

METALS, MINERALS, AND MINING: HOW THE CCP FUELS CONFLICT AND EXPLOITATION IN AFRICA

HEARING OF THE SUBCOMMITTEE ON AFRICA BEFORE THE COMMITTEE ON FOREIGN AFFAIRS U.S. HOUSE OF REPRESENTATIVES ONE HUNDRED NINETEENTH CONGRESS

FIRST SESSION

March 25, 2025

Serial No. 119–7

Printed for the use of the Committee on Foreign Affairs



Available: <http://www.foreignaffairs.house.gov>, <http://docs.house.gov>, or <http://www.govinfo.gov>

U.S. GOVERNMENT PUBLISHING OFFICE

60–388 PDF

WASHINGTON : 2025

COMMITTEE ON FOREIGN AFFAIRS

BRIAN J. MAST, Florida, *Chairman*

MICHAEL T. McCAUL, Texas	GREGORY W. MEEKS, New York, <i>Ranking Member</i>
CHRISTOPHER H. SMITH, New Jersey	BRAD SHERMAN, California
JOE WILSON, South Carolina	GERALD E. CONNOLLY, Virginia
SCOTT PERRY, Pennsylvania	WILLIAM R. KEATING, Massachusetts
DARRELL ISSA, California	AMI BERA, California
TIM BURCHETT, Tennessee	JOAQUIN CASTRO, Texas
MARK E. GREEN, Tennessee	DINA TITUS, Nevada
ANDY BARR, Kentucky	TED LIEU, California
RONNY JACKSON, Texas	SARA JACOBS, California
YOUNG KIM, California	SHEILA CHERFILUS-McCORMICK, Florida
MARIA ELVIRA SALAZAR, Florida	GREG STANTON, Arizona
BILL HUIZENGA, Michigan	JARED MOSKOWITZ, Florida
AUMUA AMATA COLEMAN RADEWAGEN, American Samoa	JONATHAN L. JACKSON, Illinois
WARREN DAVIDSON, Ohio	SYDNEY KAMLAGER-DOVE, California
JAMES R. BAIRD, Indiana	JIM COSTA, California
THOMAS H. KEAN, JR, New Jersey	GABE AMO, Rhode Island
MICHAEL LAWLER, New York	KWEISI MFUME, Maryland
CORY MILLS, Florida	PRAMILA JAYAPAL, Washington
KEITH SELF, Texas	GEORGE LATIMER, New York
RYAN K. ZINKE, Montana	JOHNNY OLSZEWSKI JR, Maryland
JAMES C. MOYLAN, Guam	JULIE JOHNSON, Texas
ANNA PAULINA LUNA, Florida	SARAH McBRIDE, Delaware
JEFFERSON SHREVE, Indiana	BRADLEY SCOTT SCHNEIDER, Illinois
SHERI BIGGS, South Carolina	MADELEINE DEAN, Pennsylvania
MICHAEL BAUMGARTNER, Washington	
RYAN MACKENZIE, Pennsylvania	

James Langenderfer, *Majority Staff Director*
Sajit Gandhi, *Minority Staff Director*

SUBCOMMITTEE ON AFRICA

CHRISTOPHER H. SMITH, New Jersey, *Chairman*

MARIA ELVIRA SALAZAR, Florida	SARA JACOBS, California, <i>Ranking Member</i>
RONNY JACKSON, Texas	SHEILA CHERFILUS-McCORMICK, Florida
BILL HUIZENGA, Michigan	JONATHAN JACKSON, Illinois
AUMUA AMATA COLEMAN RADEWAGEN, American Samoa	PRAMILA JAYAPAL, Washington
JIM BAIRD, Indiana	JOHNNY OLSZEWSKI, Maryland

Joe Foltz, *Subcommittee Staff Director*

C O N T E N T S

REPRESENTATIVES

Opening Statement of Subcommittee Chairman Christopher Smith	Page 1
Opening Statement of Subcommittee Ranking Member Sara Jacobs	3

WITNESSES

Statement of Sasha Lezhnev, Senior Policy Advisor on Behalf of the Sentry	5
Prepared Statement	8
Statement of Thierry Dongala, Founder, Accountable Africa	21
Prepared Statement	25
Statement of Joseph Mulala Nguramo, Nonresident Fellow, Atlantic Council Scowcroft Center	28
Prepared Statement	31
Statement of Obert Bore, Responsible Business and Human Rights Program Lead, Zimbabwe Environmental Law Association	37
Prepared Statement	42

APPENDIX

Hearing Notice	76
Hearing Minutes	78
Hearing Attendance	79

MATERIALS FOR THE RECORD

Statement for the Record submitted by Rep. Cherfilus-McCormick	80
Material for the Record, submitted by Mr. Manareldin (Manar) Zarroug, Chairman, Omnia Ventures & Al Faisalia Limited	82

METALS, MINERALS, AND MINING: HOW THE CCP FUELS CONFLICT AND EXPLOITATION IN AFRICA

Tuesday, March 25, 2025

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON AFRICA
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:03 a.m., in room 2200 Rayburn House Office Building, Hon. Christopher Smith (chairman of the subcommittee) presiding.

Mr. SMITH. The subcommittee will come to order.

The purpose of this hearing is to examine the role of Chinese-owned enterprises in fueling conflict, instability, and human rights abuses in Africa, particularly in the mining sector.

I do yield to myself for an opening statement.

OPENING STATEMENT OF CHRISTOPHER SMITH

I, again, want to thank everyone for being here, especially our very distinguished witnesses, and so many others who are very much interested in these very pertinent issues that, unfortunately, are leading to great loss of life and all kinds of human rights abuse. So, thank you for being here.

The extraction of valuable minerals has long been a double-edged sword for many African nations. While these resources hold the potential for economic development, their exportation, particularly in manners irresponsible or under corrupt regimes, has often fueled violence and instability.

The Democratic Republic of Congo has vast mineral wealth, especially in cobalt and gold, and other very, very important minerals, which has been a significant driver of conflict. Areas of gold mining also fuels conflict in Ethiopia and Sudan. Armed groups have profited from the extraction and smuggling in these resources, financing their operations and perpetuating cycles of violence.

The United Nations has reported that mineral smuggling finances warfare with various military forces and commanders exploiting illegal mining for personal gain.

In the DRC, it is also estimated that more than 70 percent of the world's cobalt, some say as much as 75 percent—an essential need for lithium ion batteries, for smart phones, computers, and electric vehicles is extracted there with bare hands, as thousands, and

some estimates put it as high as 35,000 children by one of our witnesses today, Mr. Lezhnev.

Thank you for your very heavily footnoted testimony.

If that were not horrible enough, the 2024 Trafficking in Persons Report also stated that “observers noted that children in many areas are vulnerable to sexual violence, including sex trafficking, in part due to traditional religious beliefs that harming children could protect against death or ensure successful mining. Again, an absurdity, but that is what has been said.

China’s near monopoly over the output and processing of Africa’s minerals and resources ensures that these abuses continue unchecked.

The expansion of illicit mining in Ethiopia has exacerbated existing conflicts as well. Regional states and non-state-owned actors vie for control over mining concessions, using the revenues to bolster their influence and, in some cases, the Chinese State authority. This competition has intensified local disputes and undermined efforts toward national cohesion.

The civilian gold mining operations have been linked to funding armed conflicts. The control over lucrative mining areas often leads to violent confrontation between various factions, further destabilizing the region and ending peace efforts.

Illegal mining has led to environmental degradation and social unrest. The involvement of foreign entities, including Chinese nationals, in these operations have strained local communities and shored up the tensions between the populous and the authorities.

In response to these challenges I have reintroduced the Cobalt Supply Chain Act. This legislation aims to ensure that goods made using or containing cobalt refined in the People’s Republic of China do not enter the U.S. market, addressing concerns that such cobalt is extracted and processed with the use of child and forced labor in the DRC.

Then it comes back in our defense and commercial supply chains, which is a national security issue. And the reliance of China for these critical minerals is a clear vulnerability to the United States and to the western world.

As co-chair of the congressional Executive Committee on China, I held a hearing in November 2023 that highlighted the problem of China’s Communist Party dominance in the DRC’s cobalt supply chain and how China profits from these unethical, profits from these unethical mining practices.

I also chaired a hearing in July 2022 of the Tom Lantos Human Rights Commission on child labor and human rights violations in the mining industry of the DRC. One of our expert witnesses then said that child labor is one of the worst forms of child abuse, and that is absolutely true. It is forbidden by both Congolese legislation, as well as international rules and laws. And, yet, it continues.

The various beneficiaries of this system, China’s state-owned mining companies, remain silent, refusing to confront an undeniable reality from dirt to battery, from cobalt to cars, the entire supply chain is built on violence, exploitation, and corruption. This much change. And the time for change is now.

President Trump’s executive order for “immediate measures to increase American mineral production” is a crucial step toward

strengthening our domestic supply chains. This action will create American jobs, drive economic growth, and reduce our reliance on foreign adversaries.

The United States must break its dependence on minerals that finance the Chinese Communist Party, often extracted through forced child labor, and stop indirectly supporting the CCP's efforts to fuel instability and regional conflict in Africa.

At the same as the CCP tightens its grip on global mineral markets, the U.S. must take decisive action. In line with this strategy, the U.S. Department of State has expressed openness to forming direct critical mineral partnerships with the DRC, an opportunity to strengthen collaboration and secure resources essential for our technological advancement and national security.

Today we have a very distinguished panel of experts that will help us know and give us guidance as a Congress, as a committee, as to where we go next.

Before going to them it is my delight and my honor to yield to Ms. Jacobs, our ranking member of this subcommittee.

OPENING STATEMENT OF RANKING MEMBER SARA JACOBS

Ms. JACOBS. Well, thank you, Chairman Smith. Thank you to all of our witnesses for testifying today on the drivers of conflict and exploitation in Africa's mining sector.

As we all know here, there is a long history of exploitation in the mining sector on the African continent that has resulted in environmental degradation, labor exploitation, corruption, and other human rights abuse, and has rarely led to actual prosperity for local communities.

There are many drivers of exploitation in the sector; whether that be poor governance that allows corruption to fester, weak traditional institutions that foster a culture of impunity, lack of economic opportunity for marginalized communities, and so on.

These conditions create an environment that is ripe for exploitation by domestic and foreign companies alike. They can act with impunity to cut costs by not adhering to environmental, social, and governance status, to the local corruption eating into their profits. That means poverty wages. That means unsafe and deadly working conditions. That means contaminated water in local communities. Ultimately, it means putting short-term gains ahead of the long-term development, stability, and success of the African continent.

There is no question that Chinese-owned and operated companies are dominating and engaging in exploitative practices in the mining sector in certain African countries. Many of these companies, frankly, don't care about the corruption, and are not as concerned by the blow to their reputation.

For example, just this month the Kafue River in Zambia was declared dead after a Chinese-owned copper mine contaminated the river. In response, the Zambian Government fined this company a measly \$10,000.

This impunity exists all over the continent.

We are also seeing other foreign companies operate in the sector and be accused of corruption and human rights abuses.

For example, Glencore, a Swiss company, pled guilty in the United States to bribing officials in Nigeria, Cameroon, Ivory

Coast, Equatorial Guinea, and the DRC, and ultimately agreed to pay the DRC \$180 million in a settlement deal.

Last year the Biden administration sanctioned a UAE-based gold company for purchasing gold from the Rapid Support Forces in Sudan, ultimately fueling the war and the RSF genocide.

Famously, Israeli businessman Dan Gertler was exposed and subsequently sanctioned for hundreds of millions of dollars worth of opaque and corrupt mining and oil deals in the DRC.

We will continue to see these practices until we address what is actually fueling exploitation in the first place. Meanwhile, the United States has long attempted to increase U.S. investment in Africa's mining sector as a means to secure our supply chain and compete with China. But these investments won't come to fruition, and won't be advantageous or strategic in the long term if they do not meet high environmental, social, and governance standards, to ensure our investments are bringing benefits rather than more exploitation.

To do this, the U.S. Government and U.S. companies need to consult with local communities on new investments to obtain their consent and assess the impacts the project is having on local populations. If we don't do this, U.S. companies will be on the wrong end of protests and public scrutiny experienced by Chinese-owned and operated companies.

That is why I was so disappointed that the Trump administration recently moved to pause the enforcement of the Foreign Corrupt Practices Act, which is a law that prohibits the bribery of foreign officials to obtain a business advantage, and requires transparency for companies.

This is the exact kind of law we need to make sure our investments are good. So, I urge the Trump administration to reinstate the enforcement of this law immediately.

I also continue to be alarmed by the devastating impact of President Trump's foreign aid freeze, including on U.S. efforts to address exploitation in the mining sector. The Trump administration has terminated programs that were improving accountability in DRC's mining sector, working to prevent mining-related violence through dialog, and enhancing transparency and addressing corruption in the extractive sector.

If we are serious about addressing exploitation in the mining sector, and bringing mutual benefits to both Africans and Americans, then we need to bring all of our tools to the table.

I look forward to hearing more from our panelists about what is driving exploitation and how we should address it.

Thank you. I yield back.

Mr. SMITH. Thank you, Sara.

I would like to, before recognizing our distinguished panel, recognize a former Member of Congress, and a very distinguished one at that, who has been very active on all of these issues, Mark Walker.

Thank you, Mark, for being here and for bringing three Congolese Americans with you who are extremely interested, Adrian Boronse, Alain Buka, and Wilson Tatay. Thank you, Mark, again for meetings we have had recently as well as in the past on all of these relevant issues. You are tremendous, thank you.

I would like to now introduce our distinguished panel, beginning first with Mr. Sasha Lezhnev, who is a senior policy advisor at The Sentry, an investigating and policy organization that seeks to disrupt predatory networks that benefit from conflict, oppression, and kleptocracy in Africa and beyond.

Sasha has spent the past 25 years working on human rights, conflict, corruption, and U.S. policy in Africa. He has worked with the Enough Project. We were just reminiscing about some of the past fights about Darfur and other issues when he has been here before as a very prized witness.

I thank him. Also he has worked with the U.S. Institute of Peace.

We will then hear from Thierry Dongala. Welcome back. Thierry used to sit here as a member of this subcommittee staff and did a tremendous job at that. He is the founder of Accountable Africa, which conducts supply chain investigations for gold and precious minerals traders, and provides due diligence reporting for investors in Africa.

Previously he worked, as I said, on this committee as a very distinguished member of the staff. We do prize his insights.

In meetings prior to this he had a lot of good information for the committee about this, which helped us frame this, this hearing.

I want to thank you for that.

We will then hear from Mr. Joseph Mulala Nguramo.

Mr. NGURAMO. Yes, sir.

Mr. SMITH. Thank you.

He is a nonresident fellow with the Freedom and Prosperity Center and in the GeoStrategy Initiative in the Atlantic Council's Scowcroft Center for Strategy and Security.

He was born and spent his formative years in the Democratic Republic of the Congo. He was the first, and thus far, I believe, Congolese graduate from the United States Military Academy—what a great accomplishment that is—at West Point, where he majored in defense and strategic studies.

Then we will be hearing from Mr. Obert Bore, who is a Zimbabwean lawyer coming in from Zimbabwe—and I thank you for being online here—in legal research. He works on international trade and China's investments in Africa, natural resource governance, and climate governance issues.

Previously, Obert coordinated the alignment of Zimbabwean laws with the 2013 Constitution, and served as a research clerk for the Chief Justice of Namibia, and where he provided research support to judges in drafting of court judgments.

Thank you.

I will now yield to Sasha for such time as he needs.

STATEMENT OF SASHA LEZHNEV

Mr. LEZHNEV. Thank you so much, Chairman Smith, Ranking Member Jacobs, and distinguished member of this subcommittee. You are real champions for human rights, and I greatly appreciate that.

I personally witnessed the horrors of child soldiers and child miners as young as 8 years old in mines in the Democratic Republic of Congo, as well as warlords, and Chinese, and other companies

profiting from this exploitation, all in the name of getting us cheaper smart phones and cars.

This has got to stop.

Africa holds 40 percent of the world's critical minerals. China made a strategic decision a decade ago to procure them, spending well over \$10 billion acquiring mines. But the investments have come with corruption and human rights abuses.

Nowhere have these problems been more acute than the Democratic Republic of Congo, the world's largest producer of cobalt and tantalum, and the second largest producer of copper. Corruption is on the increase since the China-DRC megadeal worth \$6.2 billion in 2008.

The DRC's corruption rating is lower today under President Tshisekedi than under his predecessor Joseph Kabila. My organization, The Sentry, investigated these deals and found \$238 million and then \$55 million that went missing. The major Chinese and other mining contracts remain opaque today.

Unfortunately, corruption has not been limited to the Chinese. International tycoon Dan Gertler was sanctioned in the first Trump administration after his corrupt mining and oil deals led the DRV to lose \$1.3 billion.

Human rights is also worsening, with increasing oppression and thousands of child miners working at mines to send cobalt mainly to Chinese crude refiners. The president's security forces illegally control mines, and thousands of people have been forcibly evicted to make way for Chinese mines in particular.

Another mineral, gold, which you highlighted, has also been at the heart of this escalating conflict in Eastern Congo, which has displaced 6.5 million people. It is the world's third largest displacement crisis.

Gold is a cheap source of revenue for armed groups. Backed by Rwanda, M23 has taken over gold mines. Rwanda's new refinery was sanctioned by the European Union last week after exporting \$800 million worth of gold, and illegally profiting from conflict gold. This gold is then smuggled to the UAE, China, and other countries.

China has been active in the conflict gold trade, from a \$38 million operation where a Chinese company paid armed groups for access to 400 illegal mining operations in South Kivu, that have allegedly smuggled up to eight tons of gold annually following bribes.

China is purchasing record amounts of gold today, potentially to establish a new BRICS currency that would chip away at the U.S. dollar.

This is not a hopeless situation. Leverage exists in these supply chains, and the U.S. Government, electronics companies, and banks in particular, can make an impact in three areas.

The biggest obstacle to eliminating mining abuses is the system of kleptocracy in the DRC. This state—the system of State capture allows ruling elites and their commercial partners to personally profit while leaving the population to suffer from poor security, education, and health care. They use violence to maintain power and repress dissent.

This system will continue unless there are consequences for that corruption. Addressing this would also level the playing field for U.S. companies.

The Treasury Department under Secretary Bessent should robustly investigate and sanction the networks that facilitate grand corruption, from refineries in Uganda, Rwanda, and the UAE where they trade in conflict gold, Chinese middlemen, and senior DRC officials who facilitate bribes and aid illegal armed groups like the FDLR.

There must also be judicial accountability for abuses. The Administration and Congress should support the establishment of a DRC transitional justice mechanism, as advocated by Nobel Peace Laureate, Nobel Peace Prize Laureate Dr. Denis Mukwege.

Second, U.S. Government has a key role to play in combating the conflict gold trade in particular. Secretary of State Marco Rubio should lead a public-private initiative to combat illicit gold, partnering with the London Bullion Market Association and bullion banks. The initiative should both increase gold trade data transparency to ensure that sanctioned bodies aren't behind the curve of criminal actors, and empower independent monitoring teams to inspect and certify gold smuggling ops, such as cash-for-gold markets.

Secretary Rubio and Secretary Bessent should also establish an illicit gold task force to robustly investigate and sanction trafficking networks. As part of it, Treasury's Financial Crimes Enforcement Network, or FinCEN, could issue alerts and keep banks updated.

Third, China still needs U.S. markets. So, Tesla, Apple and others have important leverage over Chinese suppliers. Sunlight is the best disinfectant to clean up corruption, especially through mining contract transparency.

High tech and auto companies should use their buying power to require Chinese and all suppliers to publish the ownership structures of mining companies' contracts and service providers; hire the Congolese workforce directly, not through subs; and source only from crude refiners of cobalt and copper that have passed the electronics industry audits by a responsible minerals initiative.

Relatedly, the State Department and companies should strongly urge the DRC mining industry to create more artisanal mining zones to give miners a legal space to operate and reduce abuses.

Finally, it is important that the Administration should nominate an Assistant Secretary of State for African Affairs with urgency, to coordinate responses to the DRC and all of these crises.

In sum, the U.S. Government, in coordination with the electronic companies and banks, can combat the abuses and corruption by China and others in the mining sector and reduce risks for U.S. businesses. I sincerely hope that progress is made so Congolese and other mining communities in Africa no longer experience the horrors that I have personally witnessed.

Thank you very much.

[The prepared statement of Mr. Lezhnev follows:]



House Foreign Affairs Subcommittee on Africa

Metals, Minerals, and Mining: How the CCP Fuels Conflict and Exploitation in Africa

March 25, 2025

Statement of Sasha Lezhnev

Senior Policy Advisor, The Sentry

Thank you Chairman Smith, Ranking Member Jacobs, and other Members of the House Foreign Affairs Subcommittee on Africa for drawing attention to the critically important issue of how minerals are driving conflict and corruption and how China is involved. I have witnessed the horrors of child soldiers and child miners as young as eight years old at mines in the Democratic Republic of Congo, as well as the warlords and corrupt companies and officials making money from this system of exploitation—all in the name of getting us cheaper smart phones, jewelry, and electric vehicles (EVs). This has got to stop.

As the price of gold and other minerals reach record highs, and all of us use more electronics, we are increasingly reliant on mining and minerals. The extraction of those minerals comes at a major cost to human beings and the environment in Africa and adds risk for the electronics companies that purchase them; what's more, China and other illicit actors control a sizeable portion of the trade in them. The only good news here is that international leverage exists over these supply chains, and there are key steps that the U.S. government and the private sector—from tech companies to banks—can take to stop the illicit exploitation by China and others. I will focus on four policy opportunities.

Background: Critical Minerals and Beyond

Africa holds an estimated 40 percent of the world's reserves of energy transition minerals.¹ China made a strategic decision a decade ago to procure critical minerals and has spent well over \$10 billion acquiring mines across Africa² and elsewhere in the world, and it has established monopolies over some of them. These minerals have spurred China's development and have had a direct impact on its EV industry, with Chinese EVs being sold much cheaper than U.S. or European models. China is now sub-Saharan Africa's largest trading partner,³ which stands in sharp contrast to the 1990s, when Europe and the US dominated African markets. Nearly half of China's largest mining investments around the world have been in sub-Saharan Africa.⁴

Such investment has come with significant corruption. It is perhaps no accident that the African countries that export the most to China also have some of the world's worst corruption ratings. The five countries in sub-Saharan Africa that export more than half of their goods to China are South Sudan, the Democratic

Republic of Congo, Angola, Eritrea, and the Republic of the Congo,⁵ and all except Angola are in the lowest 20 percent in the world in the Transparency International Corruption Perceptions Index.⁶ The new global scramble for minerals for the energy transition has led to significant corruption by others as well, from Israeli tycoon Dan Gertler to Swiss companies, for example.⁷

Likewise, human rights have been negatively impacted. The Business and Human Rights Resource Center found 102 allegations of human rights and environmental abuses linked to Chinese investment in green energy mineral projects between 2021 and 2022, and less than one-fifth of the companies surveyed even had a human rights policy.⁸

The DRC

Nowhere have these problems been more acute than in the Democratic Republic of Congo (DRC). The DRC has some of the world's largest concentrations of critical minerals, and China is by far its biggest mining investor and trading partner. China signed a \$6.2 billion minerals-for-infrastructure deal in the DRC in 2008, referred to at the time as "the deal of the century." The DRC is the world's largest producer of cobalt, accounting for 75 percent of global production,⁹ and tantalum, accounting for 40 percent of global production,¹⁰ and last year it became the world's second largest producer of copper.¹¹ The DRC has become one of the most pivotal countries in China's Belt-and-Road Initiative.

