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THE SINEWS OF WAR

ELIMINATING THE TRADE IN CONFLICT RESOURCES

J.B Russell/Panos Pictures

A BRIEFING DOCUMENT BY GLOBAL WITNESS  NOVEMBER 2006

Endless money forms the sinews of war.
Marcus Tullius Cicero, 106-43 BC, Philippics

Executive summary

Natural resource wealth, if not managed accountably, may lead to entrenched corruption, conflict and poverty. Access to lucrative revenues from the plunder of natural resources can initiate, intensify and sustain conflict and can encourage 'political-military entrepreneurship'¹ by predatory armed groups to gain wealth and power through armed conflict, leaving a trail of systematic and gross violations of human rights in their wake.

The ability of parties to a conflict to exploit natural resources depends on their access to external markets. Take away the ability to profit from resource extraction and they can no longer exacerbate or sustain conflict. Although it is now universally accepted that revenue from natural resources provided the logistics for war in countries such as Angola, Cambodia, Liberia and Sierra Leone, the international community has yet to put an effective deterrent strategy in place to address this problem.

Conflict resources continue to pose a significant threat to international peace and stability and remain linked to gross human rights abuses.

- Despite peace agreements and elections in the Democratic Republic of Congo (DRC), armed factions still fight over the control of natural resources in the country's eastern regions with significant associated violence towards civilians;
- Natural resources are playing a role in funding the violence in Côte d'Ivoire;
- Natural resources, including fish and timber, are playing a key role in funding the conflict in Somalia.

Global Witness believes that the rise of the international 'responsibility to protect' agenda provides for a more prominent and systematic role for the Security Council to address the deliberate targeting of civilian populations in conflicts funded, in part, by natural resource exploitation.

The international community should act by:

- Agreeing on a common definition of 'conflict resources', such as, '*natural resources whose systematic exploitation and trade in a context of conflict contribute to, benefit from, or result in the commission of serious violations of human rights, violations of international humanitarian law or violations amounting to crimes under international law*'. This definition could be endorsed by a Security Council resolution and could then be used as a trigger for subsequent international action, including sanctions. A common definition could also play an important role in encouraging corporate due diligence by providing a clear behavioural red flag for businesses and individuals operating in conflict zones;
- Implementing a comprehensive sanctions regime on conflict commodities, and building on the existing Expert Panel process to provide for a permanent professional body to oversee sanctions;
- Using the Security Council's power to refer cases to the International Criminal Court to investigate and punish those trafficking in conflict resources where national governments are unable or unwilling to act;
- Ensuring accountable and transparent natural resource management during post-conflict reconstruction through various means, including peacekeeping operations and the UN's new Peacebuilding Commission.

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I. The role of natural resources in initiating and sustaining conflict

Wars need money. Since the end of the Cold War, natural resource exploitation has played an increasingly prominent role in providing this money. Previously, many of the world’s conflicts were financed by competing super-power blocs. Since such ideological sponsorship is now much harder to come by, and as war remains an expensive business, belligerents have turned instead to easily accessible wealth from the exploitation of minerals, timber and other natural resources. In the process, they have left a long trail of war crimes and brutal human rights violations in their wake and, in some cases, have devastated a nation’s infrastructure so completely that the already daunting process of reconstruction and rehabilitation can seem almost impossible.

As overseas support dried up in the late 1980s, the genocidal Khmer Rouge in Cambodia began major logging and gem-mining operations in their territory, providing them with between US\$60-120 million a year in the early 1990s with which to fight the Cambodian government.² Precious

minerals such as diamonds, rubies, emeralds and lapis lazuli have been used to fund conflicts from Angola to Afghanistan, from Burma to Sierra Leone, whilst tin ore is still being used to fund warring parties in the Democratic Republic of Congo.³ Timber sales have provided funds for the conflicts in Liberia and Sierra Leone⁴. Warlords in Somalia are being funded by charcoal extraction and fisheries licensing.⁵ There have also been reports that Nepal’s insurgent Maoists earned a significant portion of their income from the sale of a rare fungus, yarsagumba, that is highly prized in Asia as an aphrodisiac.⁶ Table 1 (see later) and the various case studies highlighted in this report show the pivotal role that natural resources have played in conflicts.

