

High-Value Natural Resources and Post-Conflict Peacebuilding

Edited by Päivi Lujala and Siri Aas Rustad
Foreword by Ellen Johnson Sirleaf

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Preface

Decades of civil wars, international wars, and wars of secession demonstrate the strong relationship between natural resources and armed conflict. Disputes over natural resources and their associated revenues can be among the reasons that people go to war. Diamonds, timber, oil, and even bananas and charcoal can provide sources of financing to sustain conflict. Forests, agricultural crops, and wells are often targeted during conflict. Efforts to negotiate an end to conflict increasingly include natural resources. And conflicts associated with natural resources are both more likely to relapse than non-resource-related conflicts, and to relapse twice as fast.

Immediately after the end of a conflict, a window of opportunity opens for a conflict-affected country and the international community to establish security, rebuild, and consolidate peace—or risk conflict relapse. This window also presents the opportunity to reform the management of natural resources and their revenues in ways that would otherwise be politically difficult to achieve. Capitalizing on this opportunity is particularly critical if natural resources contributed to the onset or financing of conflict—and, if this opportunity is lost, it may never reappear. Moreover, poorly informed policy decisions may become entrenched, locking in a trajectory that serves the interests of a limited few.

Since the end of the Cold War, and particularly since 2000, substantial progress has been made in establishing institutional and policy frameworks to consolidate peacebuilding efforts. In 2005, the United Nations established the Peacebuilding Commission to identify best practices for peacebuilding. The commission is the first body to bring together the UN's humanitarian, security, and development sectors so that they can learn from peacebuilding experiences.

The Peacebuilding Commission has started to recognize the importance of natural resources in post-conflict peacebuilding. In 2009, along with the UN Environment Programme, the commission published a pioneering report—*From Conflict to Peacebuilding: The Role of Natural Resources and the Environment*—that framed the basic ways in which natural resources contribute to conflict and can be managed to support peacebuilding. Building on this report, the commission is starting to consider how natural resources can be included within post-conflict

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planning and programming in Sierra Leone, the Central African Republic, Guinea-Conakry, and other countries.

Since the establishment of the Peacebuilding Commission, the policies governing post-conflict peacebuilding have evolved rapidly. In his 2009 *Report of the Secretary-General on Peacebuilding in the Immediate Aftermath of Conflict*, UN Secretary-General Ban Ki-moon articulated five priorities for post-conflict peacebuilding, all of which have natural resource dimensions. The following year, in an update to that report, Ban Ki-moon noted the pressing need to improve post-conflict natural resource management to reduce the risk of conflict relapse, and urged “Member States and the United Nations system to make questions of natural resource allocation, ownership and access an integral part of peacebuilding strategies.” And a 2011 UN report, *Civilian Capacity in the Aftermath of Conflict*, highlighted approaches for mobilizing civil society to support peacebuilding in many realms, including natural resources.

The World Bank has also begun focusing on natural resources: the Bank’s 2011 *World Development Report*, for example, placed the prevention of fragility, conflict, and violence at the core of the Bank’s development mandate. Drawing on the Bank’s experiences around the world, the report focuses on jobs, justice, and security, and highlights the contribution of natural resources to these goals.

Despite growing recognition of the importance of post-conflict natural resource management, there has been no comprehensive examination of how natural resources can support post-conflict peacebuilding. Nor has there been careful consideration of the risks to long-term peace caused by the failure to effectively address natural resources. Practitioners, researchers, and UN bodies have researched specific resources, conflict dynamics, and countries, but have yet to share their findings with each other at a meaningful scale, and limited connections have been drawn between the various strands of inquiry. As a result, the peacebuilding community does not know what works in what circumstances, what does not, or why.

Given the complexity of peacebuilding, practitioners and researchers alike are struggling to articulate good practice. It is increasingly clear that natural resources must be included as a foundational issue; many questions remain, however, regarding opportunities, options, and trade-offs.