Corruption in the DRC has only increased since the Chinese mega-deal. Peter Zhou, a Chinese-born financier who has worked on various mining deals in the DRC, said that in such countries, "there is corruption, there is lack of the rule of law, which gives you more autonomy to be entrepreneurial."¹² Today, the country's international corruption rating is 163rd in the world, lower now under President Felix Tshisekedi than under his predecessor Joseph Kabila.¹³ The DRC's anti-corruption czar said that \$530 million went missing from state coffers, money that was paid by a mining partner of a Chinese company.¹⁴ A top Tshisekedi advisor was caught on tape requesting a large bribe for a mining deal,¹⁵ several ministers have resigned over alleged corruption,^{16 17} and the government lobbied on behalf of sanctioned mining magnate Dan Gertler. Moreover, repression remains very high under Tshisekedi's regime,¹⁸ with increasing crackdowns on activists, journalists, and protestors.¹⁹

Civil society has decried the infamous China-DRC deal, which is heavily skewed in favor of Chinese companies, resulting in a \$132 million loss for the DRC in 2024 alone, according to a coalition of Congolese and international NGOs.²⁰ My organization, The Sentry, investigated the deal in the DRC in 2021 and found that "the shell company at the center of the scheme—Congo Construction Company (CCC)—received \$55 million from foreign sources apparently intended for Kabila and his entourage."²¹ And two companies, one of which was cofounded by a Kabila family investment firm, allegedly misappropriated \$238 million that was meant to transport cobalt and copper, according to audits done by the country's anti-corruption official.²²

Additionally, several major mining contracts remain opaque, leaving Congolese citizens perpetually in poverty. These include the shareholder change deal at Tenke Fungurume Mining to China Molybdenum and the agreement with China Nonferrous Metal Mining (Group) Co. for Deziwa mine.²³ Additionally, China

Molybdenum paid \$800 million to notoriously opaque Congolese state-owned company Gecamines in 2023 to end a dispute.²⁴ Without the details of these contracts, it is impossible to tell how much the country is supposed to receive for its minerals or who profits from them. Then there was the case of one of the world's largest lithium mines.²⁵ The DRC took the permit away from an Australian company and awarded it to a Chinese company, according to an international arbitration court, which has ordered a DRC state-owned company to pay the Australian company \$42 million.²⁶

Corruption has not been limited to Chinese investors in the DRC. International businessman and billionaire Dan Gertler was sanctioned during the first Trump administration after he "amassed his fortune through hundreds of millions of dollars' worth of opaque and corrupt mining and oil deals in the DRC. Gertler has used his close friendship with DRC President Joseph Kabila to act as a middleman for mining asset sales in the DRC, requiring some multinational companies to go through Gertler to do business with the Congolese state. As a result, between 2010 and 2012 alone, the DRC reportedly lost over \$1.36 billion in revenues from the underpricing of mining assets that were sold to offshore companies linked to Gertler."²⁷

Human rights abuses are extensive in mines in the DRC, including in Chinese controlled mining areas. There are an estimated 25,000 to 35,000 child miners in the DRC²⁸ working at mines that send cobalt and copper to Chinese crude refiners. Herve Diakiese Kyungu testified compellingly at a Lantos Commission hearing about how Chinese nationals at a Chinese-owned mine instructed military officers to whip Congolese people who were found on their site.²⁹ Moreover, the DRC Republican Guard, the president's elite security force, has been documented illegally controlling artisanal mines through use of violence or threats.³⁰ There have also been extensive documented accounts of sexual exploitation,³¹ child labor,³² and other human rights violations. Amnesty International reported in 2023 that at one Chinese joint venture, thousands of people were forcibly evicted to make way for mining operations, including a neighborhood of 38,000 people.³³ Many copper and cobalt workers face dire working conditions, and salaries were cut by up to 40 percent as Chinese mining companies have increased their presence.³⁴

The DRC is also home to the Congo River Basin, the world's second-largest tropical forest, and it is in danger of being destroyed by mining and logging operations, "with the country losing more than one million hectares of tree cover in 2023 alone," according to Global Forest Watch.³⁵

The DRC has expressed an interest in moving away from Chinese dominance in its minerals sector, since it retains little control over the sector.³⁶ It even opposed a sale of major mining concession to a Chinese company last year.³⁷ This would include the Lobito corridor project to export minerals westward instead of only to the east, but the DRC has also made deals with or held exploratory talks with the United Arab Emirates, Saudi Arabia, and others.

Conflict Gold

Critical minerals are not the only sector rife with exploitation, corruption, and Chinese and other involvement. Gold has been at the heart of the recent escalation of the conflict in eastern DRC, in which 6.5 million people have been displaced³⁸ and millions more have died. The DRC produces over \$1 billion in

artisanally mined gold annually, but it is almost all smuggled out of the country, primarily to neighboring Rwanda and Uganda, before flowing to the United Arab Emirates, China, and other countries. And [China](#) is purchasing record amounts of gold, including [from Russia](#), potentially in order to establish a new BRICs currency that would whittle away at the U.S. dollar's dominance or for other competitive purposes.

Gold is a major source of revenue for armed groups in eastern DRC,³⁹ who "have increasingly fought for gold mines," the Government Accountability Office said last year.⁴⁰ Armed groups and military units profit by illegally taxing miners, raiding mines, and partnering with smugglers.⁴¹ By selling gold to neighboring countries, armed groups have purchased arms and ammunition and engaged in extensive sexual violence against civilians, mainly women and children.⁴²

Most recently, Rwanda has heavily supported the M23 armed group with up to 12,000 of its own troops, and the M23 has taken over gold mines.⁴³ Rwanda was upset that the DRC government set up a *de facto* gold trading monopoly in 2022, which UN experts said highly possibly sourced conflict gold but cut out Rwanda.⁴⁴ Rwanda then set up its own refinery and exported a record \$885 million worth of gold in 2023,⁴⁵ despite having no major domestic gold mines. That refinery was sanctioned by the European Union last week for illegally profiting from conflict gold. Uganda, which has also supported M23 to a lesser extent, also exported a record \$3.4 billion worth of gold in 2024,⁴⁶ including significant amounts from eastern DRC.⁴⁷ All the gold flows to the United Arab Emirates and then to Hong Kong in China, Switzerland, and India.⁴⁸

China is the largest gold consuming and producing country in the world, and it has been active in the conflict gold trade in eastern DRC and elsewhere on the continent, including in illegal operations. Global Witness investigated a \$38 million per year mining operation in which a Chinese company, Kun Hou Mining, paid armed groups for access to gold. The company ran semi-industrial river dredging machines along the Ulindi River, and members of the armed groups the company reportedly paid earned up to \$25,000 per month by regularly taxing workers on dredges.⁴⁹

At present, there are reportedly over 450 illegally operating mining companies in South Kivu, mainly run by Chinese nationals,⁵⁰ who have been involved in smuggling up to eight tons of gold annually.⁵¹ According to Congolese civil society representative and Harvard Visiting Fellow Amani Matabaro, in these mining areas, "the rate of severe malnutrition among children under five years old is high, many children are out of school, there is an unbearable degradation of water ecosystems, and the rainforest is being washed out. ... The [mainly Chinese mining operations] have no permits, their production is not traced, they corrupt and engage armed forces in their activities, and they have no social responsibility commitments."⁵²

According to regional expert Gregory Mthembu-Salter, "Well-placed industry sources have alleged widespread corruption and collusion by officials [in Chinese gold mining operations], and it is difficult to envisage how else, apart from systematic corruption and bribery, such overt practices could have continued for so long."⁵³

Chinese gold mining companies have also been involved in deforestation and loss of habitat for endangered species. Last year, Chinese gold miners expanded semi-industrial mines on the edge of the

Okapi Wildlife Reserve, threatening the endangered animal and the reserve.⁵⁴ In 2019, Chinese operators established at least 40 semi-industrial gold mining operations in the Itombwe reserve and deforested 82 hectares, resulting in decreased habitat for the critically endangered Grauer's gorillas.⁵⁵ "It is difficult to monitor these companies," according to mining inspector Ghislain Chivundu Mutalemba. "These Chinese partners mine, [and] the cooperatives sell the product over the counter. We don't know what percentage the Chinese take, or how much they produce."⁵⁶ Seven Chinese gold miners were suspended in 2022 for polluting rivers with mercury and other toxic substances, including a major tributary of the Congo River, dead fish, not doing environmental assessments.⁵⁷ And even after the environment minister ordered mining operations closed, the Chinese continued to operate with impunity and with military escorts.⁵⁸

More widely across Africa, Chinese operators are involved in semi-mechanized gold extraction in Ghana, Nigeria, Mali, and the Central African Republic. In several of these countries, gold mined by Chinese nationals has been illegally extracted and smuggled to China.⁵⁹ In Ghana, the impact of Chinese machinery on the environment is noted to be extremely harmful. As one Ghanaian official noted, "...the Chinese equipment is degrading the environment faster – [it is] ruthless and brutal."⁶⁰ It is also widely alleged that Chinese nationals are not selling the gold they mine to legal buyers in Ghana, but rather smuggling or selling it to foreign buyers or exporters who do not declare it.⁶¹

Solutions

Despite the human rights abuses, corruption, and risks to U.S. companies, there is leverage available to change the equation. And there are important roles that the U.S. government and U.S. companies can play in addressing these issues in the DRC and in Africa more broadly.

1. Combating corruption

The biggest obstacle to eliminating abuses in minerals supply chains is the continuing system of kleptocracy in the DRC. This system allows ruling elites and their commercial partners to benefit while leaving the population to suffer from poor security, health care, and education services. Over the past 130 years, the DRC has had many elements of violent kleptocracy, a system of state capture in which ruling networks and commercial partners hijack governing institutions and maintain impunity in order to extract resources and secure the regime.⁶² The networks use varying levels of violence to maintain power and repress dissent.

The kleptocratic system will continue unless there are serious consequences for corrupt activities, and addressing corruption will benefit U.S. companies by leveling the playing field. The Department of the Treasury should build on its sanctions of Dan Gertler and Alain Goetz (for involvement in the conflict gold trade) and investigate and sanction the networks that facilitate grand corruption, particularly relating to mining. These could include gold refineries and traders in Rwanda, Uganda, and the UAE that trade conflict gold; individuals identified in Congo Hold-Up and other investigative reports, including key Chinese middlemen and companies and international businessmen; as well as senior officials in the DRC actively

facilitating corruption. Additionally, the U.S. government should nominate an Assistant Secretary of State for African Affairs with urgency to help coordinate a response to the DRC crisis.

Importantly, there should be judicial accountability for grand corruption and human rights abuses in the DRC, and the administration and Congress should support the establishment of a transitional justice mechanism.^{63,64}

2. A Golden opportunity

The Trump administration and Congress also have key roles to play in combating the deadly conflict gold trade from the DRC to the UAE, China, and beyond, in partnership with the gold industry. Secretary of State Marco Rubio can combat the illicit gold trade by taking three main steps.

First, he should lead a public-private illicit gold initiative, partnering with gold industry bodies such as the London Bullion Market Association (LBMA), the World Gold Council (WGC), bullion banks, and allies such as the United Kingdom and the European Union.

The new body must address gold trade data transparency—a primary problem—by collecting, consolidating, and sharing reliable data. There is currently no reliable real-time gold trade data available, leaving sanctions bodies and others trying to combat the illicit gold trade significantly behind the curve of criminal actors. The public-private initiative can build on the new LBMA/WGC gold bar integrity initiative and learn lessons from the Kimberley Process trade data system for diamonds to enable governments and the public to get real-time gold trade data to catch smugglers, all while ensuring the data is not commercially sensitive.

The entity should then be empowered to independently monitor and certify vulnerable areas for conflict gold smuggling, such as cash-for-gold markets, and boost the legal artisanal trade. There is strong precedent for data transparency and independent review bodies, including the FATF Mutual Evaluation system, the Kimberley Process peer review visit system for conflict diamonds,⁶⁵ and the Extractive Industries Transparency Initiative (EITI) review board for oil, gas, and mining transparency.

Second, the US-UAE strategic partnership presents an opportunity to partner with the UAE to combat illicit gold. The US and the EU should work with UAE Customs to identify gold smuggling patterns and companies and then help indict and prosecute the illicit actors. This would have a significant impact.

Third, Secretary Rubio and Treasury Secretary Scott Bessent should work hand-in-hand to establish an illicit gold task force to robustly investigate and sanction trafficking networks, together with the EU and the UK. The US recently sanctioned a UAE-based gold company for purchasing gold from the genocidal Rapid Support Forces in Sudan, as well as a few UAE-based companies for importing Russian gold,⁶⁶ but this only touched the tip of the iceberg. Many more significant sanctions against profiteering networks are needed to have an effect.

The Treasury Department's Financial Crimes Enforcement Network (FinCEN), as part of the task force, could issue alerts, keep banks updated, and encourage reporting entities to file suspicious transaction reports. FinCEN could also convene FinCEN Exchange public-private partnership meetings with banks and others to share information on illicit gold trafficking networks. These public-private partnerships would go a long way in tackling criminal gold enterprises. Indeed, extra measures such as these had a major impact in changing how financial institutions dealt with the Uyghur forced labor issue in China, with actions from a business advisory to the Commerce Department blacklisting Chinese surveillance technology companies.⁶⁷

Industry must deploy its leverage as well. Leading banks and gold industry bodies such as LBMA should robustly follow up on their demands of global gold trading centers such as Hong Kong and the UAE from recent years,⁶⁸ offering partnerships to assist but also cutoffs if real reforms are not made. The LBMA and the WGC have a new gold bar integrity program, and they could offer to include UAE-based refineries if they follow very strict due diligence and transparency measures, providing an incentive to not source illicit gold. The Organization for Economic Cooperation and Development (OECD) has an important role to play, as well. Finally and significantly, financial institutions need to enhance their due diligence and monitoring of gold suppliers and refiners from risky gold centers such as the UAE and Hong Kong in order to detect illicit gold traders and deny them access to the global financial system.

3. Contract transparency

In addition to consequences, greater transparency is needed around gold and minerals to prevent corruption by Chinese and other mining entities in the DRC and beyond. Sunlight can be the best disinfectant. As EITI has recognized and adopted in recent years, a critical method of flushing out corruption and improving governance in mining is through the comprehensive disclosure of mining contracts.⁶⁹ EITI adopted contract transparency, but only 29 percent of EITI implementing countries publish mining contracts in full.⁷⁰ This is one key part of meaningfully consulting communities affected by mining and allowing them to participate in decisions affecting their lives; these binding roles for civil society in local communities should be part of all Chinese and other mining contracts.

The State Department and industry should help increase mining contract transparency in the DRC and in sub-Saharan Africa. Electronics and automotive companies can use supply chain leverage to this end, and the State Department can provide support through senior-level diplomatic engagement. The transparency should include obtaining and publishing the beneficial ownership structures of the mining companies, including joint venture partners; requiring producers and suppliers to publish production contracts; requiring all mining companies to identify all contractors and subcontractors that provide services to the producer in excess of a reasonable threshold (e.g., \$100,000); and requiring the disclosure of payments to governments. The U.S. government should also urge the Congolese government to publish the contract that Dan Gertler signed with the DRC in 2022, which remains largely opaque.⁷¹

As part of this effort, U.S. and European end-user companies should require mining companies in their supply chains that are operating in the DRC to hire the majority of their Congolese workforce directly, not through subcontractors, and ensure that a living wage is paid and healthcare is provided.

Relatedly, artisanal miners need legal space in which to work, otherwise the corruption and human rights abuses will continue unabated. Formalization gives artisanal miners property rights, and enforcing laws and regulations around their work is instrumental to improving working conditions.⁷² The most important first step in the DRC would be to designate many more artisanal mines as official mining zones, known by their French acronym ZEA.⁷³ The State Department and electronics and automotive companies should strongly urge the DRC Mining Ministry to create more ZEAs at cobalt and gold mines and to take other steps to formalize artisanal and small-scale mining, for instance, by agreeing to a workable, enforceable set of criteria for mine safety and rights.

4. Using leverage

China still needs U.S. markets. While China may control a large portion of the critical minerals trade, their companies still want to sell to U.S. and western markets, which are still the biggest in the world for electronics and important for EVs. Chinese companies supply to Tesla, Apple, Ford, etc. U.S. automotive and electronics companies thus still have important leverage on this supply chain through their combined buying power, which they can exert through due diligence, tracing, and auditing. And cobalt supply chains, for example, are relatively short and simple compared to other minerals, with only about 75 major cobalt smelters worldwide⁷⁴ becoming the choke point in supply chains.

One key point of leverage is the smelter auditing program of the electronics industry association Responsible Minerals Initiative (RMI), which runs audits of the cobalt smelters on conflict minerals, child labor, and environmental issues. A majority of the world's major cobalt smelters are participating in the program: 53 smelters worldwide have undergone and passed the audits, including 27 Chinese companies, and 11 more are in the process of being audited, including four Chinese smelters.⁷⁵

However, the Chinese Chamber of Commerce on Metals, Minerals, and Chemicals, or CCCMC, devised its own smelter audit program on cobalt in 2023.⁷⁶ This threatens progress, as the Chinese program's audits are not subject to independent third-party international scrutiny. Tesla, Apple, Google, and other key cobalt using companies should work with the State Department to negotiate an agreement with the key Chinese entities on cobalt, CCCMC and China Minmetals Corporation, to create a credible electronics industry/Chinese auditing program for all smelters. The agreement should allow smelters an implementation period, and companies should either urge all smelters to participate in RMI audits or come to an agreement with the CCCMC to have joint oversight over the audits. That could be by sharing auditors or by ensuring that RMI auditors are part of the CCCMC audits.

Additionally, tech companies and the State Department should insist that all crude refiners of cobalt and copper in the DRC, which are the closest to child labor and other abuses, undergo RMI audits. This would be key to reforming the critical minerals trade in the DRC.

In sum, abuses and corruption by Chinese and other mining companies are only increasing in the DRC and sub-Saharan Africa, but there are critically important steps that the U.S. government can take, in coordination with the private sector, to combat them. Importantly, this is also in the U.S. interest to do so,

as it could reduce business and supply chain risks for American companies. I sincerely hope that progress is made on these issues so that Congolese and other mining communities in Africa no longer experience the horrors that I have seen.

¹ International Energy Agency, "Africa Energy Outlook 2022," available at: <https://www.iea.org/reports/africa-energy-outlook-2022/key-findings>

² Jevans Nyabiage, "China still leads the pack in Africa's critical minerals race as US struggles to keep up," South China Morning Post, March 12, 2025, available at: <https://www.scmp.com/news/china/diplomacy/article/3301506/china-still-leads-pack-africas-critical-minerals-race-us-struggles-keep>

³ International Monetary Fund, "Regional Economic Outlook," October 2023, available at: <https://www.imf.org/-/media/Files/Publications/REO/AFR/2023/October/English/china-note1.ashx>

⁴ Alex Wooley, "New AidData report, dataset track China's investments in critical minerals," January 28, 2025, available at: <https://www.aiddata.org/blog/new-aiddata-report-dataset-track-chinas-investments-in-critical-minerals>

⁵ Wenjie Chen, Michele Fornino, and Henry Rawlings, "Navigating the Evolving Landscape of China and Africa's Economic Engagements," International Monetary Fund, February 2024, available at: <https://www.imf.org/en/Publications/WP/Issues/2024/02/23/Navigating-the-Evolving-Landscape-between-China-and-Africas-Economic-Engagements-545104>

⁶ Transparency International, "Corruption Perceptions Index 2024," February 2025, available at: <https://www.transparency.org/en/cpi/2024>

⁷ U.S. Department of Justice, "Glencore Entered Guilty Pleas to Foreign Bribery and Market Manipulation Schemes," May 24, 2022, available at: <https://www.justice.gov/archives/opa/pr/glencore-entered-guilty-pleas-foreign-bribery-and-market-manipulation-schemes>

⁸ This included direct investment in the exploration, licensing, mining, and processing of nine major minerals: cobalt, copper, lithium, manganese, nickel, zinc, chromium, aluminum, and rare earth elements (REEs).

Business & Human Rights Resource Centre, "Human rights abuses linked to Chinese investment in transition mineral projects overseas," July 6, 2023, available at: <https://www.business-humanrights.org/en/from-us/media-centre/human-rights-abuses-linked-to-chinese-investment-in-transition-mineral-projects-overseas/>

⁹ U.S. Geological Survey, "Cobalt: Annual Report 2025," available at: <https://pubs.usgs.gov/periodicals/mcs2025/mcs2025-cobalt.pdf>

¹⁰ U.S. Geological Survey, "Tantalum Annual Report for 2025," available at: <https://pubs.usgs.gov/periodicals/mcs2025/mcs2025-tantalum.pdf>

¹¹ Marco Aquino and Felix Ninji, "Congo overtakes Peru on copper output, still behind on exports," Reuters, March 22, 2024, available at: <https://www.reuters.com/markets/commodities/congo-overtakes-peru-copper-output-still-behind-exports-2024-03-22/>

¹² Nicholas Niarchos, "The Dark Side of Congo's Cobalt Rush," The New Yorker, May 24, 2021, available at: <https://www.newyorker.com/magazine/2021/05/31/the-dark-side-of-congos-cobalt-rush>

¹³ Transparency International Corruption Perceptions Index, 2012-2024, available at: <https://www.transparency.org/en/countries/democratic-republic-of-the-congo>

-
- ¹⁴ William Clowes and Michael Kavanagh, "Congo anti-graft chief says \$530 million in mining payments missing," Bloomberg, December 16, 2021, available at: <https://www.mining.com/web/congo-anti-corruption-chief-says-530-million-in-mining-payments-missing/>
- ¹⁵ Reuters, "Top Congo presidential adviser resigns after allegedly requesting bribe on tape," September 17, 2022, available at: <https://www.reuters.com/world/africa/top-congo-presidential-adviser-resigns-after-allegedly-requesting-bribe-tape-2022-09-16/>
- ¹⁶ News 24, "Accused of tender fraud, 2 ministers and one ex banned from leaving Kinshasa," April 29, 2024, available at: <https://www.news24.com/news24/africa/news/accused-of-tender-fraud-2-ministers-and-one-ex-banned-from-leaving-kinshasa-20240429>
- ¹⁷ Capital FM, "My honour was hurt': Nicolas Kazadi, former Congolese Minister of Finance, settles his scores," November 28, 2024, available at: <https://www.capitalfm.co.ke/news/2024/11/my-honour-was-hurt-nicolas-kazadi-former-congolese-minister-of-finance-settles-his-scores/>
- ¹⁸ According to Human Rights Watch, "Authorities cracked down on opposition members, civil society activists, critics, and journalists throughout 2024."
- Human Rights Watch, "World Report 2025: Democratic Republic of Congo," February 2025, available at: <https://www.hrw.org/world-report/2025/country-chapters/democratic-republic-congo>
- ¹⁹ Sarah Jackson, "Tshisekedi 2.0 era opens with wave of repression in DRC," Amnesty International, February 16, 2024, available at: <https://www.theafricareport.com/337019/tshisekedi-2-0-era-opens-with-wave-of-repression-in-dr-congo/>
- ²⁰ RFI, "DRC mineral contract with China slammed by NGOs citing 'major losses,'" March 7, 2025, available at: <https://www.rfi.fr/en/africa/20250307-drc-mineral-contract-with-china-slammed-by-ngos-citing-major-losses>
- ²¹ The Sentry, "The Backchannel," November 2021, available at: <https://thesentry.org/reports/backchannel/>
- ²² Michael Kavanagh and William Clowes, "Chinese-built toll road leads straight to DR Congo's Kabila family," Bloomberg, February 8, 2022, available at: <https://www.taipetimes.com/News/editorials/archives/2022/02/08/2003772731>
- ²³ Annie Callaway, "Powering down corruption," Enough Project, October 2018, available at: <https://enoughproject.org/special-topics/cobalt>
- ²⁴ Reuters, "CMOC agrees to pay \$800 million to end row with Congo's Gecamines," July 18, 2023, available at: <https://www.mining.com/web/cmoc-agrees-to-pay-congos-gecamines-800-million-to-end-row/>
- ²⁵ COLITO, "US Moves to Support AVZ in Congo Lithium Dispute," March 15, 2025, available at: <https://colitco.com/us-backs-avz-in-congo-lithium-dispute/>
- ²⁶ Reuters, "Australia's AVZ Minerals scores legal victory against Congo over disputed lithium mine," March 14, 2025, available at: <https://www.reuters.com/markets/commodities/australias-avz-minerals-scores-legal-victory-against-congo-over-disputed-lithium-2025-03-14/>
- ²⁷ U.S. Department of the Treasury "United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe," December 21, 2017, available at: <https://home.treasury.gov/news/press-releases/sm0243>
- ²⁸ Siddharth Kara, "Is your phone tainted by the misery of the 35,000 children in Congo's mines?," The Guardian, October 12, 2018, available at: <https://www.theguardian.com/global-development/2018/oct/12/phone-misery-children-congo-cobalt-mines-drc>
- ²⁹ Statement of Herve Diakiese Kyungu, Esq, Hearing On Child Labor and Human Rights Violations in the Mining Industry Of the Democratic Republic of Congo, Tom Lantos Human Rights Commission, July 14, 2022, available at: <https://humanrightscormission.house.gov/sites/evo->

subsites/humanrightscommission.house.gov/files/documents/Herve%20Diakiese%20Kyungu%20Witness%20Testimony.pdf

³⁰ Annie Callaway, "Powering down corruption," Enough Project, October 2018, available at: <https://enoughproject.org/special-topics/cobalt>

³¹ Women's International League for Peace & Freedom, "Life at the Bottom of the Chain: Women in Artisanal Mines in DRC," August 2016, available at: https://wilpf.org/wp-content/uploads/2016/10/WomenInArtisanalMinesInDRC_web.pdf

³² Amnesty International, "Time to Recharge: Corporate Action and Inaction to Tackle Abuses in the Cobalt Supply Chain," 2017, available at: <https://www.amnesty.org/download/Documents/AFR6273952017ENGLISH.PDF>

³³ Amnesty International, "Powering Change or Business as Usual?," September 2023, available at: <https://www.amnesty.org/en/latest/news/2023/09/drc-cobalt-and-copper-mining-for-batteries-leading-to-human-rights-abuses/>

³⁴ The report was written by corporate watchdog Rights and Accountability in Development (RAID) and the Centre d'Aide Juridico Judiciaire (CAJJ), a Congolese legal aid center specialized in labor rights.