Although not all conflicts in the post-Cold War period have involved natural resource trading, there is a growing body of evidence showing that the presence of such resources increases the likelihood of armed conflict and provides the financial means of sustaining it. Over time, profit from resource exploitation can also become a major motive for

combatants to continue fighting. The existence of easily accessible natural resources not only makes insurgency economically feasible⁷ (and therefore war more likely) but can also alter the dynamics of conflict itself as natural resource revenues allow combatants to fight for longer and encourage them to orient their military activities around gaining tangible assets such as diamond mines.

There is evidence that an abundance of natural resources (as measured by the ratio of primary commodity exports to GDP) is, in fact, the single most important factor in determining whether a country experiences civil war.^{7, 8, 9} An analysis of data from 47 civil wars between 1960 and 1999 revealed a major difference in the risk of civil war for resource-poor and resource-rich countries: all other things being equal, countries that did not export any natural resources had a 0.5% chance of experiencing a civil war over this time, whereas countries where natural resource exports made up 26% of GDP had a 23% chance of experiencing civil war.¹⁰ This finding was backed up by another study which showed that the likelihood of civil war in countries that produce oil, gas and diamonds rose sharply from the early 1970s to the late 1990s, as did the number of rebel groups that sold contraband to raise money.¹¹

If resources are spread throughout a country where a conflict is taking place or if they are offshore (as with some oil and gas deposits), meaning that they cannot easily be captured piecemeal, then the conflict may focus on control of the state itself as the most effective mechanism for gaining

control of resource wealth. Where resources are concentrated in one region of a country, then their existence may well catalyse a secessionist conflict. The amount of investment necessary to extract a resource, its portability and the supply and demand dynamics of the marketplace are other key variables. Natural resources can also make a sustainable peace less likely because unresolved tensions and rivalries between ex-combatants over control of resource rents can easily pull apart a fragile peace settlement.

Resource-related conflicts can take various forms. There are conflicts that centre on the control of a resource but where the conditions of conflict actually prevent the resource being extracted, such as the war around the Bougainville copper and gold mine in Papua New Guinea in the late 1980s.¹² There are also conflicts where the extraction of the resource is intimately tied up with the actual prosecution of the war and the operation of armed groups. Tangible riches in the form of natural resources may alter the mindset of combatants, turning war and insurgency from a purely political or ethnic activity to an economic one; conflicts become less about grievance and more about greed.

David Keen, an expert on complex emergencies, describes how under such circumstances 'war becomes the continuation of economy by other means'.³² The political and economic 'fog of war' encourages rent-seeking – or 'political-military entrepreneurship' – by enterprising individuals who aim to gain wealth, power and status through the prosecution of armed conflict.³³ In developing countries



Timber was one of several natural resources that played a major role in financing former Liberian President Charles Taylor's ambitions of regional destabilisation. *Global Witness*

