



Natural resources, armed conflicts, and the UN Security Council

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The United Nations Security Council (UNSC) has taken an unprecedented number of measures to tackle links between natural resources and armed conflicts over the past decade. The main goal of these measures was to curtail access to revenues by targeted groups. Natural resources do not have the monopoly on war financing, but this priority reflected a growing trend of resource-funded hostilities since the 1980s.¹ Two other goals have informed Security Council initiatives: limiting wartime resource exploitation to benefit the population after the conflict, rather than belligerents during the conflict; and reforming resource sectors to prevent conflicts and consolidate peace.

UNSC instruments

To reach such goals, the Security Council used four main instruments: sanctions, expert panels, peacekeeping, and peacebuilding (see Table 1). So-called commodity sanctions are by far the most frequently used instruments. Aiming mostly at the financing of rebel groups, sanctions were imposed since 1992 on Cambodia (Khmer Rouge), Angola (UNITA), Sierra Leone (RUF), Afghanistan (Taliban), Liberia, and Ivory Coast. To these can be added sanctions on Iraq (RES661) and Libya (RES883), the later addressing Libya's involvement in the Lockerbie bombing, rather than Libya's training and funding of insurgent groups in civil wars.

All these sanction regimes - except Iraq, Cambodia, and Libya - were associated with expert panel investigations and public reporting. Launched in 1999 by the Angola Sanction Committee chairman Robert Fowler, expert panels have allowed unprecedented 'naming and shaming' through the UN system. This chilled sanction-busters, even though by 2006 less than a handful had been successfully prosecuted. Expert panels also reported on the "illegal exploitation of natural resources and other sources of wealth" in the Democratic Republic of the Congo, but without sanctions being imposed.

Peacekeeping missions and peacebuilding trusteeships have also addressed resource and conflict linkages. Investigations, border controls, policing, mediation between parties, and resource management reforms date back to the UN's first major multidimensional peacekeeping mission in Cambodia (UNTAC, 1992-93). In partnership with local national authorities and international aid agencies, multidimensional UN missions also sought to reform resource sectors in post-conflict settings, through institutional and legal support.

Responses from the Security Council have been somewhat delayed when considering the rising number of conflicts financed by so-called 'contraband goods' such as narcotics, timber or diamonds since the 1980s. Besides the Cold War context, Security Council did not prioritize commodity sanctions compared to arms sanctions, negotiated settlements and regional or UN peacekeeping. Overall, commodity-focused UNSC instruments were used in only about a third of conflicts involving commodities since 1989.

Assessing the relative effectiveness of UNSC instruments in ending a conflict is difficult.² Pro-active sanctions committees and expert panels have improved the effectiveness of commodity sanctions, along with coalition building with NGOs, industry and concerned governments. Sanctions are now better targeted, monitored

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and somewhat enforced, while their humanitarian impact is more carefully considered. Arms sanctions remain more effective in ending conflicts.³ But well enforced commodity sanctions can also play a role, and the two have often been associated.

Each conflict is unique and responses must remain flexible and highly contextualized.⁴ In this respect the choice and timing of instruments need to reflect:

- Characteristics of resources (legality, accessibility, geographical distribution)
- Structure of the industry (bottle necks, consumer awareness)
- Motivation and capacity of intermediaries and authorities along the commodity supply chain (domestic and regional governments, trade associations)
- Type of conflict and armed groups targeted

The best sequencing emerging from past UN experience seems a succession of expert panel investigation, targeted sanctions, robust peacekeeping and, if necessary, 'secondary-sanctions' on sanction-busters. This should be followed by a 'post-conflict' review of the resource sectors and support for local authorities, including for the renegotiation of resource contracts signed during the period of hostilities.

Conflict diamonds and recent trends in commodity-related conflicts

The case of conflict diamonds provides an important example in the evolution of sanction regimes. Measuring the direct effectiveness of sanctions on diamonds is difficult, and was even more so before the Kimberley Process was in place. Statistics from rough diamonds imports into Antwerp between 1987 and 2000, for example, suggest that diamond trafficking declined well before the sanctions due to military factors. Sanctions, along with expert panel reporting and strong lobbying by NGOs and concerned countries consolidated that trend and raised sufficient industry and public awareness to bring about the Kimberley Process Certifying Scheme for rough diamonds, as well as diamond-related peacebuilding initiatives.

Beyond diamonds, timber and oil remain overall the two most significant among the many commodities involved in conflicts. Unlike oil, timber only marginally increases the risk of conflict. Dealing with timber thus largely involves the same tools that have been used for diamonds, including an international certification scheme under the European Union model of Forests Law Enforcement Governance & Trade (FLEGT). Oil presents a more serious challenge due to its potential negative impacts on governance and economic performance. There is strong evidence that oil increases the risk of conflict.⁵ This calls upon the UNSC and other organisations of the international community to consider what measures could reduce the risk of conflict in a growing number of producing regions currently experiencing oil booms. Transparency of oil revenues is a major element, now pursued by more than 20 countries through the Extractive Industries Transparency International. Beyond transparency, political will and institutional capacity support to establish strong checks and balances are warranted, as well as prudent fiscal management and sound approaches to economic diversification.