RAID and CAJJ, "The Road to Ruin? Electric vehicles and workers' rights abuses at DR Congo's industrial cobalt mines," November 2021, available at: https://www.raid-uk.org/sites/default/files/report_road_to_ruin_evs_cobalt_workers_nov_2021.pdf

³⁵ Global Forest Watch, "Democratic Republic of Congo," available at: <https://www.globalforestwatch.org/dashboards/country/COD/>

³⁶ Michael J. Kavanagh and William Clowes, "Congo Wants to Pivot Away From China's Dominance Over Its Mining," Bloomberg, October 9, 2024.

³⁷ Ibid.

³⁸ UNICEF, "Thousands more children deprived of education as crisis in eastern DR Congo escalates – UNICEF," February 27, 2025, available at: <https://www.unicef.org/drcongo/en/press-releases/thousands-more-children-deprived-education-crisis-eastern-dr-congo-escalates#:~:text=More%20than%206.5%20million%20people,in%20displacement%20camps%2C%20to%20close>

³⁹ United Nations Security Council, "Report of the Group of Experts on the DRC," S/2023/431, June 4, 2024, available at: <https://docs.un.org/s/2023/431>

⁴⁰ Government Accountability Office, "Conflict Minerals," October 7, 2024, available at: <https://www.gao.gov/products/gao-25-107018>

⁴¹ United Nations Security Council, "Midterm report of the Group of Experts on the Democratic Republic of the Congo," S/2016/1102, December 23, 2016, p. 2, available at: http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_2016_1102.pdf

⁴² United Nations Security Council, "Midterm report of the Group of Experts on the Democratic Republic of the Congo," S/2019/974, December 20, 2019, p. 10, available at: <http://www.undocs.org/S/2019/974>

⁴³ Reuters, "Congo rebel gains to boost illicit mineral trade through Rwanda, analysts say," January 28, 2025, available at: <https://www.mining.com/web/congo-rebel-gains-to-boost-illicit-mineral-trade-through-rwanda-analysts-say/>

⁴⁴ United Nations Security Council, "Report of the Group of Experts on the DRC," S/2023/431, June 4, 2024, available at: <https://docs.un.org/s/2023/431>

⁴⁵ Reuters, "Congo rebel gains to boost illicit mineral trade through Rwanda, analysts say," January 28, 2025, available at: <https://www.mining.com/web/congo-rebel-gains-to-boost-illicit-mineral-trade-through-rwanda-analysts-say/>

-
- ⁴⁶ Bank of Uganda, "Composition of Exports, 2025," March 2025, available at: https://bou.or.ug/bouwebsite/bouwebsitecontent/statistics/External_Sector_Statistics/Trade_Statistics/Composition-of-Exports_Values-and-Volumes.xlsx
- ⁴⁷ United Nations Security Council, "Report of the Group of Experts on the DRC," S/2023/431, June 4, 2024, available at: <https://docs.un.org/s/2023/431>
- ⁴⁸ Hong Kong is the UAE's third biggest trading partner for gold, at \$8.3 billion in 2023, after India and Switzerland. UN Comtrade data for 2023, available at: <https://comtradeplus.un.org/TradeFlow>
- ⁴⁹ Global Witness, "River of Gold," July 5, 2016, available at: <https://globalwitness.org/en/campaigns/conflict-resources/river-of-gold-drc/>
- ⁵⁰ Amani Matabaro Tom, "China's Illegal Mining Operations in the Democratic Republic of Congo," Harvard Kennedy School, January 25, 2025, available at: <https://www.hks.harvard.edu/centers/carr/our-work/carr-commentary/chinas-illegal-mining-operations-democratic-republic-congo>
- ⁵¹ Gregory Mthembu-Salter, "Baseline study three: Production, trade and export of gold in Orientale Province," presentation at the 9th multistakeholder forum on responsible mineral supply chains, Democratic Republic of Congo, May 4, 2015.
- ⁵² Amani Matabaro Tom, "China's Illegal Mining Operations in the Democratic Republic of Congo," Harvard Kennedy School, January 25, 2025, available at: <https://www.hks.harvard.edu/centers/carr/our-work/carr-commentary/chinas-illegal-mining-operations-democratic-republic-congo>
- ⁵³ Gregory Mthembu-Salter, "Baseline study three: Production, trade and export of gold in Orientale Province," presentation at the 9th multistakeholder forum on responsible mineral supply chains, Democratic Republic of Congo, May 4, 2015.
- ⁵⁴ Sam Mednick, "Chinese gold mining threatens a protected UN heritage site in Congo," AP News, December 10, 2024, available at: <https://apnews.com/article/congo-world-heritage-site-gold-mining-china-5e9499fd939c3c2d798a6165f3fc487b>
- ⁵⁵ Berggorilla & Regenwald Direkthilfe, "Mining Menaces Itombwe Nature Reserve," June 2023, available at: <https://www.berggorilla.org/en/gorillas/threats-protection/threats/articles-threats/mining-menaces-itombwe-nature-reserve/>
- ⁵⁶ Africa Defense Forum, "DRC Struggles to Control Illegal Chinese Gold Mining Operations," December 5, 2024, available at: <https://adf-magazine.com/2024/11/drc-struggles-to-control-illegal-chinese-gold-mining-operations/>
- ⁵⁷ Immaculee Inamuco, "Suspension of Chinese miner for pollution in DRC points to wider problem," June 1, 2022, available at: <https://news.mongabay.com/2022/06/suspension-of-chinese-miner-for-pollution-in-drc-points-to-wider-problem/>
- ⁵⁸ Zita Amwanga, "In a Vital River Basin, Chinese Mine Dredges With Impunity," October 13, 2022, available at: <https://globalpressjournal.com/africa/democratic-republic-of-congo/vital-river-basin-chinese-mine-dredges-impunity/>
- ⁵⁹ Marcena Hunter, "Illicit financial flows: artisanal and small-scale gold mining in Ghana and Liberia," OECD Development Co-operation Working Papers, 2019, available at: <https://www.delvedatabase.org/uploads/resources/Illicit-financial-flows-Artisanal-and-Small-scale-Gold-mining-in-Ghana-and-Liberia.pdf>
- ⁶⁰ Ibid.
- ⁶¹ Ibid.
- ⁶² Sasha Lezhnev, "A Criminal State: Understanding and countering institutionalized corruption and violence in the Democratic Republic of Congo," Enough Project, October 2016, available at: http://enoughproject.org/files/A_Criminal_State_Enough_Oct2016_web.pdf

-
- ⁶³ Panzi Foundation, "Statement by Dr. Mukwege on Transitional Justice in the DRC," August 3, 2023, available at: <https://panzifoundation.org/statement-by-dr-mukwege-on-transitional-justice-in-the-drc-for-an-ethic-of-responsibility/>
- ⁶⁴ Lewis Mudge, "In DRC, a Durable Solution Means Addressing Justice," The Guardian, February 3, 2025, available at: <https://www.hrw.org/news/2025/02/03/drc-durable-solution-means-addressing-justice>
- ⁶⁵ Steve Benson, "Digging Down into the Kimberley Process: The KPCS Peer Review System," World Diamond Council, available at: <https://www.worlddiamondcouncil.org/digging-down-into-the-kimberley-process-the-kpcs-peer-review-system/>
- ⁶⁶ Polina Devitt, "US sanctions Hong Kong, UAE firms for dealing with Russian gold," Reuters, June 12, 2024, available at: <https://www.reuters.com/business/us-imposes-sanctions-several-hong-kong-uae-firms-dealing-with-russian-origin-2024-06-12/>
- ⁶⁷ Testimony of Justyna Gudowska for Virtual Hearing, "Targeted Sanctions: Implications for International Religious Freedom," U.S. Commission on International Religious Freedom (USCIRF), October 27, 2021, available at: <https://www.uscifr.gov/sites/default/files/Justyna%20Gudowska%20Testimony.pdf>
- ⁶⁸ Peter Hobson, "Exclusive: Gold market authority threatens to blacklist UAE and other centres," Reuters, November 12, 2020, available at: <https://www.reuters.com/article/world/exclusive-gold-market-authority-threatens-to-blacklist-uae-and-other-centres-idUSKBN27SONJ/>
- ⁶⁹ Extractive Industries Transparency Initiative, "Contract Transparency," October 2024, available at: <https://eiti.org/contract-transparency>
- ⁷⁰ Ibid.
- ⁷¹ The Sentry, Human Rights Watch, RAID, and Resource Matters, "Rights groups inform Dan Gertler they cannot support his DRC deal," March 15, 2023, available at: <https://raid-uk.org/rights-groups-inform-dan-gertler-they-cannot-support-his-drc-deal/>
- ⁷² "The best strategy for improving mine safety and reducing child labour is formalisation of artisanal mining. This means creating a common set of standards and metrics to govern the mining process, consistent with international labour and human rights standards. The rules need to establish measurable benchmarks, such as tunnel depth and adequate tunnel ventilation." See:
- Dorothee Bauman-Pauly, "Ethics of Cobalt mining must be taken seriously by traders," Financial Times, March 21, 2022, available at: <https://www.ft.com/content/77011f71-6619-4c49-ac80-d1de033e4b74>
- ⁷³ Zone d'exploitation artisanale, or artisanal mining zone.
- ⁷⁴ Sentry interviews with industry expert, March 2025.
- ⁷⁵ Responsible Minerals Initiative, "Cobalt Refiners List," March 20, 2025, available at: <https://www.responsiblemineralsinitiative.org/cobalt-refiners-list/conformant-cobalt-refiners/>
- ⁷⁶ CCCMC News, "CCCMC issued supply chain assessment certificates to Yunnan Copper and Yunnan Tin on the site," June 2023, available at: <https://en.cccmc.org.cn/news/cccmcnnews/ff8080818b809d13018e363a4fb7548f.html>

Mr. SMITH. Thank you very much. Thierry?

STATEMENT OF THIERRY DONGALA

Mr. DONGALA. Chairman Smith, Ranking Member Jacobs, and distinguished members of the committee, thank you for the invitation to testify on metals, mining, minerals, and how the CCP fuels conflict and exploitation in Africa. Your leadership and interest in this topic is timely and warranted, as the majority of the conflict zones in Africa are around mineral deposits.

So, as a due diligence firm that has conducted supply chain investigations in various countries, ranging from Tanzania to Sudan, Ethiopia, DRC, Ghana, Cote d'Ivoire, and so forth, accountable Africa has been on the front lines of steering investors and traders away from the pitfalls of illicit mining practices and networks which are ever growing.

Within saying any names, I just want to thank those responsible investors and traders that we have worked with over the past 5 years who have shown the courage to do business responsibly. All too often our due diligence reports have given them the tough counsel of having to turn down lucrative African mineral deals for the sake of maintaining their clean conscience and protecting their reputation, which for them may cost.

We are sure it wasn't easy to explain to their shareholders, you know, that they had to forgo these steep discounts and wildcat profits. But I just want to, I just want to let them know that they maintained not only a clean reputation and conscience, but they respected the dignity of the African communities in which they operate.

I would like to start this testimony, also, with a personal story.

When I got married in the Congo, Pastor Dede held our wedding bands and he kind of weighed them and was, like, this is real gold I think. After he said, you know, this is real gold, he held the wedding bands up and kind of had a prayer, a sanctification prayer, saying, you know, whatever the trail of, the trail of supply for this gold, these gold rings, may it be sanctified to start, you know, a heavenly union.

This kind of surprised me because, you know, I am in the business of conducting supply chain investigations, and here I am in a church and the pastor is bringing it up. It kind of brought to mind how familiar, all too familiar the Congolese are with the trail of sin and suffering that can follow behind these minerals: gold, cobalt.

This is we are talking about an issue that is not far from the common, from the common man on the streets, whether it is in the Congo, or in our iPhones here in, in Washington.

The part that matters the most, I would say, is what is clean gold? We have so many standards floating out there that it gives wiggle room for people to, for people to abuse the systems of certifications. I mean, this is at the source of what a lot of the conflict and a lot of the exploitation comes from, because a lot of them are wiggling out of accountability because they are getting certified. Some people are considering it clean, and others aren't.

So, going on to that point of a moral standard needing to be established in the industry, today we can witness that there are too

many unaccountable and foreign entities that get to determine what makes minerals clean in Africa.

My colleague Sasha mentioned LBMA, which is one of the good bodies trying to do a lot of proactive work. But at some point these bodies need to come together. UAE has their standard, LBMA has their standard.

So, stemming from—stemming the corruption and the conflict fomented by the bad actors that take advantage of this wiggle room will require us standardizing that definition of what is clean.

I wanted to—don't want to be too verbose, but I kind of want to share another anecdote.

You know, today some western, you know, audit firm can certify something clean and, and, you know, they have never been on the ground. Or if they go on the ground, it is a show of, you know, 2 or 3 hours and they, they go, take the goods and go.

But I want to say how local fishers in the Congo can have a different perspective than these audit firms. A local fisher can look by looking at the—I'm sorry—oh, yes, a local school, can then start by the local school. A local school can look by the, local school principal can look by the attendance of the schools.

A lot of times when you introduce cash into the gold mines you start to see attendance levels, especially the primary schools, dip. The principal could probably tell you if the gold mine is clean or not, because a lot of his students are going to the gold mine because there is cash.

The local fishers also can tell you just by the, just by the, you know, impact of the fish that they are catching, the environmental impact.

This sort of moral standard needs to take into account local, I would say local mechanisms for judging the cleanliness of the minerals.

When governments or communities get serious about enforcing a standard of cleanliness for mining activity, bad actors can't operate, as Sasha mentioned. You turn on the light, light is the biggest disinfectant.

I like to say when you turn on the lights the roaches scatter. You know?

This, you know, this African moral sovereignty that, that we need to include into accountability standards requires, you know, the retreat of foreign—not necessarily the foreign or foreign authorities, but at the same time we need African moral leadership to rise to the occasion.

We have seen it with the case of ITSCI where they tried to establish a standard of, of certification. This was based in Kigali. But based on the testimony of the witness, this was a compromised certification process. You know, the Global Witness issued a report in 2022 that the ITSCI was effectively a laundromat, how a due diligence scheme appears to launder conflict minerals.

So, this is an example where we have these various authority structures claiming something is clean, and then it gives wiggle room. Next thing you know they are fueling, funding conflict.

I want to recommend two more things apart from standardization of the moral, of what is clean gold.

I want to recommend competition. This is something that doesn't cost the U.S. Government anything.

Right now there is we are at a stage of all, all pretty much sanction is our main tool, which is it is effective on the ground. But I believe that we can do not necessarily all carrot—all stick and no carrot. I think we could add a carrot to that stick.

Under existing authorities, OFAC has authority to license activities. So, if we could encourage traders to, to apply for licenses, this would effectively give, bring competition to the space. Because right now in countries like DRC, Sudan, and all the others that have network sanctions in place, what happens is as soon as the sanction system is in place investors and bankers want to usually finance the mining activities run away, because they don't have time to decipher between the good and the bad actors.

What happens is even the good actors, the ones that are willing to be accountable, they will run away. Not necessarily run away, they will run to the only competition that is still there. That is usually the Chinese and other bad actors.

If we could establish kind of a licensing channel, which the authorities exist, where traders can actively, proactively submit their trading data to OFAC to maintain their licenses, not only will OFAC be able to stay ahead of the curve of illicit gold trends, because they will be gathering data, but, also, we would be rewarding those who are doing good in the space where there is gold, cobalt, and others.

In the absence of competition, we have given the market over to bad actors, including the Chinese.

The last recommendation, I think it is quite just a development recommendation. It is supporting industrial energy projects, like the Grand Inga Dam in the DRC.

How does that matter?

Well, doing this will make the economics of exporting processed minerals to China comparatively costly. Right now the race for strategic minerals is not for the deposits but for the refining capacity. China controls over 85 percent of the world's refining capacity for rare earths. It is because energy is cheap in China.

Prioritizing the DRC's launch of the Grand Inga Dam project will undercut China's export-led growth model that dumps products and labor in Africa, while also interrupting China's mineral extraction barter system that circumvents the U.S. dollar in Africa.

You know, this, this is really key because if energy is cheap in DRC and the minerals can be processed in DRC and transformed, there is no need to send it to China.

Last, I want to end on a warm note.

I just came back from Sudan where I conducted another supply chain investigation. It was during the month of Ramadan. The mining community I visited in the north didn't have much, you know, external wealth, but you couldn't guess it from the amount of food and charity they shared at the breaking of their fast with me. Though everyone was living through a civil war, because Sudan, right, a civil war, they all joined in their hard knock pursuit of gold at the mining site, these communities maintained the utmost hospitality.

It reminded me that the mining activity doesn't happen in a void, but within a social fabric that must be respected. By visitors, investors, governments alike, this social fabric can be respected. But we notice that this is a challenge of the African model in Africa: they don't respect the social fabric in mining communities, which we can.

Thank you.

[The prepared statement of Mr. Dongala follows:]

Testimony of Thierry Dongala
Founder, Accountable Africa

Hearing on “Metals, Minerals, and Mining: How the CCP Fuels Conflict and Exploitation in Africa”

U.S. House of Representatives
House Foreign Affairs Committees

Subcommittee on Africa, Global Health

March 25, 2025

Chairman Smith, Ranking Member Jacobs, and Distinguished Members of the Committee, thank you for the invitation to testify on “Metals, Minerals, and Mining: How the CCP Fuels Conflict and Exploitation in Africa.” Your leadership and interest in this topic is timely and warranted as the majority of the conflict zones in Africa are around mineral deposits. As a due diligence firm that has conducted supply chain investigations in Tanzania, Zambia, Ghana, DR Congo, Cote D’Ivoire, Sudan and Ethiopia, Accountable Africa has been on the frontline of steering investors and traders away from the pitfalls of illicit mining practices and networks, which are ever growing. Without saying any names, I would like to thank the responsible investors and traders that we have worked with over the past five years who have shown the courage to do business responsibly. All too often our due diligence reports gave them a tough counsel of having to turn down lucrative African mineral deals for the sake of maintaining a clean conscience and protecting their reputation. We’re sure it wasn’t easy to explain to your shareholders that you forwent the very steep discounts and wildcat profits that your competitors blatantly brandish, the long arc of history is on your side. Every time we walked away from a dodgy deal you maintained not only a clean reputation and conscience but you respected the dignity of the African communities we operate in. Thank you.

I’d like to start my testimony by telling you a personal story. When I got married in the Congo, an interesting scene took place. The pastor paused for a second at the altar and beheld our wedding bands, noticing the true weight of the gold. After commenting that it seems like real gold, he then held the bands up in the air and in a sudden sanctification prayer called for the wedding bands to be purged of any malfeasance associated with their provenance. Almost as if the gold required cleansing just in case it carried a curse from its supply chain. The officiating pastor wanted to ensure that our holy union was not cursed with dirty gold. The notion that gold could carry a trail of sin and suffering behind is unfortunately all too familiar in the Congo. Dirty gold and dirty minerals are at the center of the conflicts and exploitation we witness in Congo, Sudan and many other places that aren’t in the headlines today.

However, What makes a mineral clean or dirty? What is clean gold? Is it the fact that Western audit firm certifies it? Or paying customs taxes at the airport? The answer to this question is at the heart of solving the conflicts and corruption that bad actors exploit throughout Africa. The varying standards and authorities for what is clean gold or minerals allows wiggle

room and cover for bad actors to continue business models that destabilize African nations. For example, The International Tin Supply Chain Initiative (ITSCI) based in Kigali is supposed to be an industry body that contributes to better governance, human rights & stability, yet Global Witness found the contrary in their 2022 report called "The ITSCI laundromat - How a due diligence scheme appears to launder conflict minerals". They were recently linked to now sanctioned armed groups and warlords in the Democratic Republic of Congo.

A Moral Standard

Today there are too many unaccountable and foreign entities that get to determine what makes a mineral clean in Africa. Stemming the corruption and conflict fomented by the bad actors in the mining sector begins with standardizing the definition of what is clean. This standard also needs to take into account local buy-in. It's a matter of African moral sovereignty. This means a foreign-based entity, be they auditors or governments, can not hold more weight in determining the cleanliness or compliance of a product than the community of provenance. A local school principal can tell you if the gold mine in their community is setting a generation back or not just by looking at attendance numbers after cash is introduced at the mine site. Local fishers can tell us better than environment industry bodies whether the minerals coming into their community have poisoned riverways. Policing the minerals is best done through structures that are accountable to the communities affected throughout the supply chain. Mechanisms can vary but the moral authority to stamp a mineral clean mostly lies with the community of provenance. The recent case of Niger expelling Chinese management shows that when African countries get serious about their moral sovereignty in their extractive industries, Chinese actors are often the first to lose. When governments and communities get serious about enforcing a standard of cleanliness for mining activity, bad actors can't operate. This African moral sovereignty requires the retreat of foreign authorities but at the same time, African moral leadership must rise to the occasion.