Against this backdrop, the Environmental Law Institute, the UN Environment Programme, the University of Tokyo, and McGill University launched a research program designed to examine experiences in post-conflict peacebuilding and natural resource management; to identify lessons from these experiences; and to raise awareness of those lessons among practitioners and scholars. The program has benefitted from broad support, with the government of Finland—one of the few donor governments to explicitly recognize the role of natural resources in both conflict and peacebuilding efforts—playing a catalytic role by providing core financing.

The research program has been guided by the collective experiences of the four members of the Steering Committee: as the coordinators of the program and the series editors, we have drawn on our work in more than thirty post-conflict

countries. Our experiences—which include leading environmental assessments in Afghanistan, developing forest law in Liberia, supporting land reform in Mozambique, and fostering cooperation around water in Iraq—have led to a shared understanding that natural resource issues rarely receive the political attention they merit. Through this research program and partnership, we hope to catalyze a comprehensive global effort to demonstrate that peacebuilding substantially depends on the transformation of natural assets into peacebuilding benefits—a change that must occur without mortgaging the future or creating new conflict.

Since its inception in 2007, the program has grown dramatically in response to strong interest from practitioners, researchers, and policy makers. Participants in an initial scoping meeting suggested a single edited book consisting of twenty case studies and cross-cutting analyses. It soon became clear, however, that the undertaking should reflect a much broader range of experiences, perspectives, and dimensions.

The research program yielded more than 150 peer-reviewed case studies and analyses written by more than 230 scholars, practitioners, and decision makers from almost fifty countries. The case studies and analyses have been assembled into a set of six edited books, each focusing on a specific set of natural resources or an aspect of peacebuilding: high-value natural resources; land; water; resources for livelihoods; assessment and restoration of natural resources; and governance. Examining a broad range of resources, including oil, minerals, land, water, wildlife, livestock, fisheries, forests, and agricultural products, the books document and analyze post-conflict natural resource management successes, failures, and ongoing efforts in more than fifty-five conflict-affected countries. In their diversity and number, the books represent the most significant collection to date of experiences, analyses, and lessons in managing natural resources to support post-conflict peacebuilding.

In addition to the six edited books, the partnership has created an overarching book, *Post-Conflict Peacebuilding and Natural Resources: The Promise and the Peril*, which will be published by Cambridge University Press. This book draws on the six edited books to explore the role of natural resources in various peacebuilding activities across the humanitarian, security, and development sectors.

These seven books will be of interest to practitioners, researchers, and policy makers in the security, development, peacebuilding, political, and natural resource communities. They are designed to provide a conceptual framework, assess approaches, distill lessons, and identify specific options and trade-offs for more effectively managing natural resources to support post-conflict peacebuilding.

Natural resources present both opportunities and risks, and postponing their consideration in the peacebuilding process can imperil long-term peace and undermine sustainable development. Experiences from the past sixty years provide many lessons and broad guidance, as well as insight into which approaches are promising and which are problematic.

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A number of questions, however, still lack definitive answers. We do not always understand precisely why certain approaches fail or succeed in specific instances, or which of a dozen contextual factors are the most important in determining the success of a peacebuilding effort. Nevertheless, numerous discrete measures related to natural resources can be adopted now to improve the likelihood of long-term peace. By learning from peacebuilding experiences to date, we can avoid repeating the mistakes of the past and break the cycle of conflict that has come to characterize so many countries. We also hope that this undertaking represents a new way to understand and approach peacebuilding.

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Foreword

Ellen Johnson Sirleaf

President of Liberia

In Liberia, we face a paradox similar to that of many post-conflict developing countries described in this book: our country is endowed with rich natural resources, yet our people live in poverty. The story of Liberia's recent history is well known. Despite our abundant natural heritage, for fourteen years Liberia was ravaged by a horrific civil war that disintegrated the nation and brought us near the bottom of the United Nations' Human Development Index. By 2003, our economy had collapsed, our infrastructure was destroyed, and our young people knew only war and want. And once again we faced a paradox: our timber, minerals, and other natural resources promised a way out of poverty and conflict, but they also threatened to pull our country back to the destructive path of patronage, corruption, and violence.

