is demanding in conflict-free products. In enacting this, CU Boulder would be the first public university to take a stand on the issue.

Resolution Summary

Whereas, the conflict in the DRC has claimed more than 5.4 million lives since 1994.³

Whereas, 50% of the mines in the eastern DRC, the conflict's center, are controlled by armed groups who use control over the country's rich mineral deposits as a source of funding.³

Whereas, the funding for the armed groups was estimated to be \$185 million in 2008 from illicit minerals.³

Whereas, the funding from the minerals contributes directly to the approximate 45,000 deaths per month from violence inflicted by armed groups in order to maintain control of the mines and resources.³

Whereas the armed groups sell the minerals to world suppliers who do not use transparent supply chains.³

Whereas, the DRC is one of the leading producers of tantalum (coltan) which is found in 60% of computers and other electronic applications worldwide.⁴ Whereas, the Congo is responsible for up to 30% of the global supply of tantalum.⁴

Whereas, annually CU Boulder purchases approximately \$4 million in technology, each student paying approximately \$120 in student fees towards these purchases.⁵

Whereas, as a large shareholder with an estimated 62,000 total devices at CU (devices including computers, printers, networked copiers, laptops and smartphones), the university has a voice to affect supply chain responsibility through encouraging companies to implement supply chain responsibility policies and practices.⁶

RESOLUTION:

^{3.} Conflict Minerals and the Democratic Republic of Congo: Supply Chain, Government and Capacity Building. (May 2010). An Overview for Participants in the DRC Conflict Minerals Forum. Accessed October 14, 2010, from http://pactworld.org/galleries/defaultfile/Conflict_9/20Minerals%20Forum%20Issue%20Overview.pdf

^{4.} Enough Project. (2010). Accessed October 14, 2010, from http://www.enoughproject.org/ special-topics/understanding-conflict-minerals-provisions.

Michelle Clifford. Program Director for Teaching and Learning. Retrieved in-person October 22, 2010.

^{5.} ITS. (2010). Craig Talbert. Reference #420908. Retrieved via e-mail and phone September 3, 2010.

Section 1: Definitions⁷

- A. Conflict Mineral: In the context of this bill, a "conflict mineral" is any mineral that is mined and traded to produce profits for any of the armed groups in the DRC, including Congolese rebel groups, factions of the Congolese army, local militias, and armed groups from neighboring countries.
- B. Conflict free product: A product that does not contain conflict minerals, verifiable through the company's transparent supply chain.
- C. The Three T's: Tantalum, Tin and Tungsten; the three main minerals, in addition to gold, that are found in high concentrations in the eastern DRC, and have funded conflict in the country for years.
 - 1. Tin: A mineral refined from cassiterite ore. The most important conflict mineral in terms of dollar value contributing to armed groups in the DRC; it contributed about \$115 million to rebel groups in 2008. Tin is used primarily for making solders, a fusible metal alloy used in electronics.
 - 2. Tantalum: A mineral refined from coltan ore. The DRC is estimated to produce 155 tons annually, 15-20% of the global total. 60% of global use of Tantalum is for electronics
 - 3. Tungsten: A mineral refined from tungsten ore. The annual tungsten production of the eastern DRC is estimated to be 1300 metric tons, 2-4% of world production. It is estimated that tungsten production brought DRC rebel groups \$7.4 million in 2008.
- D. Transparent Supply Chain: An outline showing the precise origin of the raw resource used for a product, where the product is sent for refinement and production, and finally how it arrives in the consumer market.
- E. The Kimberly Process: A certification scheme for limiting the trade of conflict diamonds that can provide lessons for the eastern DRC. It imposed strict guidelines to its 49 member governments for certifying shipments of raw diamonds as conflict free. Member countries may only trade diamonds with other members, and all must reach minimum requirements and establish national legislation, institutions, export, import, and internal diamond control, and also commit to transparency and statistical data sharing.

Section 2: Resolution for Conflict-Free Campus

^{6.} Conflict Minerals and the Democratic Republic of Congo: Supply Chain, Government and Capacity Building. (May 2010). An Overview for Participants in the DRC Conflict Minerals Forum. Accessed October 14, 2010, from http://pactworld.org/galleries/defaultfile/Conflict_ %20Minerals%20Forum%20Issue%20Overview.pdf.

A. The University of Colorado Student Government supports the efforts of companies moving towards conflict free products. CUSG makes a statement of support for conflict free technology when it becomes available.

Section 3: Partnerships

A. CUSG and Conflict Free at CU recognize the efforts of the CU Campus, other universities such as Cornell and Stanford, and the Enough Project Campus-Wide Campaign to support vendors pursuing conflict-free technology.

B. CUSG realizes the opportunity to respect producer responsibility from electronic vendors.

Section 4: Impact

A. CUSG formally establishes support for companies moving towards transparent supply chains. CUSG will support conflict free technology when available.

B. The resolution will add to the voice of consumers for conflict free products and social responsibility of vendors to help reach long awaited peace in the DRC.

	Vote Count	
09/29/2011	Tabled	9-5-1
10/06/2011	Untabled	Acclamation
10/06/2011	Passed on 1st reading	10-4-3
10/06/2011	Passed on 2 nd reading	14-1-2

Andrew Yoder

President

Marc Herzberger

Legislative Council President

Brooks Kanski

Vice President

Carly Robinson

Vice President

Appendix:

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1. Conflict Free at CU Outline

Additional Resources:

A. Understanding Conflict mineral Provisions:

http://www.enoughproject.org/special-topics/understanding-conflict-minerals-provisions

Conflict Free at CU

Mission: The mission of Conflict Free at CU will be to establish consumer responsibility for conflict minerals and technology on the CU campus through education, collaboration, and future action.

Purpose: To build a conflict free mineral campus.

Layout:

- 1. *Education*: Conflict Free at CU will educate the student populous on conflict minerals and their relation to technology. Also to keep the cost centers up to date on initiatives with companies, conflict free minerals, and transparent supply chains.
- 2. Collaboration
 - 1. SEC and Enough Project: Through regular contact and derived information from the Enough Project and SEC, the information can be regularly updates, scorecards and guidelines found.
 - 2. University: Continue to work with purchasers of technology and educate them on the principles of conflict free technology.
- 3. Future bills related to scorecards and developments: as new guidelines and information about transparent supply chains and conflict minerals becomes more concrete, Conflict Free at CU will rework and reevaluate measures within the bill focused on prioritizing companies making strong moves towards transparent supply chains over others. The purpose is to keep the Legislative Bill up to date with current developments so as to remain as effective as possible.
- 4. Conflict Free at CU will create a database of information in regards to the additional guidelines in the bill, so that cost centers can access this information when choosing between vendors to purchase from.

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John Bagwell, Field Manager of Enough Project

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