Competition - OFAC Licenses

Apart from standardization, I'd like to recommend a market-based solution that requires no aid money. Promote the issuance of Office of Foreign Asset Control (OFAC) Licenses to mineral traders who are compliant with the highest standards of accountability. The many years of "all stick and no carrot" U.S. sanctions in Africa have driven away compliance-friendly trade financiers and allowed China to monopolize artisanal gold mining in Africa. Reporting confirms that network sanctions in African countries (Sudan, the Sahel, and Congo) have driven away global banking partners altogether because they aren't willing to take the risk of deciphering between good and bad actors in the mining sector. This drives most of the good actors to join the bad actors in dealing with the few options left for trade and mine financing: China. Chinese companies are all too willing to circumvent artisanal mining regulations and the overall USD system. This effectively hands over vast swaths of the artisanal gold trade to Chinese influence and even encourages governments to confiscate gold mines, which are often owned by U.S. investors, to hand them over to Chinese operators.

Granting an OFAC General License to pre-approved gold traders in network-sanctioned countries will provide an alternative to Chinese black market financing and trading in the African

gold mining sector. It will provide an opportunity to distinguish good market participants while gathering market data that allows OFAC to better target bad market participants. When pre-approved traders share their live data with OFAC/Treasury it will provide greater visibility into the artisanal gold mining space and track the progress of China's USD circumvention efforts in Africa. In exchange for this data sharing, these pre-approved gold traders require special licenses to trade in these network-sanctioned countries (The Sahel, Sudan, and Congo).

Many African artisanal mine site owners have no alternative to the Chinese because the market is scared away. U.S. Treasury/OFAC can combat Chinese influence in African gold mining by using Special Licenses to trade in gold as carrots that provide alternatives to Chinese financing in the artisanal mining space. The U.S. Treasury's Office of Foreign Asset Control (OFAC) has an already established process for granting special licenses, which it can use to pre-approve gold traders who are willing to compete in the artisanal gold space and regularly share compliance data with OFAC.

Support Industrial Energy

Lastly, supporting industrial energy projects like the Grand Inga Dam in the DRC will make the economics of exporting and processing minerals to China comparatively costly. The race for strategic minerals is not for the deposits but for the refining capacity. China controls over 85% of the world's refining capacity for rare earths. Prioritizing the DRC's launch of the Grand Inga Dam projects will undercut China's export-led growth model that dumps products and labor in Africa while also interrupting China's mineral extraction barter system that circumvents the US dollar in Africa.

I'd like to end on a warm note. I recently returned from Sudan where I conducted a site visit during Ramadan. The mining community I visited in the north didn't have much external wealth, but you couldn't guess it from the amount of food and charity they shared at the breaking of their fast. Though everyone was living through a civil war and joined in their hard-knock pursuit of gold at the mining site, these communities maintained the utmost hospitality. It reminded me that mining activity doesn't happen in a void but within a social fabric that must be respected, by visitors, investors, and governments alike. This is the challenge for China's model in Africa.

Mr. SMITH. Thank you.
I now recognize Mr. Nguramo.

STATEMENT OF JOSEPH MULALA NGURAMO

Mr. NGURAMO. Thank you, sir. Thank you.

Thank you, Chairman Smith, Ranking Member Jacobs, and other members of the House Foreign Affairs Subcommittee on Africa for the invitation to testify on metals, minerals, and mining, and how the CCP fuels conflict and exploitation in Africa.

My name is Joseph Mulala Nguramo. I am a Congolese national, and I grew up in the war-torn region of Kivu in Eastern Congo, particularly Goma. I was honored to graduate from the United States Military Academy at West Point in 2014. I am currently a nonresident fellow with the Freedom and Prosperity and Scowcroft Centers in the Atlantic Council.

I am grateful to the U.S. and the American people for the great opportunity to dedicate my professional career to the building of U.S.-African relations, as well as promoting democracy, freedom, and good governance. I am humbled and honored to be invited here to share my thoughts on these issues.

My testimony will look at the impact of China's mining in the DRC and the implications to U.S. national security in the region.

The DRC's wealth in natural resources is estimated at \$24 trillion, representing 70 percent of global cobalt, and proven reserves of gold, coltan, lithium, copper, and diamonds.

As long as the Chinese Community Party controls the mining sector of the DRC, the entire region remains economically fragile and threatened by civil unrest. The CCP has been playing a predatory game globally, fueling conflicts and corruption, encouraging bad governance, emboldening the rise of autocratic regimes, autocratic and tyrannical regimes, leading to a significant regression of democracy around the world, as the Atlantic Council Freedom and Prosperity reports have demonstrated.

Currently, the volume of trade between Africa and China is estimated at \$280.1 billion, and is rising steadily by 1.5 percent annually as of last year. Yet, almost all investments are in the mining and infrastructure sectors, without long-term benefits to the countries' GDP and the populations.

Indeed, the CCP routinely operates in shadow of governments that lack transparency, and care little for human rights and democracy. I wish to argue that political, political and social stability in the DRC is essential to U.S. national security.

In the DRC ongoing civil unrest and unmitigated human rights crisis, humanitarian crisis, are largely due to China's ruthless and irresponsible grip on the country's natural resources. Controlling almost 90 percent of the Congo's mining sector, the CCP has failed to use its economic and financial power to defend and promote the rule of law, freedom, and quality of governance, but has, instead, mastered strategies to take advantage of a country in chaos.

China has significant economic interests in the DRC, and to just, to just name an additional example, in Sudan, and, yet, the countries are at the precipice of collapsing, becoming failed states, no different than the current situation going on right now in Haiti. While the U.S. Government has come to characterize the ongoing

massacre in Sudan as a genocide, I will focus more on the DRC, because the nature and the character of the ongoing conflict between Rwanda and the DRC are of a magnitude to destabilize the entire region and significantly impact U.S. national security.

The DRC's minerals have become essential in a world transitioning to clean energy, and are a key component in microchips and semiconductors which we use in our critical infrastructure and advanced weapon systems technology, including missile defense, fighter jets, satellites, communication equipment, and the related research and development.

Unfortunately, the current DRC Government lacks the competence and leadership to ensure a safe and a consistent supply of these products. It has, instead, allowed China to control its mining sector. Given this situation, the U.S. and its allies' national security will be experiencing growing dependence on the CCP's global supply chain. This process will be precipitated as the DRC and Rwanda are on the brink of a war, and the stability of the entire region is threatened. The latest developments in Sudan and the African Great Lakes Region are cause for alarm.

The CCP mercantilist model is aimed at securing monopolies over critical natural resources and to create illegitimate and unstable political systems in places like the DRC and Sudan, planting the seeds of civil unrest, violence, and wars. Despite the dominance in the DRC mining sector, the CCP has failed to advocate for implementing good governance, defending human rights, fighting corruption, and protecting fair and good elections, to ensure sustainable stability and prosperity.

For example, China demonstrated no interest at all in the transparency and legitimacy of the DRC's Presidential elections in the past elections. Not surprisingly, China has remained silent about the DRC Government's widely understood abuse of power.

A similar trend of violence and humanitarian catastrophe can be observed in Sudan. Despite investing billions of dollars in oil, China has stood by as Sudan has become a failed State. China even opposed United Nations Security Council resolutions to hold the Sudanese Government and the rebels accountable for the genocide, all in the interest of its own gain. In exchange, the Sudanese Government backed China's stance on issues like the Hong Kong National Security Laws and the Xinjiang conflict.

According to Transparency International's 2024 Report, Corruption Perceptions Index, about 90 percent of African countries scored below 50, indicating high levels of corruption and mediocre governance. Just the Sub-Saharan African alone scored an average of 33 percent out of 100, making it the lowest scoring region globally.

The U.S. Government reports on global business Climate, religious freedom, human trafficking and rights, support and document these allegations. China remains indifferent. As long as China remains indifferent, as long as China empowers undemocratic regimes for its own gain, the future of democracy remains fragile.

Through its Belt and Road Initiative, the CCP controls about 40 percent of global energy reserves. It does so by disregarding human costs and the nature—the nature of governments it works with. Just in the DRC alone, China has come to control almost 90 per-

cent of the producing sector, led by the Chinese companies such as China Molybdenum, Huayou Cobalt, and NORINCO.

The CCP defense contractor NORINCO, as it turns out, also acquired stakes in the DRC, has been looking to acquire stakes in the DRC defense and security sector, and has been supplying weapons and military drones to various participants in the ongoing DRC conflict.

China, by failing to control the distribution of military weapons, continues to fuel the conflict.

Alternatively stated, combined with its veto power at the U.N. Security Council, China has failed to use its economic and financial power in Africa to defend and promote the rule of law, freedom, and quality of governance, and to help prevent conflicts. Ultimately, political and social chaos in Africa benefits China's economic interests by keeping Western investments and collaboration at bay.

To conclude, the Chinese model is based on exploiting Africa's natural resources to the detriment of U.S. national security interests. Concurrently, it props up corrupt political systems held in place by predatory and kleptocratic elites who enrich themselves at the expense of their own citizens. These systems perpetuate poverty and lead to regional conflicts and wars, as can be witnessed in Sudan and the DRC.

The U.S. national security approach countering China in Africa should be by a bipartisan concern, transcending Administrations and short, and short-term thinking. The U.S. needs a comprehensive and a coherent long-term grand strategy, not just focused on Europe, Asia, and Latin America.

Africa is the future of the world because of its growing and dynamic young population and abundant natural resources. I hope that the U.S. Government and its allies will do their utmost to avert a regional war in the DRC and bring stability to the region. There have been years of passivity and inaction regarding Africa, and the U.S. has been too slow to recognize how its own national security interests are tied to peace and stability and economic development of the African continent, especially Central Africa.

It is crucial that the U.S. counter China's grip on natural resources within the region in the interest of its own national security, democracy, and human rights in Africa. The United States should take its responsibilities, as the moral global leader of the international rules-based international world order. If the U.S. fail to lead, who else will?

Certainly in the absence of U.S. global leadership and engagement, the vacuum will be filled by autocratic, repressive, tyrannical, and authoritarian regimes, as we are seeing in Venezuela, North Korea, Russia, Sudan, and the DRC, unfortunately backed and aligned with the CCP.

I appreciate your attention to these issues and I am looking forward to your questions.

Thank you.

[The prepared statement of Mr. Nguramo follows:]

WRITTEN TESTIMONY OF JOSEPH MULALA NGURAMO

*Nonresident Senior Fellow, Atlantic Council Scowcroft and Freedom and Prosperity Center
Submitted to the House Foreign Affairs Subcommittee on Africa*

Date: March 25, 2025

Location: Room 2200, Rayburn House Office Building, Washington, DC

Hearing: "Metals, Minerals, and Mining: How the CCP Fuels Conflict and Exploitation in Africa"

Thank you, Chairman Smith, Ranking Member Jacobs, and other Members of the House Foreign Affairs Subcommittee on Africa for the invitation to testify on Metals, Minerals, and Mining: How the CCP Fuels Conflict and Exploitation in Africa.

My name is Joseph Mulala Nguramo. I am a Congolese National and grew up in the war-torn region of Kivu in Eastern Congo—particularly Goma. I was honored to graduate from the United States Military Academy at West Point in 2014. And I am currently a Nonresident Fellow with the Freedom and Prosperity and Scowcroft Centers at the Atlantic Council. I am grateful to the United States of America (USA) and the American people for the great opportunity to dedicate my professional career to the building of US-African relations as well as promoting democracy, freedom, and good governance. I am humbled and honored to be invited here to share my thoughts on these issues. I am representing myself and expressing my personal opinions only. While I am not testifying on behalf of any organization, I serve as a nonresident senior fellow at the Atlantic Council. The Atlantic Council does not take positions on specific issues or advocate for individual donors. The Atlantic Council requires maintaining independent control of the content and conclusions of any sponsored projects.

My testimony will look at the impact of Chinese mining activities across Africa and particularly in the Democratic Republic of the Congo (DRC); how it fuels conflicts, corruption, instability, bad governance, its implications to US National Security in the region and provide potential solutions.

The DRC's wealth in natural resources is estimated at \$24 Trillion--representing 70% of global Cobalt, and proven reserves of Gold, Coltan, Lithium, Copper, and diamonds.

As long as, the Chinese Communist Party (CCP) controls the Mining Sector in the DRC, the entire region remains economically fragile and is threatened by civil unrest. The CCP has been playing a predatory game globally — fueling conflicts and corruption, encouraging bad governance, emboldening the rise of autocratic and tyrannical regimes--leading to a significant regression of democracy around the world, as the Atlantic Council Freedom and Prosperity reports have demonstrated.

Currently, the volume of trade between Africa and China is estimated at \$ 282.1 Billion – and rising steadily by about 1.5% annually, as of last year. Yet almost all investments are in the Mining and Infrastructure Sectors, without long-term benefits to the countries' Gross Domestic Products (GDPs) and populations. Indeed, China routinely operates in the shadows of governments that lack transparency, and care little for Accountability, Transparency, Human Rights and Democracy. I wish to argue that political and social stability and prosperity in the DRC is essential to US National Security. And the United States should play a leading role in the stabilization of the region--especially as related to the current crisis—which has displaced millions of people out of their homes; exacerbated the humanitarian tragedy and has put the region at the brink of a war—as the world saw in the 90s.

In the DRC ongoing civil unrest and an unmitigated humanitarian crisis are largely due to China's ruthless and irresponsible grip on the country's natural resources. Controlling almost 90% of the Congo Mining Sector, China has failed to use its economic and financial power to defend and promote the Rule of Law, Freedom, and Quality Governance. But China has, instead, mastered strategies to take advantage of a country in chaos—often bribing government officials to acquire Mining concessions. The case of a legal battle between AVZ Minerals, Cominiere (DRCG), Zijin Mining and the Australian Stock Exchange (ASX) dispute over the Manono Lithium mine, at the International Chamber of Commerce in Paris, is one of the classic examples among many of the CCP's bribery and aggressive dirty tactics to securing minerals and fueling corruption and conflicts across Africa. The Ciminiere(DRCG) was found guilty and was ordered to pay \$ 42.4 million to the ASX.

Additionally, the human conditions of artisanal miners in the mining owned by China and protected by DRCG Presidential Guards and Senior Civil and Military officers is catastrophic and unacceptable. We see cases of child and forced labor—averaging 40,000 children—digging cobalt for Chinese buyers without adequate protective equipment and payment. Some of these children are under 10 years old—leaving them exposed to toxic substances—causing serious health and environmental problems, per Amnesty International investigations.

In North Kivu, Chinese traders buy tantalum and gold from the M23—a Rwandan backed armed group—collecting some \$885 million in 2023, per UN experts. In the Ituri province, part of the reasons of the prolongation of the Stage of Siege, has been the complicity among Chinese traders, Congolese senior military and government officials to protecting Gold Mines for their self-interests. Tons of gold, worth hundredth of millions of dollars, are smuggled out of the E—DRC and with revenues that are unaccounted for, according to the Sentry reports.

The case of the Tenke Fungurume (previously owned by Freeport-McMoran), which China Molybdenum acquired in 2016 for \$2.65 billion. By 2022, DRC has earned billions in taxes and royalties—However, many Congolese are still lacking the basic needs such as access to decent jobs, education, healthcare and food. In 2023, under the mining revision contract negotiations, China paid Gécamines (DRC State National Mining Company) about \$800 million. But it has been difficult to determine the transparency and accountability of these revenues, according to the DRC Inspector General of Finance (IGF). Where did the money go and what did it do for the average Congolese person? The current Felix regime has failed to, transparently, answer those questions to ensure good governance and build trust among its population. And in many ways, this failure of governance and equally sharing the resources has increased inequality, poverty—and has accentuating the internal DRC political crisis—with ramifications to destabilize the whole region.

China has significant financial and economic interests in the DRC, and, to just name an additional example, in Sudan—and yet the countries are at the precipice of collapsing—becoming failed states. No different from the tragic situation in Haiti. While the United States Government (USG) has come to characterize the ongoing massacre in Sudan as a genocide, I will focus more on the DRC—because the nature and character of the ongoing conflict between Rwanda and DRC—are of

magnitude to destabilize the entire region and significantly impact USA National Security interests and beyond.

The DRC's minerals have become essential in a world transitioning to Clean Energy and are key components in the manufacturing of microchips and semiconductors, which are used in our critical infrastructures and advanced weapon systems technology including Missile Defense, submarines, medicine, Artificial Intelligence (AI), Fighter Jets, communications equipment and Research and Development (R&D). Unfortunately, the current DRC Government lacks the vision, competence and effective leadership to ensure a safe and consistent supply of these products. It has, instead, allowed China to control its Mining Sector. Given this situation, the US and its allies' national security will experience growing dependence on China's Global Supply Chain. This process will be precipitated as the DRC and Rwanda are on the brink of war-- and the stability of the entire region is threatened. The latest developments in Sudan and the African Great Lakes Region are cause for alarm.

The CCP mercantilist model is aimed at securing monopolies over critical natural resources. To that end it aims to create "illegitimate" and unstable political systems in places like the DRC and Sudan, planting the seeds of civil unrest, violence, and wars. Despite its dominance in the DRC Mining Sector, the CCP has failed to advocate for implementing good governance, defending Human Rights, fighting corruption, and protecting fair and good elections - to ensure sustainable stability and prosperity. For examples, China demonstrated no interest in the transparency and legitimacy of the DRC's Presidential Elections in 2019 and 2023. Not surprisingly, China has remained silent about the DRC Government's abuse of power and corruption.

A similar trend of violence and humanitarian catastrophe can be observed in Sudan. Despite investing billions of dollars in Oil, China has stood by as Sudan has become a failed state. China even opposed United Nations Security Council (UNSC) resolutions to hold the Sudanese government and the rebels accountable for genocide – all in the interest of its own gain. In exchange, the Sudanese Government backed China's stance on issues like the Hong Kong National Security Law and the Xinjiang Conflict. If China wants to be seen as a global leader, at least, it should care about these issues such as addressing corruption, bad governance and protecting

human rights. Claiming the policies of non—interference in other countries is an unacceptable excuse, because we have seen the CCP interfering in internal affairs of its neighboring countries and beyond such as launching a global network of espionage, surveillance and repression against its people and adversaries, according to the different Five Eyes, US Congressional Reports on China and Global Threats Assessments.

According to *Transparency International's* 2024 Corruption Perceptions Index, about 90% of African countries scored below 50, indicating high levels of corruption and mediocre governance. Just the Sub-Saharan Africa alone scored an average of thirty-three out of one hundred, making it the lowest-scoring region globally. US Government reports on Global Business Climate, Religious Freedom, Human Trafficking and Rights support and document these allegations. China remains indifferent. As long as China empowers undemocratic regimes for its own gain, the future of democracy remains fragile.

Through its *Belt and Road Initiative*, the CCP controls about 40% of Global Energy reserves. It does so by disregarding human costs and the nature of governments it works with. Just in the DRC alone, China has come to control almost 90% of the Congo Mining Sector—led by Chinese Companies such as China Molybdenum, Huayou Cobalt and NORINCO. The CCP defense contractor NORINCO, as it turns out, also acquired stakes in the DRC Defense and Security Sector and has been supplying weapons and military drones to various participants in the ongoing DRC-AFC/M23 conflict. China, by failing to control the distribution of military weapons, continues to fuel the conflict. Due to the fragility of the region and complexity of the crisis between DRC and Rwanda, China should have put in place some guardrails and mechanism of selling and providing its weapons so that they don't fall in wrong hands and continue to fuel these wars--especially because MONUSCO is withdrawing with high risks of increasing violence against civilians population-- and which could be exacerbated by the fact that, the UN has removed/lifted the notification measures/requirements for arms shipments to the Democratic Republic of the Congo, according to the UNSC 2667(2022).

Alternatively stated, combined with its veto power at the UNSC, China has failed to use its economic and financial power in Africa to defend and promote the rule of law, freedom, and quality

governance—and to help prevent/dissuade conflicts. Ultimately, political, and social chaos in Africa benefits China's economic interests by keeping Western investments and collaboration at bay.

To conclude, the Chinese model is based on exploiting Africa's natural resources to the detriment of US National Security Interests. Concurrently, it props up corrupt political systems held in place by predatory and kleptocratic elites who enrich themselves at the expense of their citizens. These systems perpetuate poverty and lead to regional conflicts and wars, as can be witnessed in Sudan and the DRC.

The US National Strategy approach countering China in Africa should be a bipartisan concern—transcending Administrations and short-term thinking. The USG needs a comprehensive and coherent long term GRAND STRATEGY—not just focused on Europe, Asia and Latin America. Africa is the future of the world, because of its growing and dynamic young population and abundance natural resources. I hope that the US Government and its allies will do their utmost to avert a regional war in the DRC and bring stability to the region. There have been years of passivity and inaction regarding Africa, and the US has been too slow to recognize how its own National Security interests are tied to peace and economic development on the African continent, especially Central Africa. It is crucial that the US counter China's grip on the natural resources within the region – in the interest of its own security and democracy and human rights in Africa. The United States should take its responsibilities, as the moral Global Leader of the International rules-based world order. If the USA fail to lead who else will? Certainly, in the absence of US Global Leadership and engagement, the vacuum will be filled by autocratic, repressive, tyrannical and authoritarian regimes, as we are seeing in Venezuela, Cuba, North—Korea, Russia, Sudan and the DRC—unfortunately backed and aligned with China.

I appreciate your attention to these issues and welcome any questions you might have.

Mr. SMITH. Thank you so very much for your testimony and your insights.

I would like to now recognize, from Zimbabwe, Mr. Bore.

STATEMENT OF OBERT BORE

Mr. BORE. Chairman Smith, can you tell me if you can hear me?

Ms. JACOBS. We can hear you. Thank you.

Mr. BORE. Thank you.

Chairman Smith, Ranking Member Sara Jacobs, and distinguished committee members, I appreciate this opportunity to testify before this committee on metals, minerals, and mining, and how the CCP fuels conflict and exploitation in Africa.

I am indeed honored to appear before you today.

I serve as a Program Lead on Responsible Business and Investments of the Zimbabwe Environmental Law Association, a public interest law organization with over 20 years of using the law to promote equitable—

Beg your pardon?

Ms. JACOBS. You can keep going.

Mr. SMITH. Please continue.

Mr. BORE. Thank you.

As I was saying—there is a buzz, I think.

Mr. SMITH. Not on our end, but on yours?

Oh, good.

Mr. BORE. I serve as the Responsible Investments and Business Program Lead for an organization called Zimbabwe Environmental Law Association, which is essentially a public interest law organization with over 20 years of experience using the law to promote equitable, just, and sustainable natural resource management, economic benefits, and protection of the rights of marginalized communities in Zimbabwe and the Southern Africa region.

Before I share my insights and perspective on what drives conflict and exploitation in the mining sector of Africa, allow me to provide some context and why Africa is a key player in the global mineral supply chains.

I think I don't have to tell you that I am alluding to the fact that Africa is endowed with abundant mineral resources. The continent actually is home to an estimate of 30 percent of the world's mineral reserves, with 8 percent of natural gas, 12 percent of the world's oil reserves, and 50 percent of the world's gold, as well as 90 percent of the global chrome. With these abundance of metals and minerals, the sector is actually the backbone of several African economies, and continues to generate significant foreign currency and revenue, as well as creating opportunities for employment.

Forty-two out of 54 African countries are classified as resource dependent. This isn't normal. This tells us that the entire African continent depends on these minerals for revenue generation.

According to the African Union's Africa Mining Vision, recognizes the potential of mining in driving broad-based economic development on the continent.

In terms of critical minerals required to transition to renewable energy and meet the planet's goals, Africa also occupies a strategic position. The continent holds about 70 percent of the world's cobalt, 60 percent of the world's manganese, 25 percent of the world's

bauxite, and nearly 15 percent of the world's copper, among many other critical minerals.