When I became President, in 2006, we faced herculean challenges of where to start the transition from war to peace, from devastation to recovery. Although the transitional government had made important steps, unemployment was at an all-time high, and inflation was driving up food and fuel prices. The war had devastated our economic structures and undermined the government's capacity to implement the sound economic policies necessary to recover. The diamond and timber sectors, key sources of revenue for the country, were frozen under UN sanctions. A whole generation of children was traumatized and had missed the opportunity to go to school. We needed to reintegrate former soldiers and find a way for almost one million Liberians to return home. We had inherited an entrenched, criminalized value system—a system in which impunity and mismanagement of our natural resources had been the norm.

Peace brings promise, and with it high expectations—especially in a country with abundant natural resources. We needed to provide for the basic needs of our people, give them jobs, rebuild our economy, restore governance and government, and reweave the fabric of society. The revenues from our diamonds and timber had been used to fuel conflict, yet we knew that to move our country forward, we had to turn this natural resource “curse” into a blessing. But where to start?

Throughout Liberia, our abundant natural resources offered the promise for consolidating peace and building a better future for our country and our people. Diamonds, iron ore, gold, and other minerals are among Liberia's many buried treasures. Above the soil, millions of hectares of valuable forests cover our landscape. And beneath the sea, our offshore continental shelf may well harbor oil and gas. We needed to figure out how to manage these resources for the

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transition to peace. We needed to harness these resources to provide our people with tangible peace dividends in the form of jobs, schools, and improved living standards. At the same time, we had to devise a way to reverse the entrenched corruption and mismanagement in order to prevent a relapse into war. While we had considerable international support, we had no model to follow for how to put back the pieces of our broken country.

In order to fulfill the promise of our natural heritage, we realized that better management of natural resources had to become a centerpiece of Liberia's postwar development strategy. A large part of the problem lay in the lack of information about money that companies extracting timber and other natural resources had paid to the government. This money belonged to all the citizens of Liberia, not just to the rulers, business elites, and soldiers.

I vowed to ensure national growth, development, and reconciliation through accountable management of our extractive industry and the revenue it generates. To put this principle into practice, we immediately took steps to rein in uncontrolled extraction of our natural resources and to combat the cancerous vice of corruption. We continued the efforts of the Governance and Economic Management Assistance Program begun by the transitional government; joined the Kimberley Process; established the Land Reform Commission; reformed the timber sector from top to bottom; and joined the Extractive Industries Transparency Initiative (EITI).

My first executive order, in February 2006, cancelled all timber concessions until new standards could be put in place. Six months later, we passed a pioneering new forestry law that provides for sustainable and beneficial use of Liberia's forests. The new law helps ensure that local communities play an active role in approving timber contracts, monitoring timber operations, and benefiting from timber revenues. To overcome the legacy of mistrust, we have made a special effort through the Liberia EITI to be inclusive by widely publicizing revenues from the mining, petroleum, rubber, and forestry sectors.

Trust is the greatest asset that any country can have. After war, however, trust was perhaps our scarcest resource. By restoring transparency, empowerment, and accountability in our core natural resource sectors, we have started to rebuild that trust. These efforts are central to Liberia's conflict reduction strategy.

In reforming management of our high-value natural resources, we are finding our way along the path from conflict to peace and sustainable development. We are not alone on this path. This book examines many of the initiatives that Liberia has undertaken, as well as experiences from other countries. When Liberia was first emerging from conflict, we had no model and little guidance for how to transform our natural resource sectors to rebuild our country. This book provides valuable insights for making peacebuilding more effective through natural resource management. As we learned directly, timber and other high-value natural resources were important for a surprising number of the tasks we faced in rebuilding our country. The experiences and analyses in this book are an essential resource for everyone working in post-conflict peacebuilding. I only wish that this book had been available when I became President.

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