Potential directions

It is timely for the UNSC to reflect upon a decade of commodity-focused interventions, and to debate emerging challenges and potential responses.⁶ UNSC responses to natural resources and armed conflicts linkages could be enhanced in several areas:

First, existing instruments could be improved.

- Consolidation of expert panels initiatives. Consideration should be again given to the creation of a permanent support unit, assisting individual groups of experts and collaborating with UN missions and judicial authorities. Improving the prosecution of sanction-busters and illegal activities identified in expert panel reports remains a concern. A systematic investigation of the political economy of conflicts could also be considered.
- Review of the role and behavior of peacekeeping forces. The deployment of peacekeepers in resource areas should be given more attention, so as to promote a more effective use of their observation, mediation or policing capacity, but also to reduce unintended negative impacts such as contributions to war economies.
- Articulation of commodity sanctions and peacebuilding initiatives. Study groups bringing expertise within UN missions on 'post-conflict' transition in the resource sectors would help identify constraints and opportunities for building a stronger peace in resource dependent regions, including security sector reforms and the review of wartime resource exploitation contracts. Priority issues include responses to highly fragmented conflicts in weak states, such as in the case of the Democratic Republic of the Congo, and to conflicts in oil-producing regions.

Second, the UNSC could debate emerging threats and new responses. Concerns about the growing number of conflicts in oil producing regions demand a specific focus on the energy sector. The impact of the current commodity boom on future international peace and security also requires a reflection on conflict prevention opportunities for the UNSC.

- Pursue a debate on the links between resources and security, and potential international responses. This debate should help define what constitutes "conflict commodities" and illegal practices in the resource sectors, clarifying future decision-making within the UNSC and the concerns of companies operating in politically sensitive countries and conflict zones. This debate, and a possible presidential statement, could also acknowledge such requirements and existing efforts directed at reducing the risk of resource-related conflicts.
- Support greater revenue transparency in the extractive sectors. The UNSC has already supported the Kimberley Process. It could similarly support the Extractive Industry Transparency Initiative by relating transparency to security (the case being made in terms of fiscal management, political legitimacy, and community relations).
- Consider primary commodity monitoring and certification schemes. The UNSC already passed several resolutions supporting the Kimberley Process, which also received the support of the UN General Assembly. The debate could include a

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discussion of the applicability of certification for commodities other than diamonds. The case of oil, specifically in relation to the security impacts of oil bunkering in the Gulf of Guinea, could be discussed. The case of timber could also be considered.

- Foster international collaboration on resource related peace and security. A UNSC debate and presidential statement could point at the value of the collaboration between international organizations on this topic, and potentially suggest a joint-task force between the International Financial Institutions and several UN entities (e.g. UNSC, DPA, DPKO, PBC). To this effect a preliminary institutional mapping exercise might be warranted to identify mandates, competences, and current initiatives. More specifically, ***building a broad coalition to address the links between energy, security and peace*** is an urgent priority.

Table 1- UNSC resource-focused responses (1968-2006)

	Full sanctions	Commodity sanctions	Expert panels	Peacekeeping and peacebuilding
Rhodesia	1968-79 S/RES/253			
Iraq	1990-03 S/RES/661			
Cambodia		1992-93 S/RES/792		1992-93 UNTAC
Libya		1993-03		
Angola		1998-02 S/RES/1173	1999-01	1991-99 UNAVEM/MONU
Sierra Leone		2000-03 S/RES/1306	2000-02	1999-2003 UNAMSIL
Afghanistan		2000- S/RES/1333	2001- ongoing	2001- ISAF
Liberia		2001-07 S/RES/1343	2001-06	2003- UNMIL
DR Congo			2000- ongoing	2003- MONUC
Ivory Coast		2005- S/RES/1643	2005-	2005- UNOCI

- ¹ Ross, ML (2006) A closer look at oil, diamonds, and civil war. *Annual Review of Political Science*, 9: 265-300.
- ² Le Billon, P and E Nicholls (2007) Natural resources and Conflict Termination: Revenue Sharing, Economic Sanctions, and Military Interventions. Liu Institute for Global Issues, University of British Columbia.
- ³ On the cases of Liberia and Ivory Coast, see Strandow, D (2006) Sanctions and Civil War: Targeted Measures for Conflict Resolution. Department of Peace and Conflict Research, Uppsala University.
- ⁴ Le Billon, P (2005) *Fuelling War: Natural Resources and Armed Conflicts*. Adelphi Paper 373. London: IISS and Routledge.
- ⁵ Fearon, JD (2005) Primary Commodity Exports and Civil War. *Journal of Conflict Resolution*, 49(4): 483-507.
- ⁶ See Bannon, I and P Collier (2003) *Natural Resources and Armed Conflicts. Options and Actions*. Washington DC: World Bank; Ballentine, K and H Nitschke (2005) *Profiting from Peace. Managing the Resource Dimensions of Civil War*. Boulder: Lynne Rienner; Alley, P et al. (2007) *To have and to have not: Resource governance in the 21st Century*. Berlin: Heinrich-Boll Foundation

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