Zimbabwe, where I am from, where I was born, has the largest lithium reserve in Africa and sixth in the world, as well as the second largest chrome deposits in the world. Thus, without a doubt, mining continues and should drive economic development of the continent.

However, while mining presents great economic opportunities for development, it has not been, you know, easy for the continent to harness and maximize benefits from these metal resources. The sector has been blocked by governance challenges due to structural problems, there has been years of corruption that has remained a significant barrier to responsible investments in sustainable mining.

Several companies, both Chinese and non-Chinese, have been implicated in corrupt practices to secure mining concessions. You all know of the cases of Glencore where they accepted to pay fines as a result of using bribes to, you know, secure mining and oil contracts in multiple African countries.

We also have companies like Bolloré, a French company, that was fined 12 million for corrupt charges in Togo.

Similarly, Chinese entities like China Nonferrous Metal Mining Corporation, as well as China National Oil Corporation, have been implicated in corruption in both Zambia and DRC, and even in Nigeria. While these are just examples of large corporations implicated, they are not the only bad guys. They are simply the ones which were caught on the wrong side.

For years, places like Kivu in the Congo have been afflicted by conflicts intricately linked to its vast mineral resources. Various actors, including multinational corporations, have also been implicated in activities that exacerbate these conflicts. Some of the major tech companies from the U.S., Apple, have also faced some scrutiny over the potential use of conflict minerals, such as tin, tantalum, tungsten, and cobalt from DRC.

Linked to these governance challenges fueling tensions and conflict among communities and mining corporations, African countries have outdated mining laws which create loopholes that foreign entities can exploit. For instance, Zimbabwe uses a 1961 piece of legislation that was created at a time when the country was under colonial rule. As an organization, as a mining and metal organization, we have been advocating for reform of the Mines and Minerals Act to include provisions for higher standards for transparency in how mining rights are awarded.

So, essentially, many African countries, you know, they have weak regulatory frameworks that do not reflect the changing global contexts that require higher standards of environmental, social, and governance requirements.

A case in point is where a Chinese company by the name Nikita Minerals, which operates the largest lithium project in the world, and the largest project in the world and the largest in Zimbabwe, polluted a major community dam and was merely fined 5,000 U.S. dollars, a figure that neither reflects the environmental harm nor impact on the community itself.

There was a similar case in Zambia, which I am glad Member Sara Jacobs mentioned earlier, in Zambia where the company was simply fined 10,000 for environmental pollution, despite the enormous environmental public damage that resulted from that pollution.

So, beyond regulatory gaps and weak institutions, challenges in the sector are coupled with high levels of unemployment on the continent, which creates opportunities for predatory employment practices where companies tend to employ a vulnerable labor force which is often exploited easily, as they are desperate for jobs. In the DRC, Zimbabwe, Zambia, and many other countries, both Chinese and Western companies have been accused of underpaying workers and failing to provide adequate safety equipment, providing a workplace, you know, safe equipment.

We know of several workers whose employment contracts have been terminated for seeking to enforce their constitutionally guaranteed labor rights.

Another important factor aiding the exploitation of Africa's minerals is the continent's desperation for investment to finance development. This has resulted in several resource-backed loan agreements being signed, where African governments have been exchanging mining rights or mineral resources for infrastructure development.

In theory, if the borrowing process is carried out transparently and effectively, and if the loan has favorable terms, and the infrastructure projects are well selected and executed, the transaction would be expected to generate positive returns for the borrowing countries. However, this is not the case.

As of 2018, more than 11 African countries had signed resource-backed deals with Chinese financial institutions whose terms are often opaque and result in unsustainable debt levels and exploitation of natural resources. A case in point is Angola's deal with Export-Import Bank of China which raised serious concerns about transaction ability.

For China, it is evident that it is strategically using its financial muscle through resource-backed loans to exploit natural resource and court African governments into sweet deals which are difficult to turn down, as they are difficult to turn down, as most African governments require funding development. In some instances, the opaqueness of these deals have resulted in some governments actually questioning efforts due to, you know, those contracts.

As the scramble for critical minerals intensifies and draws our attentions, it is evident that the resource-rich countries are more prone to conflict and social instability that are linked to their mineral resources. One of our recent studies in Zimbabwe, Mozambique, and DRC has revealed several instances of forced displacement linked to extraction of critical minerals resulting in social unrest and violation of human rights.

For instance, in Zimbabwe Chinese lithium mining projects in areas such as Buhera, Kamativi, Nikita, and Gwanda, have contributed to social tension due to local real intangible community benefits, as well as unfair labor practices.

As if that is not enough, these mines increased competition over water between communities and companies, given that the purpose of processing high worth lithium is water intensive.

I might mention, worked lithium foundries in Zimbabwe is concentrated, is concentrated in water-strained regions, which makes it very, very difficult for companies to extract the water, but also increases competition with communities to use water that they need for everyday life.

A study by the Business and Human Rights Resource Centre on the impact of China's global investments in—investments on human rights, between 2013 and 2020, shows that Africa has the second highest number of human rights abuses that are recorded against Chinese companies. In the fact of these violations, communities impacted struggle to access remedies and seek redress because of captured judiciaries.

Furthermore, several Chinese mining projects are linked to cases of forced displacement. For instance, a BYD-sponsored project by Shenzhen Chengxin Lithium Project in the eastern part of Zimbabwe has been hailed as a good example for responsible mining project, yet, several communities from this area were not adequately compensated and there was displacement. In places like Cabo Delgado in Mozambique, there have been serious tensions as a result of projects like Total Energies who have been exploiting.

So, evidently, it is not only the Chinese who are contributing to fueling conflict and exploitation of Africa's mineral resources, there are several other companies that are not Chinese that are also, you know, complicit.

In coming to my conclusion I also make four recommendations on what the U.S. Government can do.

One of the key things we think is important is to review the engagement strategy with Africa that is going to secure critical minerals to ensure prosperity.

African governments are now inviting exports for unprocessed minerals in line with the recently launched Africa Agreement on Strategy, which was just launched in Ethiopia and Addis Ababa last week. The idea was to compel initiation and validation of projects on the continent. This provides an opportunity for the U.S. to strategically provide the requisite schemes and knowledge by setting up refining plants in partnership with African actors.

Second, while the U.S. Government is currently engaging with the DRC for a deal for critical mineral security it should expand its engagement codes of, you know, dealing with Angola, DRC, and Zambia, of course and other, including other cases.

But one of the key things we know is that need for technical assistance around responsible mining, traceability, and responsible standards. Zimbabwe, as many African countries, are looking for potential partners to break the cycle of Chinese dominance. It is important for me to highlight that due to sanctions for countries like Zimbabwe, they felt abandoned, and China took advantage.

In some context it was of the desperation to look for the lowest suitor available, China became one of the investors that was there for the country to, you know, allow mining deals.

So, I think we need to ensure that the U.S. Government rethinks its sanction regime in countries like Zimbabwe because when sanc-

tions were imposed by the U.S. Government, it created a void in companies that are disinvested, created an opportunity for a Chinese company. So, I call upon the U.S. Government to also look at its sanction regime on Zimbabwe.

Third, I think my colleagues before me have already talked about providing alternative markets, and diversifying the investment portfolio for the continent.

But my last recommendation is supporting democratic or democratic governance actors, particularly NGO's that are working to improve the regulatory frameworks and enforcement capacity around State institutions. Because the role of civil society in exposing corruption, human rights abuses, cannot be understated. It is crucial for the U.S. Government to rethink again foreign funding toward institutions, and for U.S. companies just three key recommendations.

U.S. companies that are contemplating investing in Africa, they should set higher standards for environmental, labor, and governance. This is crucial for them to manage reputational risks and also avoid clashes with the local populations. It is vital for us to ensure that we have something to compare with.

Currently in countries like Zimbabwe, for instance, there is nothing to compare with. So if we say Chinese are bad, but there is not a lot of western investment that can be compared with for say the best practice or the benchmark, U.S. companies should also ensure that with their investing in Africa, communities are benefiting from these natural resources by putting in place community benefit sharing mechanisms on corporate social responsibility. This has been done somewhere, and it has worked.

Last, I think I want to emphasize due diligence as a key recommendation, that there is proper due diligence when communities where the minerals are being extracted are actually consulted in the process of order. I think the colleagues before me have mentioned how some of the actors are not inclusive, you claim that a company is undertaking due diligence setting up in Europe or the U.S., communities where the mineral is coming from have actually not been consulted.

In conclusion, the U.S. has an opportunity to initiate and enter into critical minerals deals in a transparent manner, with higher ESG standards, and provide alternatives to counter Chinese dominance. With better options and alternatives, African governments may begin to see how certain deals, resource deals with Chinese are predatory and not beneficial for Africans. This can also serve as an example of how responsible investments can be done.

Thank you.

[The prepared statement of Mr. Bore follows:]



Zimbabwe Environmental Law Association (ZELA)

“Using the law to protect and conserve the environment”

Testimony by Obert Bore, Responsible Investments & Business
Program Lead, Zimbabwe Environmental Law Association

Before the **U.S House of Representative – Foreign Affairs
Committee Subcommittee on Africa**

**“Metals, Minerals, and Mining: How the CCP Fuels Conflict and
Exploitation in Africa”**

**Tuesday, March 25 2025, at 10:00am
Rayburn House Office Building 220**

**Chairman Smith, Ranking Member Jacobs, and distinguished Committee members, I
appreciate this opportunity to testify before this committee today. I am indeed honoured
to appear before you today**

I serve as a Program Lead on Responsible Investments & Business of the Zimbabwe
Environmental Law Association, a public interest law organization with over 20 years of using
the law to promote equitable, just and sustainable environmental and natural resources
management, economic benefits and protection of the rights of marginalized communities and
citizens in Zimbabwe and Southern Africa region.

Before I share my insights and perspective on what drives conflict and exploitation in the
mining sector in Africa, allow me to provide some context and why Africa is a key player in
global mineral supply chains.

Africa is endowed with abundant mineral resources. The continent is home to 30% of the
world’s mineral reserves with 8% of the world’s natural gas; 12% of the world’s oil reserves;



Zimbabwe Environmental Law Association (ZELA)

“Using the law to protect and conserve the environment”

50% of the world’s gold; 90% of its chromium; 90% of the world’s entire reserves of platinum; 35% of the world’s uranium; 2/3 of all manganese and 75% of coltan. With these abundance of minerals and metals, the mining sector is the backbone of

several African economies and continues to generate significant foreign currency, revenue and employment creation and contributes a large share of Africa’s GDP annually. 42 out of 54 African countries are classified as resource dependent, and the Africa Mining Vision recognizes the potential of the mining sector driving broad based economic development on the continent.

In terms of critical minerals, Africa occupies a strategic position to meet the surge in demand for the critical minerals. The continent also holds 70% of the world’s cobalt, 60% of manganese, 25% of bauxite, and nearly 15% of copper, amongst other ‘critical’ or ‘strategic’ minerals. Zimbabwe—where I was born—has the largest lithium reserves in Africa and 6th in the world, as well as second largest chromium deposits (12%) in the world. Thus, without a doubt, mining has and continues to drive economic growth and development on the continent.

While the mining sector presents opportunities for economic development, it has been plagued by governance challenges due to structural problems. For years, corruption has remained a significant barrier to responsible and sustainable mining. Several companies (***Chinese and non-Chinese have been implicated in corrupt practices to secure mining concessions***). You may all know that Glencore paid millions of dollars in bribes to secure mining and oil contracts in multiple countries, including DRC, Nigeria and Ivory Coast, while French companies like Bollore Group – have also been fined 12 million for corrupt charges in Togo. Similarly Chinese entities like China Nonferrous Metal Mining Corporation and China National Offshore Oil Corporation have been implicated in corruption in DRC, Zambia and Nigeria. While these are just examples of large corporations implicated, they are not the only bad guys, they are simply the ones which were caught on the wrong side.

For years places like Kivu in the DRC have been afflicted by conflicts intricately linked to its vast mineral wealth. Various actors, including multinational corporations, have been implicated in activities that exacerbate these conflicts. Major technology companies, including Apple have also faced scrutiny over the potential use of conflict minerals—such as tin, tantalum, tungsten, and gold—sourced from the DRC in their products.

Linked to governance challenges enabling conflict among communities and mining corporations, African countries have outdated mining laws which create loopholes that foreign entities, can exploit. For instance, Zimbabwe uses a 1961 piece of legislation created at a time when the country was under colonial rule. ZELA and many local players have been advocating for the reform of the Mines and Minerals Act to include provisions for a transparency process for awarding mining rights.

In many African countries, regulatory framework does not reflect changing global contexts demanding high standards of transparency and accountability including environmental, social and governance requirements. A case in point is where a Chinese company, Bikita Minerals,



Zimbabwe Environmental Law Association (ZELA)

“Using the law to protect and conserve the environment”

which operates a lithium project in Zimbabwe polluted a major community dam and was only fined 5 000 USD – a figure that does not reflect neither the larger environmental impacts nor the impact on community. There was a similar case in Zambia too, where a Chinese-owned mining company contaminated a river with hazardous waste, and the company was fined a mere \$10,000. These amounts barely reflect the long term environmental and public health damage.

Beyond regulatory gaps and weak institutions, challenges in the sector are coupled with high levels of unemployment on the continent – creating opportunities for predatory employment practices where companies tend to employ vulnerable labor force which is often exploited easily as they are desperate for jobs. In DRC, Zimbabwe, Zambia and other mineral rich countries, several companies (both Chinese and Western) have been accused of underpaying workers and failing to provide adequate safety equipment, contributing to workplace injuries and fatalities. We know of several workers whose employment contracts have been terminated for seeking to enforce their constitutionally guaranteed labour rights – such as joining or forming workers union or committee.

Another important factor aiding the exploitation of Africa’s minerals is the continent’s desperation for investment to finance development. This has resulted in several resource-backed loan agreements being signed – where African governments exchange mining rights or mineral resources for infrastructure development or financing. In theory, if the borrowing process is carried out transparently and effectively, and if the loan has favorable terms and the infrastructure projects are well selected and well executed, the transaction would be expected to generate positive returns for the borrowing country’s economy. However, this is not the case in practice. As of 2018, more than 11 African countries had signed RBL deals with Chinese financial institutions – whose terms are often opaque and result in unsustainable debt levels and exploitation of natural resources. A case in point is Angola whose RBL with Export-Import Bank of China (Eximbank) raised serious concerns about its ability to pay back the loan. For China, it is evident that it strategically uses its financial muscle through RBL to exploit natural resources and court Africa governments into sweet deals which are difficult to turn down – as they are desperate to get low interest loans to finance development. In some instances, the opaqueness of the loans for infrastructure collateralised by resources have resulted in some governments questioning fairness of contracts signed by their predecessors.

As the scramble for critical minerals intensifies, it is evident resource rich countries are more prone to conflict and social instability intricately linked to their minerals. One of our recent study in Zimbabwe, Mozambique and DRC has revealed several instances of forced displacement linked to extraction of critical minerals resulting in social conflict and violation of human rights.¹ In Mozambique’s Cabo Delgado province, companies such as Total Energies,

¹ Zimbabwe Environmental Law Association (2024) *Emerging Human Rights Implications of Transitional Minerals Extraction and Processing: Case Studies from DRC, Mozambique and Zimbabwe*, Available at: <https://zela.org/download/12502/>



Zimbabwe Environmental Law Association (ZELA)

“Using the law to protect and conserve the environment”

and Eni Rovuma Basin projects have displaced local communities, leading to social unrest. In Zimbabwe Chinese lithium mining projects in areas such as Buhera, Kamativi, Bikita and Gwanda have contributed to social instability due to increased competition over water depleting as a result of water intensive lithium processing.

According to a 2021 Study by the Business & Human Rights Resource Centre on the impact of China’s global investments on human rights, between 2013 and 2020 Africa had the second highest number of human rights abuses, with 26.7% of the claims recorded against Chinese companies.² In the face of these challenges, communities impacted struggle to access remedies and seek redress due to captured judiciaries.

Furthermore, several Chinese mining projects are linked to cases of forced displacement – resulting in social instability. For instance, a BYD sponsored lithium project by Shenzhen Chengxin Lithium Group in the Eastern part of Zimbabwe has been hailed as a good example for responsible mining projects yet several communities from Buhera were not adequately compensated .

Evidently, while Chinese companies contribute to fuelling conflict and exploitation of minerals in Africa, there are several non-Chinese companies that are also contributing to the bigger problem, including failing to adhere to high standards of ESG as well as transparency and accountability in their operations.

Therefore, to the United States Government I propose the following recommendations

Recommendations for the United States Government

1. ***Support to Civil Society Organisations and Local Communities*** – the role of CSOs in exposing corruption, human rights abuses cannot be understated. It is critical for the US Government to consider investing in CSOs working on mining governance sector to strengthen capacities of local communities to assert their rights and hold Chinese companies accountable.
2. ***Provide alternative markets for African countries to diversify investment partners and reduce reliance on Chinese investments.*** Africa requires responsible investments that respect community rights and environmental, social, and governance needs, and therefore the US Government can support American companies with funding to explore possibilities in countries like Zimbabwe, while meeting environmental, social, and governance standards.

² Business and Human Rights Resources Centre, 2023 Report; *Going out" responsibly: The human rights impact of China's global investments*, Available at; <https://www.business-humanrights.org/en/from-us/briefings/going-out-responsibly-the-human-rights-impact-of-chinas-global-investments/>



Zimbabwe Environmental Law Association (ZELA)

“Using the law to protect and conserve the environment”

3. ***Rethink or develop a clear American engagement strategy with Africa particularly to secure critical minerals for shared prosperity.*** African governments are all banning export of unprocessed minerals in line with Africa Green Minerals Strategy to compel beneficiation and value addition and optimize benefits. This provides an opportunity for US to strategically provide the requisite skills and knowledge by setting up processing plants and refineries in partnership with African actors.
4. ***Support democratic actors that are working to improve regulatory frameworks and enforcement capacity, and*** push for mandatory public disclosure of mining contracts, , particularly involving resource-backed loans. The US Government can also provide technical assistance to African governments to negotiate more balanced and transparent mining contracts.

To the US companies, I recommend the following

Recommendations for United States Companies

1. **US companies contemplating investing in Africa’s mining sector should set high environmental, labor, and governance standards.** This is crucial for them to manage their reputations and avoid clashes with communities hosting the resources. It is also vital for us to have something to compare with. Currently Chinese dominance of the sector makes it difficult to compare as most US companies do not currently hold or control major mining projects.
2. **US companies should ensure that communities are benefiting from resources** extracted from their areas by putting in place measures for community benefit through meaningful corporate social responsibility. Communities that do not benefit from their resources will not be incentivized to protect the project and may engage in violent protest, thereby affecting the companies social license to operate. Further, companies may also create local content policies to procure certain goods locally to ensure that mining benefits are shared with local communities.
3. **US companies sourcing minerals from Africa should undertake proper due diligence to assess potential and actual adverse human rights impacts associated with mining projects they have offtaker agreements with.** This process should also be inclusive so that communities in areas where minerals are being sourced are consulted to appreciate how mining projects are impacting their rights. This also means investing in proper traceability mechanisms for the supply chain and ensuring that marginalized communities can share their perspectives.

In conclusion, the US has an opportunity to initiate and enter critical minerals deals in a transparent manner, with higher ESG standards, and provide alternatives to counter Chinese dominance. With better options and alternatives, African governments may begin to see how certain resource deals with Chinese entities are predatory and not beneficial for Africans. This



Zimbabwe Environmental Law Association (ZELA)

“Using the law to protect and conserve the environment”

can also serve as an example of how responsible investments in the critical minerals sector can be done.

Thank you for inviting me to testify, and I look forward to your questions

Mr. SMITH. Thank you so very much for your testimony.

I have a million questions, but I will save two because we do have such a great turnout for this hearing, underscoring the importance so that members on both sides of the aisle contribute to it. So, I will come back and ask other questions in the second round and anything else we would like to do then as well.

In 2008 I traveled to Goma when very credible reports surfaced that U.N. Peacekeepers were raping young children as young as 12 and 13, bribing them, and for a meal were exploiting them sexually. I went over there.

I chaired four congressional hearings on the issue. Kofi Annan issued his zero tolerance policy, which sounded good. Jay Harold Loop from the U.N. came and testified. Very well-meaning and he was very sincere. But it didn't vary at the lack of enforcement of the zero tolerance policy. I held an additional hearing about zero compliance with the zero tolerance policy.

Because, again, words are great. Policies are great. But if they are not enforced, they are close to being meaningless, if not worse, because they give a false sense of hope.

This year's Trafficking Victims Protection Act, the report, the TIP Report for 2024 in the Congo points out, and I quote, that in 2020 "the DRC's Minister of Human Rights issued a decree increasing oversight of mining communities, including a zero tolerance policy for forced child labor in the mining sector."

However, the Government did not report certifying any mines or identifying any potential victims during the reporting period. Very disturbing. Again, well-meaning, but what happened with regards to implementation?

If our witnesses could speak to that because, you know, these artisanal mines are catastrophic for children, obviously the other mines, when you have forced labor. One of our previous hearings on this very issue pointed out that the children are not getting—they shouldn't be there in the first place, it is child labor, it is a violation of human rights, their rights, but they also don't have the right kind of protection.

They are breathing in dust as they are in the case of cobalt mining. They get very sick. Some die, but many get very, very sick. The long-term consequences are absolutely deleterious to their lives.

So, if you could speak to that.

Parenthetically, along the same lines, you know, the GAO, General Accountability Office or Government Accountability Office, issues a report on section 15.02 of the Dodd Frank Act. It pointed out that in 2023, 62 percent of the companies did perform due diligence to determine responsible sourcing of conflict minerals, and they were unable to determine the mineral source.

So, again, things were blocked. Well-meaning but it doesn't.

Finally, I will just point out, you know, I have been very, very concerned. Because I chaired 106 congressional hearings on human rights in China. I did chair the China Commission. I am shocked at how they exploit their own labor, how they, you know, whether it be in Xinjiang or anywhere else. You know, the use of forced labor is prevalent throughout all of China.

That same mind set and that same sense of exploitation was carried right into Africa as they procure things like cobalt and, again, child and adult forced labor.

What is it all about when it comes to cobalt? You know, China's share of the global electric vehicles in this past year, or 2024, skyrocketed to 76 percent. A fourth of all the EVs in Europe are coming from China. So, this is all about making more money on the backs of children, African children, and on the backs of their parents.

So, if you could speak to those issues, you know, including this lack of real due diligence, lack of enforcement of a zero tolerance policy that sounded great when it was issued.

Mr. NGURAMO. Thank you so much, Chairman Smith. I think you just characterize it correctly. We need to be—I think we need to be very demanding in terms of accountability, zero tolerance policy.

From my modest experience living in the U.S., I know we mean well. We try to help. We try to help. But we really have to be very direct, particularly in places like the DRC, because in this country, they are actually the officials who are supposed to enforce the laws and the policy in their countries.

So if they can do that, we can do that. So I'd like to say that, yes, we have put a lot of pressure on the officials in these countries to make sure they're actually enforcing their own policy and their laws and punish actually people who are doing bad stuff. Thanks.

Mr. DONGALA. I just wanted to encourage—I thank you for the TVPs question because I'm going to share industry kind of trick that I've been using that has helped us. So we've been monitoring, like I said, the school attendance levels. That data is very valuable because we know that if we start to see the school attendance levels to drop, we need to start looking for where these kids are going.

So I think the future TVPs report should find a way to include these data points of attendance levels in mining areas, something worth monitoring, because from an industry practice of due diligence, I use it to say, Okay, look, we need to start looking at this. Then from a due diligence side, the big issue is that due diligence is seen as a western demand. There's no local buy-in, in due diligence.

But if we can translate this due diligence demand locally, like the example I use of Pastor Dede, you know, about the—that notion exists locally. But if you can get buy-in from, like I say, whether it's the local school principal, the local fisher's union, the mothers of the children, they do have buy-in on the environment. So that being said, I think if we get more of the local mining communities involved in due diligence processes and even getting their signatures on the certification, it will render more effect. Even enforcement because then the community will be, like, you don't have our certification. Why are you here? So yes.

Mr. LEZHNEV. I would just add that it's the systematic kleptocracy that is the heart of exactly what you're talking about, Chairman Smith. I met a mining inspector in the DRC who told me, frankly, I live on the back of the local population. I'm incentivized to get money from them and then pass the money up the chain. Otherwise, they'll replace me here.

To change that system, you need transparency, accountability, and incentives for a clean trade. I think the legislation that you highlighted needs to be kept because it's a baseline. Without that, you have the free for all that we had before when you visited in 2008.

A whole group of Congolese Civil Society Organizations, over 100 of them wrote during the first Trump administration saying, if you repeal this Conflict Minerals Act that they would be reactivated, the terrorist networks and the armed groups, which would be very bad. But it needs to be supplemented by other measures to incentivize responsible investment like Thierry mentioned which is very important. There is such a thing as a Burma responsible investment reporting requirements.

We can follow on that. We can have awards for responsible investment from the State Department and others. Then we need a better system to trace these minerals that is much more accountable and transparent.

Thierry highlighted this ITSCI system that has failed and the responsible minerals initiative suspended them. Unless there are seriously reformed to replace, that really needs to be much more transparent on the ground. We need a better system for gold which we talked about, only those kind of things, plus incentivizing legal artisanal mining.

Then if it's legal and following the law, our children will not be there, at least of a certain age. So I think those kind of things can help. Thanks.

Mr. SMITH. Mr. Bore.

Mr. BORE. Thank you so much the question. I think for me there's a cocktail of tools that can be utilized to address the problem. My colleagues told me—they mentioned importance of due diligence. When you look at due diligence in most cases, I think 2 month ago, I visited a lithium project. It's a project owned by a Chinese company by the name Sichuan Zhiyuan.

Basically this company, they have a joint venture with the Zimbabwean government. They're mining lithium. You get into their community and they ask them, have they ever been consulted about this project that has been exploited by this company.

Most of them, they have never been consulted. But there is an environmental impact assessment report that was approved by EMMA which is the regulator. You start asking so how you do have legislation that requires environmental management agency to sort of approve only if there's consultation that are inclusive and communities have not been consulted.

So you see that institutions, they might not actually be implementing the law that exist. You have institutions that are not necessarily doing their duty and the law exists. Then you send a—you're asking these guys. So where are you sending your lithium to? Who are you buying?

They start telling you, we are selling to companies like BMW to LG, to Tesla. Some of them were even saying Tesla was in Zimbabwe doing due diligence. I live there. The company I go to, the community, if you ever heard of the company by the name of Tesla here.

So one of the key things that I need to insist, when tech companies are doing due diligence, they shouldn't just rely on the data that they get from the mining companies themselves. They have to go to the traditional leaders in the area. The local leaders will give them more information about how their community members are being impacted by the project. I'll end it there. Thank you.

Mr. SMITH. Thank you. Ms. Jacobs.

Ms. JACOBS. Thank you. As we've discussed already, there is a long history of exploitation in the mining sector on the African continent. Exploitation has emanated from not just Chinese companies but from other foreign companies too.

So if we're serious about preventing and addressing exploitation in this sector, we need to address the core drivers rather than just focus on one specific actor. So Mr. Bore, I was hoping you could explain why exploitation and corruption is so rampant in the mining industry. Why are so many companies able to take advantage and often get away with corruption, exploitation, and diversion of minerals?

Mr. BORE. Thank you so much for that question. For me, I think exploitation and corruption in the mining sector is a systematic issue that is driven by a combination of factors, both governance challenges, lack of regulatory enforcement, power imbalances between the states, the west government and also the multinational companies. In most instances, multinational companies are able to negotiate bills because of the power imbalances.

In many African countries, mining operations are taking place in a politically unstable and economically very fragile environment where institutions are very weak and oversight mechanisms are sometimes compromised. So there are a number of factors and why companies are exploiting. I mentioned earlier on during my address the issue of resource backed loans.

I think it's one of the key things that we have noticed was almost all the loan agreements that are extended to African governments by Chinese financial institutions, they are not known in the public. No one can scrutinize them and minerals are collateralized for future mineral production. But no one really knows.

Even the estimate of the value of the minerals that are being collateralized for purpose of infrastructure development. So that's one of the key factors. I think if African countries could have access to credit and not use resource backed loans as a strategy to get access to finance and development, we could, I think, break the cycle. The other thing is regulatory capture. I think this point has been overemphasized. Thank you.

Ms. JACOBS. Thank you. Mr. Lezhnev, anything to add?

Mr. LEZHNEV. Thanks for the great question. I would say two reasons: lack of transparency and lack of real accountability. You highlighted the excellent case that the U.S. Government sanctioned UAE-based gold refiner for sourcing from the Rapid Support Forces in Sudan.

That's just the tip of the iceberg. That was one company. There's a whole supply chain there of RSF companies and UAE-based companies that are trading tens of tons of gold per year and fueling that conflict.

We need to go much more—much deeper and much more robustly into those networks to hold them accountable. I think No. 2 is there needs to be transparency to level the playing field for all companies. So the extractive industry's transparency initiative is a great example of that.

Chinese, Russian, whatever company is extracting minerals in that company has to play by those rules. Now there needs to be better enforcement of the EITI standards. So for example, they now require contract transparency. Only 26 percent of the countries implementing this contract transparency are actually fully disclosing all the contracts. DRC is a great example of that.

There needs to be more followup on that transparency. But once you level the playing field, then you can really start to eliminate some of that exploitation. So I think we highlighted some of the ways.

On that transparency front, the gold trade data right now is 2 years old if you're trying to get access to this. The sanctions bodies are just playing catch up with people with these smugglers, very few of whom have been sanctioned. We need a much better system.

The industry is developing this thing called a gold bar integrity initiative which the U.S. Government needs to work together on them. We should not be behind this curve. We should be working with industry to help lead these initiatives.

Ms. JACOBS. Thank you. Since you brought up the role of the UAE gold trade in Sudan, I just want to highlight that in 2022, over 30 billion dollars in gold was smuggled from the African continent to the UAE. This illicit trade has fueled conflicts in the DRC, South Sudan, and Sudan where UAE-based companies have purchased gold from the RSF as we mentioned who is committing genocide.

You talked a little bit about how the U.S. can take more actions against UAE-based companies. Could you elaborate on how the U.S. should hold these companies accountable? Beyond in Sudan where it's become very clear the role that the UAE is playing, what other concerns are associated with Emirati mining companies involvement in the mining sector?

Mr. LEZHNEV. Sure, yes. Great question, and thank you for highlighting that and for your leadership on this issue. We really need a better system to independently monitor global gold trading centers. The UAE, Hong Kong, Switzerland, Brazil, there are certain choke points where illegal gold, whether it's from Venezuela, Sudan with genocide happening, Congo, et cetera, are going, right?

The Kimberley process for conflict diamonds actually provides a useful window into how to do this. So they have independent monitoring teams that can go and inspect and certify these global gold trading centers, especially these cash for gold markets. If you're trying to buy—if you're trying to sell gold in the UAE or some of these other places, including Hong Kong, you can just get cash for a slight discount and nobody is really following up.

I think it would be a great opportunity for Secretary of State Marco Rubio to help lead this with industry who actually put pressure on the UAE and other gold trading centers in 2020. Then basically those centers did almost nothing. Now that pressure has been backed off.

I think it's imperative on industry to hold these global gold trading centers' feet to the fire and also for banks to conduct enhanced due diligence. They have a key role to play. These centers need finance and banking systems. Banks can play a key role in that.

Ms. JACOBS. Thank you. I yield back.

Mr. SMITH. Thank you. Dr. Jackson.

Mr. Jackson of Texas. Thank you, Mr. Chairman. On Sunday, I just returned from a visit to the DRC. I went to the DRC, Rwanda, the Republic of the Congo, Burundi, and Uganda.

I met with the President in the DRC, the President in the Republic of Congo, the President in Burundi, and the President of Rwanda. I left encouraged in some ways and discouraged in other ways as you can imagine. I feel like that there is unbelievable potential in the area for peace and security and for the killing and the bloodshed to stop.

The resources there are just through the roof and tens of trillions of dollars in resources. DRC could be one of the wealthiest countries on the entire planet. But I do believe that certain things have to happen, and I don't know exactly what the answer is to get there.

I think that for this to exist, the eastern DRC has to be an area where everyone has a vested interest in the safety and security and the ability for foreign companies to come in and invest in the area. When I say everybody, I mean the DRC, I mean Burundi, I mean Uganda and Rwanda, everybody that's there. We all know right now that the eastern DRC is a completely ungoverned area.

It's like the wild, wild east, right? I truly believe that there is no ability for the government in Kinshasa to actually control that area right now. They do not have the resources or the ability to really, like, impact what's happening there.

They are actually becoming in my mind just another entity there that is trying to take advantage of the resources there and get what they can. Everyone is doing it. We know this, right? We know that Uganda is bringing minerals in from there. Rwanda is doing it. Burundi is doing it. Everyone is doing it. There's really nothing there to stop them.

I think that the Congolese government has to do a couple of things. One, they have to address the domestic issue, right? There are a large number of people in the Congo that are not Congolese citizens. They are not treated as Congolese citizens, including most of the members of M23, so on and so forth.

Now M23 is a rebel group, and we know that there's an influence there and there's a component of the Rwandan Defense Forces, the Rwandan military. But honestly, M23, with or without Rwanda right now, is pretty much uncontested in the area. They're just doing anything they want right now, and the Congolese military is not even fighting back right now.

As a matter of fact, they're just running away ahead of the M23. Or in some cases, they're laying down their weapons and they're joining M23, right? So I think that the Congolese government is in a bad position here.

But I do believe it's been a longstanding issue. It's my understanding that there are certain people in the eastern DRC that are unrecognized as Congolese citizens. That may be in part because

this used to be Rwanda before the lines were redrawn many years ago, and that used to be part of Rwanda.

But I would submit to you that there's a large part of Uganda that also used to be Rwanda as well. After it's been redrawn, now it's Uganda. Those people were immediately assimilated and treated as Ugandan citizens.

But that has not happened in the DRC. I think that's part of the problem. I think that this domestic issue has to be addressed, that everyone in the region, everyone in the country has to be treated as a Congolese citizen with all the rights and privileges of such.

I think that this is a difficult thing to do. But I think at some point, the armed resistance of M23 are not going to just put down their weapons and walk away. I think that they are an armed resistance.

There has to be an effort somehow to incorporate them into the Congolese military and make them feel like Congolese citizens that are protecting their country, not that's going on right now. I think that's one of the problems. I think the other problem is that they have the domestic problem and they have international problem obviously, which mainly focuses right now around the relationship with Rwanda.

I think that there has to be an ability for Rwanda and the President. I talked to Kagame. I talked to Tshisekedi. I talked to both of them, and I think that one of the biggest problems right now is personally they can't get along.

I think that at some point people have to put their personal differences aside. This has to be a region that's beneficial for everybody, that everybody sees profit and everybody has a reason for that to be an area of stability, right? I think that—I don't know the answer to this for sure.

But the neighboring countries have to benefit from the minerals that are in the eastern DRC as well, whether that's they have some refining capability and the minerals are mined there and refined elsewhere. Or there's a refining capability in the DRC, refining capability in Rwanda. Everybody has an ability to make some money from what's going on there.

Then I think everyone will have an interest in making sure that this is a safe and secure area. They're going to need foreign investment to come in. They're going to need other countries' businesses to want to come and operate there.

Right now, that can't happen because there's not the required level of safety and security. There's not the lack of corruption. There's going to be a certain level of corruption everywhere you go.

But when I was there, I was shocked at the level of corruption there. I talked to a Swiss company this morning, and they told me that their company was worth something like 18 billion dollars. They got a tax bill last year for their company for 18 billion dollars which is ridiculous, right?

They protested it and they got it reduced to a billion dollars which is still hundreds of times more than the profits that they make in a year. So they're being taxed at an unreasonable rate. Bribes obviously are a big deal.

The Chinese can afford to pay the bribes or they're willing to pay the bribes. We as the United States are not. Many countries are

not willing to do that, so they end up being able to compete without competition.

There's a biased justice system as well. You can never be assured that if you go there and you get into some kind of legal disagreement that it's going to be a fair judgment and it's even going to rule in your favor if you're in the right. There's manipulated exchange rates.

There's unreasonable fines. There's evidence everywhere that members of the government and their family are getting filthy rich from what's going on there while the population there is starving and living in a horrible environment. I think that we have to come up with a way to fix this.

I think that until that happens, a lot of this other stuff is not going to matter. I don't know the answer to this. But I would like to get your opinion, each of you. Do you think that in the current situation that we're in that—and obviously, there's other issues too, I just want to mention too just for the record.

But there are some—it's not all financial. Now I think a large part of it's being driven by the financial benefit from the minerals there. But I do think that there are other issues at hand too.

I do think that Rwanda has a legitimate concern regarding FDLR and the terrorist threat on their border as well. They have a tourism industry that they have to protect. It's up in the north-western part of their country that's right on the border with population centers there.

If mortars and rockets start landing there, there's no more tourism there. I saw maps and you know this because you're from there, from the area, you've been there, some of you. The city of Goma, it's on the border and it's one continuous city that goes into DRC and there's no differentiation.

So there has to be some level of security in that regard as well. So we need to figure out how we get these governments together and we come up with a reasonable way that everyone can profit financially from partnerships there so that they all want to see a level of safety and security there and that everyone feels secure because everyone is fighting some type of rebel group as well, whether it's ADF and the Islamic group that Uganda is engaged with or whether it's FDLR fighting to overcome—M23 fighting to overcome FDLR, so on and so forth.

But my question is, do you guys—and one at a time I'd like for you to answer me. Do you think that the current existing government in the DRC has the ability to do what I'm describing? Mr. Nguramo, do you want to start?

Mr. NGURAMO. Thank you, sir.

Mr. Jackson of Texas. If not, what do you think the answer is—

Mr. NGURAMO. Sure.

Mr. Jackson of Texas.—in brief terms?

Mr. NGURAMO. First of all, thank you so much for your attention to this ongoing crisis in the Congo, in the region. I appreciate very much bringing the attention to this conflict. But this crisis been going on for decades right now.

I feel very fortunate to be here in the United States. But all this time, I think about my fellow citizens, in particular in Goma. When I look at this problem, I think finding a solution is possible.

Let me use a story. When I was at West Point 10 years ago, I was actually with Rwandans cadets and hope they listen to me. We went along very well, very, very well. Actually, we're actually good friends. So in other words, peace is possible in that region.

I just hope that the leaders, particularly DRC, they understand that it's possible. I really agree what you just raised. Yes, sir. There's a lot problems on the DRC side, especially rampant corruption and bad governance.

But at the same time, the DRC side as well has to understand the problems of the Rwandan concerns which is true, absolutely true. If you look at the U.N. reports that have been coming out the past 4 years, with absolute evidences, there were collaboration between the senior FARDC officers with FDLR. I'm not making this up. It's in the U.N. report.

Why did the USA government and especially the DRCG tolerate that? Now you see the consequences. On the other hand, for example, the resources along those lines, I think there's a lot of existing mechanisms, economic/political. We just need to enforce them so that they can bring regional stability.

For example, which I think is quite frankly one of the best things ever. If the regional country actually focus on it, these agreements. Keep in mind these agreements came right off the M23 again.

Simply the regional country and particularly the DRC government had to focus on implementing those policy recommendations that were in that agreement, including firing the corruptions, implementing good governance, and the security sector reform. But what we have seen over the past, let's say 10 years, I think is this year, this agreement was signed. Really, we saw little progress.

Now people can argue, the President Tshisekedi has arrived. He has not much time. But come on. Seventy years I think are enough to show what to do or the limits of what they (Felix Regime) can do.

But I'd like to think that—in particular to come back to your question. I like to be optimistic. But I'm not seeing any positive sign from the DRCG/Kinshasa particularly to try to address some of the root causes of how this conflict has come so bad to the point of bringing the region again back to the mess we saw back in 1990's.

Particularly because—and again, I point out the U.N. reports which are very, very—actually, I always like it when all side contests the report. It means it's credible. It's correct because it's not point to one side, yes.

For example, when the Goma collapsed, if anybody was reading quite carefully and objectively what's happening behind the scene, it was predictable. It was really predictable. For many reason, I know there was no military strategy. It was looting strategy in place.

It was just some kind of maybe a looting system from the DRC elites in Kinshasa. So tried to do what is correct. But anyways, sir, I'm optimistic. I'm very optimistic. I hope that President Kagame, Tshisekedi all the efforts.

I saw their meeting in Doha, I think. I hope it goes somewhere to find solutions. But most importantly, I'd like to really emphasize on Washington, sir. Washington, most of these guys are looking at the Washington leadership.

They're looking at particular Trump administration, what they're going to do. We have the G20 summit coming up in November. I really hope the Trump administration would be engaged.

I think it did not look good for all the leaders in the world to be in Johannesburg or Cape Town with the mess just in the backyard. So we still have some time, I think, to do what we can and somehow bring to a successful conclusion, along those lines. Thank you.

Mr. Jackson of Texas. Thank you.

Mr. DONGALA. Thank you, Doctor, for your engagement on this issue. I see you've really been boots on the ground there. I have conducted due diligence in DRC for about 4 years. Up until now, I still have not been able to approve some of the traders and investors that wanted to go there.

They're mad at me. But I'm doing my job. I think that goes to answer your first question about the ability. Christ said you judge a tree by its fruits. The past 7 years, the fruits have not been tasteful.

So what I would say is the—as far as the answer to that ability, I think the President himself, President Tshisekedi, is juggling with that question. I think he's come to terms that he hasn't had the ability. He's talked about a government reshuffling.

If there's a government reshuffling, that shows a drastic change in difference. Perhaps that would embolden my answer to say, yes, give him a chance, another chance to show their ability. Then apart from that, I would say where the U.S. can play a role in helping with the ability, one thing the U.S. really does well is business and even business between states.

The U.S. could help broker this business deal between all the parties. Me being in the industry space, I'm seeing this trend that I'm briefing Treasury on it every once in a while. Central banks are getting involved in the—and all over Africa, you're starting to see central bank gold purchasing programs happening.

So now in Tanzania, their central bank is purchasing gold. Ghana, their central bank is purchasing gold. It's very interesting because central banks have sovereign immunity.

So in a way, we can't sanction a central bank. So you have to be very careful with these programs, that they're not masking bad behavior. But if they get involved in the market, it has a huge consolidating impact.

So if the DRC central bank became a gold purchaser, a local gold purchaser, and the other—they have central—the CEEC. It's a community of central African states which includes Rwanda, Burundi, DRC, and Congo-Brazzaville and Central African Republic. So they already have a framework to collaborate economically.

So the U.S. could be helpful in getting those interests aligned. It could have an impact on the ground. I just want to make one important point. There's a huge difference between the government that you deal with and the people on the ground.

The people are—I mean, in Congo, there's so many tribes. We're used to intermarriage. Even my wife, she's from another tribe. I

come from the Congo tribe. She's from—and so it's—the people, what you're seeing happening among the corrupt elite sometimes is not a reflection of the people. So I think pieces——

Mr. Jackson of Texas. I think that's part of the problem.

Mr. DONGALA. Exactly.

Mr. Jackson of Texas. People see this too.

Mr. LEZHNEV. First of all, thank you so much for traveling to the region, Dr. Jackson. I viewed your trip from afar and really salute you for heading out there during this very challenging time. I liked your phrase that the wild, wild east. I think we need to use that more.

First of all, I would say to your question the—any solution needs to start with the fact that the DRC is the DRC. There's talk of annexing parts of it and so forth. The DRC is a sovereign country and needs to remain as such.

Having said that, I think there absolutely is the possibility of a symbiotic relationship between the DRC, Rwanda, Uganda, Burundi, and other countries. We've outlined that in several papers that we wrote during the last M23 crisis. I think that started to be followed for some time.

Then people were tempted by illicit exploitation and smuggling and criminal activity on all sides really. You highlighted that the DRC military units have aided and abetted a terrorist group, the FDLR, and that continues. So any relationship that can be symbiotic has to be based on transparency and accountability.

Those who have been aiding and abetting the M23, those who have been aiding and abetting the FDLR, they need to be held accountable. Looking to the United States, are they going to do that or not. The European Union has actually taken some advanced action compared to what we have done.

But the Trump administration did sanction some Rwandan officials and M23 which was very good. It was a useful start. There needs to be a much better system for tracing and auditing the gold and the other critical minerals that are in the east so that it's much more transparent so that there can be processing facilities on the Congolese side and processing facilities on the Rwandan side.

Everyone is very clear in a multi-stakeholder framework where they're real. As Thierry said, you can't just trust people to say, oh, yes, sure, it's conflict free. Well, guess what. It's not.

So we need to have real monitoring teams out there. The ICGLR I think is a good mechanism to try to do that. But we need more support to that system such that it can be actually workable.

I think that the last point I would say is that we need more democratic governance in the DRC. It's not really democratic at the moment. That really needs to be reformed and amended and shifted. Thank you.

Mr. BORE. Thank you so much, Dr. Jackson, for the question. I'm probably not the most qualified to speak about this conflict in DRC. I think my colleagues who been in the area I think have a better place to.

But speaking from my understanding of some of the drivers of the conflict, I think there are two processes that have happened at the regional level. One, the process that—the Luanda process led by the Rwanda President who tried to bring the two, DRC and

Rwanda to the table as well as the Nairobi process. I think these two processes in a way should have at least de-escalated the conflict.

Unfortunately, I think the government in Kinshasa is not buying into the negotiation and demands. Probably I think Angola is trying to bring them to the table. One of the conditions now is the M23 is saying we also want to be on the negotiating table.

So governments can negotiate. But the leaders of the group also want to be part of that negotiation which I think is quite important. Of course, you cannot support these groups to be part of formal processes.

But we ought to accept that the situation is reached another level that it calls for these measures that are not usually what one would want. So the DRC government should accept that. At least we need to have leaders of these groups to also come and understand really their interests are.

Then the other thing is around strengthening the institutions, State institutions really. I think U.S. is a vast country. It's quite big. Arguments that we have also heard that it's quite difficult to manage such a big country with enormous resources and so many people with interest.

But I mean, the U.S. also I think can play a role through this continual, or security partnership deal and come up with some sort of like preconditions since DRC is already seeking to partner with the U.S. That can also be one of the preconditions to stabilize the region. Thank you.

Mr. Jackson of Texas. Thank you. I'll just close by saying I think there's incredible opportunity here. I think that the new administration, President Trump's administration, sees the—they want the bloodshed and the violence in eastern DRC to stop.

But they also see the U.S. national security interest in the area. That's DRC in particular but all of the continent of Africa. I think that if we can't get this fixed, if we can't develop this safety and security and the stability in the area, the people that win every time are the corrupt governments that are making money from it and the Chinese who thrive in this type of environment and on occasion the Russians. Thank you.

Mr. SMITH. Thank you very much. Mr. Olszewski.

Mr. OLSZEWSKI. Thank you very much, Chairman Smith, Ranking Member Jacobs, and to all of our witnesses. I want to just say clearly we have an abundance of resources here but also no shortage of concerns. So worthy of our time and attention. So I thank you again for calling us together.

I also just want to reinforce the point that Ranking Member Jacobs made earlier about if we're serious about exploitation, just making sure that we're taking the holistic view of things here. Certainly concerned about the impact of what the CCP is doing. But also thinking about those issues of transparency, economic opportunity that so many of you raise today.

I want to just thank you for that. It's probably no surprise to members of this subcommittee that I'm especially appalled and interested in the stories of children who are victims of the sector that is fueled by violence, corruption, and cruelty. We know that there are as many as 40,000 child laborers in the cobalt mines now.

Just this year between January and February, more than 400 children in the eastern DRC were recruited by armed actors with some as young as 14—being as young as 14 years old. We know that these children earn as little as two dollars a day and face deadly landslides, hazardous conditions, and diseases but continue to abandon school and work due to poverty and hunger. We know that, Mr. Dongala, I appreciated you mentioning the ways in which gold mining investments often reduce and less students in school.

I appreciate also your comments about monitoring attendance levels in mining areas as we address these concerns. It's a real concern. The human capital index for the DRC is at 0.37.

That means that a Congolese child born today will achieve only about 37 percent of their full potential compared to what would be if they had that full quality education, health care. It's one of the lowest scores in the world. A staggering 97 percent of 10 year olds in the DRC cannot read and understand a simple text.

In this committee and elsewhere, I will just continue to bang the drum about the importance of education among those other supports. Certainly, any successful strategy to address China's exploitation and support for Africa's use of its critical mineral sector must include the supports for families, children, and local communities. I will note in 2019, there were a number of large companies that do benefit from this cobalt mining such as BMW and Samsung and that launched the cobalt for development program with the stated goal of supporting safer and more ethical practices. These initiatives included better access for education for Congolese children which can help provide opportunity and reduce the prevalence of child labor in mines.

I guess my question then maybe for Mr. Dongala and Mr. Bore just in the interest of time, can you talk a little bit more about what initiatives have been most effective in supporting educational outcomes and providing those alternative options for income for child miners across Africa? Then if you could answer the question, especially in the context of without the presence of USAID and the ways in which those programs have been just gutted in recent months so that we can scale the programs that can work to counter CCP dominance in the region and ensuring those critical extractions, support local communities rather than exploiting them.

Mr. DONGALA. Thank you, Congressman. It's very refreshing to see someone so engaged on—it's a business question, but it's also community question. And so from the private sector side, some of the initiatives that we've done, usually there has to be a—when a mining company or a processing plant is established either in Zambia, DRC, Ghana, I think Kotavar, they all have the same framework where the village leader, there needs to be an agreement with the village.

This agreement has most of the families that are impacted by the education, their children not going to school are going to be signatories to this agreement. The village that signs off on this community agreement for mining should have provisions on education and say, hey, are your children still attending school? How many children do you have?

Lean on that community agreement that the mining company has and all the big companies have them, from Barrick down to the

smallest. Even the tiniest one they have, they have to get some sort of community agreement where they're mining. It's just that community agreement is just some random document that everyone kind of makes up, and it doesn't have real teeth.

But if you start to require that agreement monitors education, hey, are your children—we as a community signed off that we're committing our children to staying in school in the midst of these mining operations. Something that at least gets their attention on the issue. And then from there, I think initiative can build on. That's what we've been doing, and I hope others can do more.

Mr. BORE. So for me, better access for education is one of the most effective ways to reduce child labor by exploitation in the mining sector and particularly in the DRC where we have this staggering statistics of children as young as 10 and 14 not being able to read and write. And child labor I think in the mining sector is often driven by poverty and lack of economic opportunities and even social protection systems. When families cannot afford school fees, automatically, children are forced to contribute to the household income by working in those dangerous mining conditions.

What I think in terms of what those mechanisms in terms of providing access to education could do, you talked about the cohort for development which is quite a noble initiative that is focused on improving access to education and supporting safer mining practices, particularly for artisanal cobalt communities. But beyond I think the other initiative that we have seen in DRC, I think in 2019, the government also introduced nationwide free education policy. While this is quite an interesting program and increased school enrollment and challenges around overcrowding classrooms and teacher shortages, I think more needs to be done.

You may also be aware of the World Bank education program which has supported several education opportunities in DRC, including funding for school construction, teacher training, and curriculum development. But of course, these are not the only ones. UNICEF and even the international labor organizations have come up with some important mechanisms to support children to access education in the DRC.

But one last one I think the U.S. could also contribute is around conditional cash transfer programs that provide major incentives to families who are keeping their children in school. And this has been really successful in countries like Ghana where this has actually been implemented. And I think it's something that can also be borrowed for the DRC context. Thank you.

Mr. OLSZEWSKI. Thank you, all. Thank you, Mr. Chairman.

Mr. SMITH. Thank you. Ms. Radewagen.

Mrs. RADEWAGEN.

[Speaking foreign language.] Thank you, Mr. Chairman. I want to thank you all for being here today as we examine the impact of how China's involvement in mining in Africa is, and being from the Pacific Islands, I care deeply about what's going on.

So I'd appreciate the perspective of each of you. What way can we make existing legislation or regulations like the Frank-Dodd Section 1502 account for community buy-in to the certification process or encourage Africa moral sovereignty over the certification? Mr. Lezhnev.

Mr. LEZHNEV. Sure. Thank you so much for the question, a very good one. When this legislation was originally drafted and I happened to be around at that time as well. There were provisions that were added on to it that were part of it that were there to support certification and support for artisanal mining communities in the DRC and in the region.

Then when that piece of legislation—and I think in the House, it was called the Conflict Minerals Trade Act. In the Senate, it had another name. When it got folded into the wider Wall Street Reform bill, some of those sections got stripped out and there was money attached to those.

It's—I think it would be very helpful if Congress could allocate some support to the artisanal mining communities and for certification because as we've seen, as the other witnesses highlighted, the governments of the region are very corrupt. And they have corrupted some of these systems. And we need some better international independent monitoring and some support for alternative livelihoods, both to eliminate child labor as well as get some of these armed groups to make sure there's real inspections of these mines happening.

It's all there on paper. But is it going to be actually implemented? I sat on the governance board of an organization that's a U.S. Government private initiative called the Public-Private Alliance for Responsible Minerals Trade which is a great organization that has supported efforts like that on the ground.

But it's really been a drop in the bucket. So I would call on Congress to support those kind of initiatives more robustly so that we can really begin to eliminate the smuggling and the illicit actors that have stepped into some of those voids. Thank you.

Mrs. RADEWAGEN. Mr. Dongala.

Mr. DONGALA. Thank you, Congresswoman. I would say on the certification, African moral sovereignty, my colleague, Obert, mentioned something about including village chiefs. The role of the village chief in the Congo and many of the countries is kind of a ceremonial role that in DRC law it is recognized.

There's a whole traditional court system that's recognized. Getting simply them to sign off on the community agreement is already required according to law. But certification, if they can be involved in certifying because now they're putting their moral obligation, their moral authority on the line.

Usually in these communities, their moral authority is really all that they have. They kind of—sometimes they trade in that which is very bad. But it's starting to have them sign off that this is not hurting your community is a step of accountability that can be taken.

Mrs. RADEWAGEN. Mr. Nguramo.

Mr. NGURAMO. Thank you, ma'am. And thank you so much for your interest in this question. Let me just put things in perspective a little bit.

When Dodd-Frank Act came out, I was still pretty much in high school in Goma just to see how this has been going on and maybe a lot of progress on it. But here's the thing. I think my colleague have already a lot about this and particularly Sasha and Dongala who have been working on this for a long, long time.

But I'll just insist on making sure that we actually enforce our policy and the laws. I think it's really, really come back to that. If people don't see consequences of bad act or bad behavior, they can really change.

So which come back to transparency, accountability. I like us as well to I think to relate to what the Congressman just mentioned, education. Most of these kids working in these mines, I think there was just a good opportunity. They want to go to a library. They want to go to school, know how to read and write, and be able to access to information to make critical judgment of their own future.

So we have to—that's really good, Congressman. We have to make a particular—we have to emphasize on educational communities. We have to build the grassroots providing first come with stability of these areas of these communities, providing them the necessary needs like education, all those kind of things, basic infrastructure so that they can have a better future.

Mrs. RADEWAGEN. Mr. Bore.

Mr. BORE. Thank you, Congressman—Congresswomen, for this question. So for me, I think my colleagues have already mentioned some of the responses. But one of the critical things, I think, would important around supporting African government in creating legal pathways for artisanal small scales to operate under license and even access to financial services.

Currently, a lot of African countries criminalizes artisanal small-scale mining. And we know a lot of the problems emanate from the fact that in unregulated sector it's easy for it to be influenced. So I think if the artisanal small-scale mining sector is operationalized—formalized rather and also supported in terms of access to finance for them to actually do the engines or certification process which is quite expensive for small-scale miners, I think that will I think also address some of the challenges around transparency and accountability.

I think we want to ensure that companies are able to publicly or compelled to publicly disclose their due diligence practices and processes. But even the names of their suppliers to create more pressure on accountability. And last, while the Dodd Act I think quite a very important piece of legislation, I think the focus obviously has been on the 3TGs.

It could also be expanded to other lithium so that we are able to catch them all. So the limitation on the minerals, the 3TGs, needs to be expanded the scope of the Dodd Act. I think that would also assist particularly looking at emerging mineral quality chains like lithium, for instance. Thank you.

Mrs. RADEWAGEN. Thank you, Mr. Chairman. I yield back the balance of my time.

Mr. SMITH. Thank you very much. Mr. Baird.

Mr. BAIRD. Thank you, Mr. Chairman, and thank all of you witnesses for being here. We really appreciate you sharing your perspective about what's going on in Africa. But Mr. Nguramo, did I pronounce that correctly?

Mr. NGURAMO. Yes, sir.

Mr. BAIRD. I want to congratulate you for graduating from the U.S. Military Academy at West Point.

Mr. NGURAMO. Thank you.

Mr. BAIRD. But then I want to get into—in your testimony, you mentioned that the trade between Africa and China is estimated at about 282 billion or so. And it's growing at about one and a half percent annually. And yet almost all the investment in the mining and infrastructure sectors—this is according to your testimony—without long-term benefits to the countries and the gross domestic products, the GDPs of the populations there.

So indeed China routinely operates in the shadows of the governments that lack transparency. They care very little about accountability, transparency, human rights and democracy. So I picked up that you wished to comment about the fact that political and social stability and prosperity in the DRC is essential to our national security.

So in that vein, my background, I'm interested in agriculture. I'm taking a long time but I'm finally getting down to my question. Okay. I'm interested.

Mr. NGURAMO. Take your time, sir.

Mr. BAIRD. But increasingly, we've received reports that the local populations are very angry with the Chinese companies because of the environmental disasters that are directly linked to their negligent business practices. So do you believe that African governments are increasingly dissatisfied with Chinese companies operating in their countries? And have the environmental disasters caused by Chinese companies affected the agricultural sector across the continent?

Mr. NGURAMO. Can you repeat the question, sir?

Mr. BAIRD. I want to know if the Chinese practices and the destruction they've done to environmental issues in their country, has that been a factor across the whole continent?

Mr. NGURAMO. Let me just mention the thing about the DRC because I've been tracking that closely, my home country. Definitely the CCP practices in mining sector has been destructive to local populations. There are some credible report by, for example, the Amnesty International which has shown that the lack of respective environments, the lack of providing, let's say, adequate protective equipments to particularly young children who work in these mines have come to create some significant health problems to the children, including destruction of the environment.

Drugs is translating into social conflict. As we can see, for example, in Ituri I think is one of the case, I think, study we can look at. Now how that, I think, will translate to maybe some kind of dissatisfaction of the population across the country, across the continent, I think it remain to be seen. But we can that there's some trends. I think part of the reason why we are seeing all this conflict going around, particularly DRC and the Sudan.

Mr. BAIRD. Yes.

Mr. DONGALA. May I add, Congressman?

Mr. BAIRD. Yes.

Mr. DONGALA. On the agricultural connection to—we were doing some investigations in Ghana. And there's a whole new term they call galamsey which is this wildcat kind of mining of gold. And they pollute waterways all over the area.

The thing is that a lot of the conflicts in Africa is between the cattle herders and the farm landowners. For the longest time, the

farm landowners have been complaining about the cattle herders who come on their land and it causes tribal conflict. But now they're complaining about the illegal miners, and this is in China.

So it's actually becoming a farming issue as far as the pollution. A second point on that is that there's—it's not a one-off issue. But we've seen it probably three or four different countries.

Chinese firms are going into conservation areas which they're supposed to be protected. But it gives them also the anonymity. Because no one is there, they can do it kind of without anyone looking.

These conservation areas which are, like, usually you're allowed to farm around conservation areas. So a lot of farmers—and these are small holder farmers. They have a couple of acres. They use it for subsistence farming, feeding their families. They are the first ones to witness and also to feel the impact of illegal mining sponsored by the Chinese. So I just want to put that on the record too.

Mr. BAIRD. I really appreciate that comment because when you think about agriculture and Africa has a lot of fertile land that could be used for agriculture production. But when you contaminate that soil, you're going to contaminate the food. And so excellent point. Any of the other two have any comments in that regard?

Mr. LEZHNEV. That's a great question, Congressman. The prices of some of these minerals are skyrocketing. We all know gold hit 3,000 dollars an ounce for the first time a couple days ago. And what does that do on the ground in countries like this?

It was a flurry of activity. When there's no rule of law, it's the wild, wild east as Mr. Jackson said. So I think the key is really the governance and the rule of law and reducing this corruption and kleptocracy.

I've been to many mining communities in Congo where the alternative livelihood is farming. But nobody wants to do it because everyone can make a quick buck. There's so many exploitative actors from armed groups to corrupt officials who are just going after these mines.

So you need a much better framework. As Mr. Bore said, I fully support the formalization of the artisanal mining sector. Give them property rights. Give them legal areas to work.

Then the same thing for the farms. Make sure that is formalized and if there's not bribes being paid everywhere. And back earlier to Mrs. Radewagen's question, we need some support for those alternative livelihoods, and that's really in the farming communities. So if we can help reduce the corruption and support the formalization, then I think that can go a long way to establishing better governance in this sector.

Mr. BAIRD. Mr. Bore, you have any comments?

Mr. BORE. Yes, Congressman. Yes, thank you so much for the question. I think Chinese mining operations on the continent have had a significant negative impact on agriculture, particularly through displacement, environmental degradation, water pollution, soil contamination.

I think there's ample evidence of communities that have been relocated that rely on subsistence farming. But also even some of them that have been relocated large scale farming, I'll give you an example of a project that is owned by Cobalt, Zhejiang Cobalt in

Goromonzi, the eastern part of the capital city of Zimbabwe where big commercial farmers were relocated just to pave way for lithium mining.

Of course, the communities also are complaining around the conflict on water resources for mining because of the intensive amount of water required to process lithium and also for farming. So already, I think, we are seeing the connection and the linkages between how mining by these Chinese companies through illegal practices or irresponsible practice are fueling even food insecurity. I can also give you another example of a BYD supported project where I think about 30 community households were relocated from their village and they were moved to a very urban area.

They were given just around 400—I think 450 square meters of land. And these communities used to live on agriculture. So I think there's broad evidence to show that agriculture is being impacted.

Also, I mean, there are cases also from Sierra Leone where mining by Shandong has also affected agricultural production. So food security, you talk of subsistence living, even livestock. There's an organization, Zella.

I think my colleague also mentioned about moving into protected areas where Chinese companies are also now starting to explore mining particularly in national parks. You might have read in the news where we filed an application essentially an interdict before the court in Harare to challenge the minister of mines who had granted a special grant. A special grant is essentially a special mining list which allowed this Chinese company to mine in Huang which is the biggest national park in the country.

So we are seeing that companies are also starting to move away from where naturally people live to go into protected areas where there's less population. But of course, it's also impacting tourism which also brings another dimension in how mining in these areas is affecting conservation efforts. Thank you.

Mr. BAIRD. Thank you, all of you. I yield back, Mr. Chairman.

Mr. SMITH. You have one quick question, because I have a series of questions.

Ms. JACOBS. No, go ahead.

Mr. SMITH. Oh, Okay. Thank you. Let me ask a few questions. I'll put them all out and then whichever ones you would like to answer, please do. Building on Mr. Baird's comment about the local populations anger based on environmental degradation, how do you rate the environmental record of PRC mining companies in Africa compared to that of U.S. and Western companies?

Have African governments sought to hold Chinese companies responsible financially or criminally for environmental damage that their business practices have created? We know for a fact that in China itself, not only do they not follow ILO standards on labor rights, they have egregious problems in China itself with environmental degradation. Why wouldn't they just export that to their operations in another continent which is, of course, Africa?

Then what evidence, if there is any, do you see linking PRC mining activities to the funding armed groups or militias in specific African conflict areas? Thierry, if you could speak to basically what you've seen, the Chinese dollar system that circumvents the U.S. dollar system in Africa. Can you expound upon that?

Also, in Ghana, Tanzania, Uganda, Ethiopia, Sudan, and Zimbabwe, central banks have launched their own gold purchasing programs which can often mask illicit behavior because they benefit from sovereign immunity. What measures should regulators and sanction enforcers take to ensure that our sanctions and other sanctions by the EU remain effective? Let me also ask, if I could, what are the major goals and changes under the recently negotiated DRC, PRC cycle mines infrastructure for mining rights agreement?

What has the DRC government done with the reported 7 billion dollars it received from this agreement? To what extent have corruption and diversion of resources characterizes the deal as it was signed? Where would you place the responsibility?

Let me also thank you again, Sasha, for the recommendation for the illicit gold task force. I'm wondering if you're getting any traction. We'll raise it obviously with Secretary of Treasury as well as State. I think it's an excellent idea. You might want to speak a little further on that.

Then finally, I've introduced legislation, H.R. 2310, the Cobalt Supply Chain Act. I just reintroduced it. And at its core, it is Section 4, a rebuttable presumption that covered goods and goods that are made wholly or in part with forced labor or child labor cannot come here.

Although if the company can prove it, that it's free of that taint in their supply chain, then it would be allowed to come in. I patterned that after legislation I worked on along with other Members of Congress. There were four of us who did it on the Uyghur Forced Labor Act.

The better rebuttable presumption is, I think, a novel way of saying, Okay, you can export your goods. But they better be free of child labor and they better be free of forced labor of adults. There's also an enforcement strategy, Section 5, and then also a Section 6 that says clearly that no Federal procurement of vehicles—federal vehicles cannot be made from child labor or forced labor of adults coming out of Xinjiang especially because we know that's where the cobalt is being processed.

So your thoughts on that legislation because I think platitudes are great. Again, I mentioned before about the zero tolerance initiative done by the human rights folks in DR Congo. We welcome it. But if you don't get enforcement and I've done oversight hearings on the Uyghur Forced Labor Act.

While it's not perfect because we had a *de minimis* provision in there, anything that's 800 dollars or less is not subject to an inspection. And it has been exploited with impunity. And we're looking to rectify that.

So we're learning from our mistakes with that legislation. But hopefully, this will be a clarion call that we really don't want these kids being exploited anymore. When you look at how sick they get, many of them die.

Then the fact that so much of this as you all have testified fuels M23 and so many other groups that are killing, maiming, and raping in Africa. We need zero tolerance that has an enforcement capability. So if you want to speak to any of those issues that I've raised, I'd deeply appreciate it.

Mr. LEZHNEV. I'll start with the one that was directed to me, and then we can sort of maybe divide them up. Regarding the gold task force, there's illicit gold coming out of the DRC, out of Venezuela, out of Central Africa Republic, out of Sudan. And like I said earlier, China is buying it up hand over fist and potentially going to establish a new currency which threatens our own.

So we need to take bolder action to address this. And the U.S. Government I think is well primed to be in a good position on that. I think a couple things that would be important for this task force.

First of all, it's set up an interagency coordination body such that we can coordinate with industry, especially through FINCEN, to talk to banks more, to have a banking roundtable, et cetera, and then investigate and sanction the whole network. We did a whole 6-month study on sanctions. And they're most effective when they really go after the networks.

It's not just a one-off initiative. You start out with the smuggler himself. But he runs a series of shell companies, then there's a refiner, then there are officials that work with them. Once you go after that and involve multilateral sanctions, European Union, even the U.N. if possible, that can have a very important impact.

Then the private sector needs to play an important role in coordinating here. So banks need to enhance their due diligence on monitoring of gold suppliers. And the industry also should coordinate this new gold bar integrity initiative with government so that there can be some cross sharing of information.

I really think that having a central task force in the U.S. Government, they can address these various aspects. It could be very important. Over to you guys for those.

Mr. DONGALA. Thank you, Mr. Chairman. I will go ahead and answer the Chinese barter system. What's interesting, so there were a lot of deals that we saw. Like, you can see with the Kabila bill for infrastructure for minerals where they got copper and they were supposed to do minerals.

When the government audited by—when the government of Tshisekedi came into office and they audited that deal, it was a barter deal. Okay. We'll build your infrastructure. You give us the copper.

But there were no enforcements, no accountability measures. What happens is they can mine unaccountably. The government of DRC can do whatever with the infrastructure funds that we're supposed to put at disposal and work.

So this barter system happens through either state-to-State deals. Banks, local banks that are being established in the region are facilitating a lot of non-dollar transactions which evades the U.S. dollar system and sanctions. Then since we're on the topic of sanctions, how can we ensure that sanctions remain effective?

I think it goes along with this—with Sasha's recommendation of illicit gold task force. I would add the OFAC licenses which is an already existing process. What that would do is it would gather data that can be actionable, live data.

Because what's happening is to apply for a license for OFAC, they would have to share, regularly share data of their gold trading activity. And this data will inform the OFAC—the illicit gold trade

task force of trends. Right now, the enforcement of sanctions are flying blind really.

They're trying to keep up with what everyone is doing, who the trader is doing, what's the new refinery, what's the new name and all that. But I think that'll be helpful with making sure that sanctions remain effective. And then on H.R. 2310, I mean, I think this is a breath of fresh air.

What I will do for my side, from the industry side, I'll encourage—I think we need to educate industry participants to know that it's not, like, a new regulation, something that they're not already doing. But what it is, is getting more details. I would actually recommend for Section 6 if we can include weapons, procurement weapons.

Now you might have—that might be a whole lot of—a whole other storm. But if you want to make it effective because the reason why cobalt and lithium and all that is available is not only just commercial technology but also weapons technology. So if you could include in Section 6 of H.R. 2310 weapons, I think that will be a headliner also.

Mr. NGURAMO. Thank you, Chairman Smith. I would agree with the panel of Sasha and Thierry. I'll just maybe add, I think one thing in terms of, like, ranking, I like to think that Western companies are way better in many ways because, of course, it's not perfect.

But at least we have—we tend to care about issues like human rights, dignity, foreign corruption. It's not always easy, but at least we try. I'd like to think that western companies see some kind of collaboration from these African countries, particularly the Congo, so they can meet at least somewhere to have some kind of compromise along those lines.

I won't name any companies. But I work maybe two, three companies. They run into some serious problem in the DRC. But because maybe the moral standard was a bit high. Anyway, commenting on the CCP, how it's fueling conflicts, groups, I refer to the recent U.N. reports.

Not actually the recent one, but most of them over the past 3 years, I think, if you go to the appendix and really overwhelming evidences. I mention this company, Norinco which has been supplying weapons basically to all the sites. Here's the thing.

I like to think that the CCP will at least try to put some kind of guardrails. Make a name to say, hey, where these weapons are going and it may be a thing. And especially because in a situation where the militia is getting out of the DRC with serious concern of leaving a security vacuum behind.

We know the FARDC's not yet there to assume this kind of responsibility. Second, the U.N. I think I remember well. I think 267 resolutions, remove the armed shipment embargo to the DRC. So all these can create a high risk of proliferation of weapons in the area. So China, I like to think, should really care about these issues and really try to make sure there's some trustability to make sure that there's no increased conflict and violence.

Thierry already mentioned that. I think it was a great initiative. But the implementation was just a disaster. Over the past maybe 15 years, I think, it's been in the area along those lines.

It's very hard to see how those kind of agreement benefit the average person. The poverty has increased. Unemployment remain high. And so as well Felix Tshisekedi came in, tried to do some manual revision.

But we heard some payment were made, I think credit report, the recent by the IGF, the Inspector General Finance. But where the money went? It's hard really to trace it.

I'd like to think that it's probably one of the reasons why we see this dissatisfaction or disconnection between the Felix government and its populations. The people are hearing all these revenues, but they're hardly seeing them in their daily lives. And I fully support the global supply chain act, sir.

I would just insist on enforcing these laws. I know it's tough, hard. But I think that's the heavy work we have to do. We have to deploy all the necessary resources possible, learn from past mistakes.

You just mentioned we have to learn from what did not go well. Operate those kind of policy and what are the shortcomings, how we can do better next time moving forward. Thank you.

Mr. BORE. Thank you so much. So I'll address the question on central banks and responsible gold standards. So I think broadly across the African continent, central banks are implementing a variety of measures to promote responsible gold processing and kept illegal mining activities.

I could site examples of Ethiopia, the national bank of Ethiopia and even Zimbabwe where the fidelity code printers and even in Tanzania have all been coming up with incentives for ensuring that actors that are in the ASM that is small-scale mining become more responsible. Safety and health has been one of the key concerns, then also illicit trade. However, I think what hampers the these efforts by central banks to promote more responsible gold processing is the policy of what they call no questions asked policy.

I think countries like Zimbabwe have been implementing this no questions asked policy. Essentially because government has been trying to mobilize more resources, they just say bring your gold and we'll give you your money. We don't ask questions in terms of how as that gold mined using what kind of infrastructure or any child labor or any other related forced labor alone.

So I think that is a policy that has also contributed to some of the problems we have in the gold processing. And also more promoting these responsible gold processing initiatives. When coming to your question around, I think, the Gold Supply Chain Act, Cobalt Supply Chain Act, I think it's quite an important piece of legislation that I think if implemented could actually address some of the problems we are talking about.

However, I think while it's important that this presumption of cobalt that has been processed in PRC. What we find in PRC is associated with forced labor. The cobalt supply chain is very intricate.

If the act can also maybe consider what are the potential for other actors that are not, say, PRC, that might actually be refining cobalt and sending out to the U.S. market. I think restrictions and even the enforcer of this law need to also be thinking creatively and innovatively because it's not all the cobalt that is being refined in PRC even though, of course, the focus has been China.

Then I think the other thing is around national security strategy because China dominates cobalt extraction and processing. It's important for ensuring that there's more coordinated approach at the U.S.-Africa level. African government, as I mentioned earlier on are looking for investments that are going to be value adding products on the continent.

That is a big opportunity that U.S. can also actually top into and set up those refining and processing facilities on the continent. It creates jobs. It also creates the investments more secure and even government buy-in. So I think we need to think strategically and ensure that whatever we are proposing is going to allow lasting solutions and benefits for Africa and the U.S. Thank you.

Mr. SMITH. Thank you very much. Ms. Kamlager-Dove.

Ms. KAMLAGER-DOVE. Thank you. I want to thank the chair and the ranking member for allowing me to participate. I am no longer on this committee, and I miss it. I want to thank the witnesses for being there today.

I also want to just thank the committee for making an accommodation for us to have a witness virtually because not all committees do that. I appreciate the chair for holding this hearing to address to address human rights abuses in the DRC's mining sector perpetuated by Chinese companies but also by broader issues of corruption, impunity, and lack of economic opportunity that U.S. assistants should address. I was grateful to hear some of the earlier discussions about financing.

But the other reality is that right now Africa does not have a partner in the White House just by the very nature of dismantling our global foreign aid architecture and pulling back on key areas of engagement, something that China and Russia are applauding. There has been a zero Africa policy coming from this administration a belittling and a marginalizing of the continent not just with its challenges but also with its opportunities. The global relationship that the continent has not just with us but with our allies and also with our adversaries.

We talk a lot about exploitation. But there would be far more exploitation happening without any aid because rapings and killings and exploitation happens when there is no food, when there is no medicine, when there is no hope. That is just real, regardless of what continent you are on.

The death eaters at the State Department and USAID has disrupted life saving aid to the world's worst humanitarian crisis in Sudan and the Congo by whipping up PEPFAR, by exacerbating famine, and attacking the international institutions that support stability in the region. By doing all of these things, we have also yielded to China and Russia in this space.

The chair is absolutely correct. Platitudes are great, but engagement is more meaningful. And you cannot have engagement when you are not present. You cannot have engagement when you are not offering support and assistance.

And if you are going to be silent in that space, then that also means you are going to be unbothered by human rights abuses, by conflict, by malign foreign influences that are spreading across Africa. And we can dangle as many mineral deals in front of folks as we want. But if you don't think that Africa is worthy, if you pay

limited, if any, attention to the continent, if you siphon away and stop resources going toward the continent, you are aiding and abetting what China is doing.

Mr. Nguramo, and I hope I said it correctly. Apologies. Oh, great. You said CCP should or could put up guardrails. But who's going to make them? Who is going to make them?

If we don't even care enough about Africa to stay involved, then why would any—what would be our benefit to making them? I mean, so it's just like we have to take the rose-colored glasses off and live in the real world. And here are my questions.

Mr. Lezhnev, in order to address exploitation in Africa's mining sector and pave the way for U.S. investment, what levels of sustained engagement in foreign assistance would be required from the United States? And is our posture on the continent currently conducive to promoting that?

Mr. LEZHNEV. Great comment, and thank you for the good question. I think that as the administration considers where to refocus some of the aid that has been suspended, I would highlight a couple of areas. No. 1 is we really need to legalize the artisanal miners to help them legalize.

These people are mining day-to-day, right? But they need a legal framework to operate. We have the same thing here in United States in California, the rush of 1849. And the reason that we didn't have conflict minerals in California is because we had rule of law.

So people had property rights and legally enforceable contracts, et cetera. These are the things that are needed in the DRC and elsewhere on the continent. And there are things that we can do to support that, support the DRC mining ministry and help hold those accountable who are completely breaking it.

No. 2 is much better support to certification process, right? There is—Mr. Smith, you mentioned the central banks buying. Well, the DRC set up a gold buying program in the last couple of years that originally had UAE investment and the Emiratis pulled out because U.N. experts found that there were lots conflict minerals in this gold buying program.

It wasn't a central bank, but it was a similar set up. And so for high risk, there's central bank buying and there's central bank buying. So for high risk areas like the DRC really needs to have proper certification on the ground. The governments of the region have agreed on a certification process.

I was actually involved in Bujumbura when they wrote this thing. And me and some other NGO's advised on it. It's very good on paper. It has all these checks and balances, et cetera.

But it's not being implemented well. And so that's where the Public-Private Alliance on Responsible Minerals Trade, there needs to be more support to that. And those are the kinds of things that can counter illicit activity by China and others.

Ms. KAMLAGER-DOVE. So then what about—and my last question, Mr. Chair. What about also brokering a sustainable cease-fire to the destabilizing fighting led by the Rwandan-backed M23? Can you speak about that?

I think that we have been missing in action leading Qatar to convene peace talks between Congo and Rwanda. So does that play a

role? I think stabilization in the region is incredibly important. Are you maybe aware of a U.S. role in trying to preserve the fragile cease-fire I guess that was reached last week, maybe on Signal? Did you get anything on Signal?

Mr. LEZHNEV. I think that the cease-fire was a nice piece of paper that was quickly followed by a Rwanda military advance to Kisangani or toward Kisangani. And the reality is unless Rwanda and the DRC actors who are aiding and abetting other armed groups like the FDLR, unless they're held accountable, then these pieces of paper will be completely meaningless. I think that the initial step of sanctioning a senior Rwandan government minister and some M23 officials and companies was helpful.

The European Union followed by much stronger sanctions. These one-off initiatives are good. But they're not going to mean anything unless there's actually a sustained program to pay attention to that. And then once there's a level of seriousness to it, I mean, as somebody highlighted earlier, the DRC army is running away at present, then you can see some progress.

Ten years ago there was progress. And the blueprint is there in front of us. There was an M23 conflict, and Rwanda withdrew once there were serious consequences. And in particular, World Bank money was pulled out and that had a major impact because that's direct budget support.

Mr. SMITH. Thank you. Mr. Jackson.

Mr. Jackson of Illinois. Thank you, Chairman Smith. Thank you for your interest, your dedication, and your sincerity in trying to find reconciliation and peace and prosperity to this region. To my esteemed colleague, Congresswomen Kamlager-Dove, thank you for your insight.

The Trump administration has embarked on a campaign against USAID over the last 2 months, shuttering thousands of U.S.-funded assistance programs across the globe. At least one of those programs aimed at improving accountability in the DRC's mining sector. The project and partnership with Enterprise, EGC, and Responsible Mineral Initiatives, RMI, aim to ensure that the production and export of cobalt and other strategic minerals in the DRC met standards of social and environmental responsibility and traceability and to address some of the complex governance issues that contribute to the perception of DRC as a high risk investment destination.

This program has since been terminated. I'd like to first start off with Sasha if you don't mind. And I thank each of your time and talent that have come before us today. Can you please explain how the extraction of critical minerals in the DRC fuels conflict?

Mr. LEZHNEV. Sure. Thank you for highlighting these important issues, Congressman Jackson. Yes, I mean, it's very unfortunate that there are critical minerals in eastern Congo. Tin, tantalum, and tungsten are the three that unfortunately continue to fuel some of the conflict.

I will say I've been working on the DRC for about 17 years now. And the situation for those particular minerals was much worse before. And you had basically a free for all at mines and companies had no idea where they got their minerals.

Now you have an auditing system, an industry set up thanks to Congress to trace and audit these minerals. And almost two-thirds of them, 66 percent of the smelters which are the key choke points in these supply chains have now actually passed these independent audits. The issue is that there's some smugglers on the ground who have taken advantage of some of those loopholes and this traceability mechanism which we talked about earlier, the ITSCI, which is pretty opaque and why the electronics industry suspended them have gotten around some of those systems.

So there needs to be better enforcement of the certification mechanism and some of these transparency standards so that there can be a much better symbiotic relationship between the DRC, Congo—sorry, the DRC, Rwanda, Uganda, et cetera, whereby there can be a peaceful trade. And there has been a peaceful trade for some time. But unfortunately, Rwanda and others have stepped in to take advantage of some of that. But I do believe that can be restored as long as there's real consequences for the illicit actors.

Mr. Jackson of Illinois. Thank you. As well, Mr. Thierry, as well, do you believe that the gutting of U.S. foreign assistance in the DRC creates a void for China to fill as it further pursues control of critical minerals?

Mr. DONGALA. I would say based on my statement, I think the void is created, yes, by our absence. We have—the sanction system I said is pretty much all stick and no carrot. So I recommended that we have a carrot sort of involvement with OFAC, the Treasury, OFAC licensing.

But then what's happening right now with the assistance program, I mean, I would almost defer to Congress because the spending authority is yours. Under law, there is a presence. But just right now we're going through a situation where the U.S. Government is deciding to review all of these spending decisions. So I think it's calling for the leadership of this committee on these decisions to guide the administration on how to make these most effective.

So I think the leadership of Chairman Smith and Ranking Member Jacobs can be—it's probably warranted the most right now to make sure that there's an absence or a void in the midst of these decisions.

Mr. Jackson of Illinois. Thank you, Mr. Thierry. Again, I thank each of you. And I would probably add to that for the record. There's been a gutting of this department when the employees had been removed. Life will go on.

There will be a continuous void. And to rebuild what they've taken out in the last 2 months could take us five or 10 years from trying to capture that intellectual talent and restaff these agencies. But then again, I'm honored to be here with my esteemed chairman, Mr. Smith. And again, thank you each for coming.

Mr. SMITH. Thank you very much, Mr. Jackson. Any of you would like to add before we close? Because your testimony has been outstanding, incisive, and gives us a blueprint for action. Thank you. Mr. Bore? Thank you. Thank you, and the hearing is adjourned.

[Whereupon, at 12:39 p.m., the subcommittee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD



Chairman Brian Mast

**COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE HEARING NOTICE**
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Subcommittee on Africa
Chris Smith (R-NJ), Chairman

March 21, 2025

Revised

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs to be held by the Subcommittee on Africa at 10:00 a.m. in Room 2200 of the Rayburn House Office Building. The hearing is available by live webcast on the Committee website at <https://foreignaffairs.house.gov/>.

DATE: Tuesday, March 25, 2025

TIME: 10:00 a.m.

LOCATION: 2200 RHOB

SUBJECT: Metals, Minerals, and Mining: How the CCP Fuels Conflict and Exploitation in Africa

WITNESSES: Mr. Sasha Lezhnev
Senior Policy Advisor
The Sentry

Mr. Thierry Dongala
Founder
Accountable Africa

* **Mr. Joseph Mulala Nguramo**
Nonresident Fellow
Atlantic Council Scowcroft Center

* **Mr. Manareldin (Manar) Zarroug**
Chairman
Omnia Ventures & Al Faisalia Limited

*

Mr. Obert Bore
Responsible Business & Human Rights Program Lead
Zimbabwe Environmental Law Association

*NOTE: Witnesses added/changed.

**NOTE: Witnesses may be added.

By Direction of the Chair

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202 -226-8467 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS
MINUTES OF AFRICA SUBCOMMITTEE HEARING

Day Tuesday Date March 25, 2025 Room 2200 RHOB

Starting Time 10:03 Ending Time 12:39

Recesses ☐ (___ to ___) (___ to ___) (___ to ___) (___ to ___) (___ to ___) (___ to ___)

Presiding Member(s)

Chairman Smith

Check all of the following that apply:

Open Session ☒

Executive (closed) Session ☐

Televised ☒

Electronically Recorded (taped) ☒

Stenographic Record ☒

TITLE OF HEARING:

Metals, Minerals, and Mining: How the CCP Fuels Conflict and Exploitation in Africa

COMMITTEE MEMBERS PRESENT:

Attached

NON-COMMITTEE MEMBERS PRESENT:

N/A

HEARING WITNESSES: Same as meeting notice attached? Yes ☒ No ☐

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

Rep. Cherfilus-McCormick

TIME SCHEDULED TO RECONVENE _____

or

TIME ADJOURNED 12:39

Meg Wagner
Full Committee Hearing Coordinator

Committee on Foreign Affairs
Subcommittee on Africa
119th Congress

ATTENDANCE

Meeting on: Metals, Minerals, and Mining: How the CCP Fuels Conflict and Exploitation in Africa
Date: 03/25/2025

[illegible]

Rep. Cherfilus-McCormick
March 25, 2025 House Foreign Affairs Subcommittee on Africa Hearing
Statement for the Record

Mr. Chairman, Ranking Member, and distinguished colleagues, thank you for convening this hearing.

The issue before us today is not just about minerals – it is about people. It is about children forced into labor, communities suffering from environmental devastation, and the nations struggling under the weight of corruption and exploitation.

We cannot ignore the undeniable reality: The Chinese Communist Party (the CCP) has strategically entrenched itself in Africa's mining sector, exerting control over critical minerals essential to the global economy.

But this control has come at a steep cost – human rights abuses, environmental degradation, and the perpetuation of poverty.

We must recognize that at the root of this crisis are weak institutions.

And make no mistake – when it comes to the development needs of Africa, and the national security and economic prosperity interests of the United States – the CCP has us all in a lose-lose situation.

And when you're in a lose-lose situation, you don't just pick sides. You alter the status quo.

If we don't address the CCP's influence in Africa now, America will pay the price later.

To counter China's influence, we must do more than criticize. We must act now and provide real solutions.

We must do more.

The U.S. pledged \$600 million to the Lobito Railway Corridor project, but China invested over \$20 billion in Africa in 2023 alone.

The U.S. has a long history of partnering with African nations, but over the last 20 years, China has become Sub-Saharan Africa's largest bilateral trading partner, accounting for 20% of the region's exports.

In 2022, the U.S. hosted the U.S.-Africa Leaders summit, but in 2024 China hosted the China-Africa Cooperation summit – where they pledged an additional \$51 billion and a million jobs.

The U.S. must do more.

That is why I have introduced a resolution to strengthen U.S.-Africa relations in the development of the Critical Minerals sector.

Unlike China's extractive approach, U.S. investment adheres to labor, environmental, and governance standards.

Our strategy must be about more than just securing resources – it must focus on value addition, local job creation, and sustainable development.

That is how we can align our strategic energy interests with Africa's long-term prosperity.

It is also how we can be an ally to a thriving African minerals sector – one that benefits the people as much as it does the global supply chain.

That is how we can accomplish a true win-win scenario, with a stronger, more self-reliant Africa in partnership with a more secure United States of America.

Thank you, and I look forward to our discussions.



Testimony Before the House Foreign Affairs Subcommittee on Africa

Hearing Title: Metals, Minerals, and Mining: How the CCP Fuels Conflict and Exploitation in Africa

Date: March 25, 2025

Witness: Mr. Manareldin (Manar) Zarroug, Chairman, Omnia Ventures & Al Faisalia Limited

Chairman Mast, Ranking Member Meeks, and esteemed members of the Subcommittee,

Thank you for the opportunity to testify on the critical issue of Chinese mining operations in Africa, with a particular focus on Sudan. This hearing is of immense importance, as it sheds light on how the extractive industries—dominated by Chinese state-backed and private enterprises—are not only exploiting Africa’s vast mineral wealth but also exacerbating human rights violations, environmental degradation, and corruption at an alarming scale.

Chinese mining operations in Sudan have become a flashpoint of controversy, with deep-rooted concerns over exploitative labor practices, environmental destruction, and their corrosive influence on governance. While China presents itself as a development partner to African nations, the reality on the ground often tells a starkly different story—one of exploitation, opacity, and disregard for local communities.

1. Exploitative Labor Practices and Human Rights Violations

The conditions under which Sudanese workers labor in Chinese-owned mining operations are appalling. Testimonies from workers, particularly in the Red Sea State, reveal:

- **Substandard Wages and Harsh Working Conditions:** Employees often endure long hours in hazardous environments without protective gear, health benefits, or job security. Safety regulations, if they exist, are largely ignored.
- **Discriminatory Hiring Practices:** Skilled positions are overwhelmingly reserved for Chinese nationals, while Sudanese workers are relegated to low-paying, menial roles. This lack of skills transfer denies Sudan’s workforce meaningful participation in its own resource wealth.
- **Exploitation and Neglect:** The absence of effective labor protections has resulted in frequent workplace injuries and deaths, with little to no recourse for victims’ families. Chinese firms systematically disregard Sudanese labor laws, operating with impunity due to their close ties with government officials.
- **License Evasion and Regulatory Violations:** Many Chinese mining firms operate without the necessary legal permits, a practice enabled by corruption within Sudan’s regulatory institutions. This illicit activity not only deprives Sudan of critical revenue but also exacerbates lawlessness in the mining sector.



• **Obscuring Communication and Isolating Local Experts:** Many companies use Chinese as their primary language of operation, making it nearly impossible for Sudanese engineers and regulators to oversee or hold them accountable for their activities.

2. Corruption and Political Manipulation

China's economic engagement in Sudan is not solely about commerce—it is deeply intertwined with political maneuvering, often reinforcing corruption and undermining local governance. Some of the most troubling aspects include:

- **Bribery and Undue Influence:** Chinese mining firms routinely engage in illicit financial transactions to secure contracts, often bypassing competitive bidding and fair regulatory oversight.
- **Funding Conflict and Destabilization:** Mining revenues from Chinese operations have been linked to illicit financing of armed groups in conflict zones, including Darfur. The influx of Chinese capital into these regions has fueled further instability rather than fostering peace.
- **Opaque Contracts and Unaccountable Agreements:** Many mining contracts lack transparency, leaving Sudanese citizens unaware of how their nation's resources are being allocated or exploited. Public funds that should be reinvested into local development instead disappear into the hands of corrupt elites.

3. Environmental Devastation and Negligence

The environmental consequences of unregulated Chinese mining operations in Sudan are severe and, in many cases, irreversible:

- **Widespread Pollution:** Cyanide and mercury—highly toxic chemicals—are routinely used in gold extraction without proper containment measures. These pollutants have poisoned Sudan's rivers, soil, and groundwater, posing an existential threat to both human and animal populations.
- **Deforestation and Land Degradation:** Large swaths of agricultural and pastoral land have been rendered useless due to reckless mining activities, threatening food security and traditional livelihoods.
- **Lack of Remediation Efforts:** Unlike responsible mining operators, Chinese companies often abandon depleted sites without taking any steps to rehabilitate the land. This has left communities grappling with polluted environments and unproductive lands long after the profits have been extracted.

4. Case Study: The Disappearance of Advanced Gold Mining Company Limited



Perhaps one of the most emblematic cases of malpractice is the mysterious disappearance of the Advanced Gold Mining Company Limited in Kassala State. This company, valued at approximately \$25 million, vanished under questionable circumstances, raising serious concerns about its legality and operations:

- The company was never properly registered with local authorities, and its operations were shrouded in secrecy.
- It appears that powerful political interests facilitated its existence outside of Sudan's formal regulatory framework.
- Following internal disputes and external political pressure, Chinese partners severed ties with Sudanese stakeholders and struck separate deals with Kassala's local government—a move that ultimately backfired when legal violations surfaced.
- Amid growing scrutiny and fears of prosecution, the Chinese partners fled Sudan, leaving behind millions of dollars' worth of equipment and an ongoing legal quagmire.

This case underscores the deep institutional weaknesses that allow Chinese companies to operate in Sudan without oversight, and it demonstrates the devastating impact of China's economic engagement when left unchecked.

5. Geopolitical Ramifications and the Need for an Alternative

China's extractive agenda in Sudan is part of a broader strategy to secure mineral resources for its global supply chain, particularly under the Belt and Road Initiative (BRI). Sudan's mining sector has become yet another example of how Chinese investments often prioritize economic extraction over sustainable development.

- The long-term consequence of this model is clear: Sudan is left with environmental destruction, economic instability, and governance failures, while China solidifies its control over critical mineral supply chains.
- The U.S. and Western allies must offer an alternative model—one that prioritizes ethical investment, environmental responsibility, and local economic empowerment.

Conclusion and Recommendations

China's mining operations in Sudan epitomize a predatory model of economic engagement that prioritizes short-term gains over long-term sustainability. If left unchallenged, this model will continue to exploit Sudan's resources, weaken its institutions, and harm its people.



To address this, I urge the United States and its partners to:

1. **Increase Oversight of Chinese Mining Operations** – Encourage Sudanese authorities to adopt stricter monitoring and enforcement mechanisms to ensure compliance with international labor and environmental standards.
2. **Promote Transparent and Ethical Investment** – Facilitate U.S. and Western investments that prioritize fair labor practices, environmental stewardship, and long-term economic benefits for local communities.
3. **Support Sudanese Institutional Reform** – Strengthen anti-corruption frameworks and governance structures to prevent Chinese firms from exploiting regulatory loopholes.
4. **Enforce Accountability in Supply Chains** – Ensure that critical minerals sourced from Sudan and other African nations are ethically extracted and transparently traded.

Final Thoughts

Sudan is at a crossroads. It can either remain a victim of exploitative foreign interests or take decisive steps toward a more transparent, sustainable, and locally beneficial approach to resource management. The U.S. has a pivotal role to play in supporting this transition.

Thank you for your time, and I look forward to your questions.