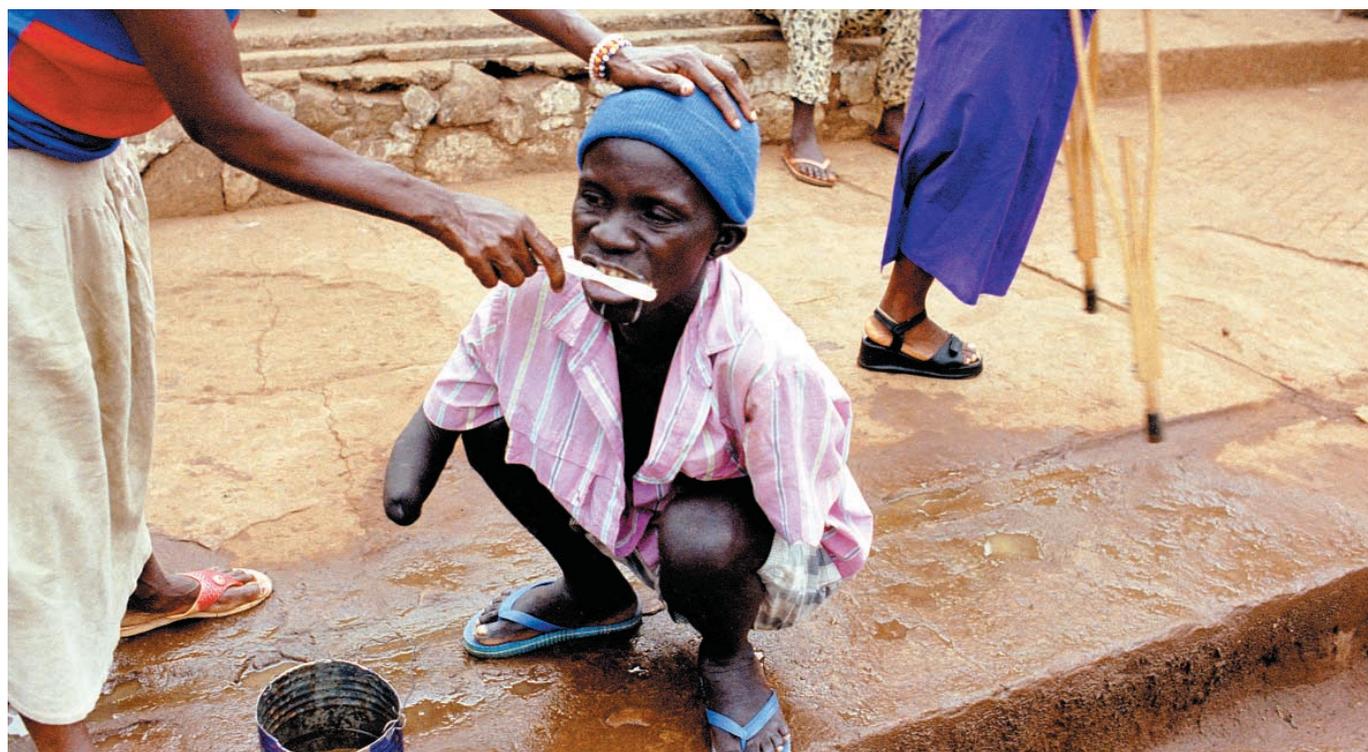
Table 1. Recent civil wars (1990-2005) exacerbated by natural resources³⁴

<i>Country</i>	<i>Duration</i>	<i>Resources</i>
Afghanistan	1978-2001	Gems, opium
Angola	1975-2002	Oil, diamonds
Burma	1949-	Timber, tin, gems, opium
Cambodia	1978-1997	Timber, gems
Colombia	1984-	Oil, gold, coca
Congo, Dem Rep of	1996-1997, 1998-	Copper, coltan, diamonds, gold, cobalt, timber, tin
Congo, Rep of	1997-	Oil
Côte d'Ivoire	2002-	Diamonds, cocoa, cotton
Indonesia – Aceh	1975-	Timber, natural gas
Indonesia – West Papua	1969-	Copper, gold, timber
Liberia	1989-2003	Timber, diamonds, iron, palm oil, cocoa, coffee, rubber, gold
Nepal	1996-	Rare fungus?
Papua New Guinea – Bougainville	1989-1998	Copper, gold
Peru	1980-1995	Coca
Senegal – Casamance	1982-	Timber, cashew nuts
Sierra Leone	1991-2000	Diamonds
Somalia	1991-	Fish, charcoal
Sudan	1983-	Oil

with corrupt governments and weak economies, where advancement in government requires being a member of a particular group and there is little chance to prosper whilst outside of that group, the opportunities offered by a recourse to war are tempting for individuals who want wealth and power and who are otherwise unable to get it. Easily exploitable resource wealth may become a key facilitator of such rebellions. The prize for a successful rebellion may be to run and loot an entire country, as it was for Charles Taylor in Liberia (see 'Case study: Liberia'). Even relative fail-

ure may still mean the control of an autonomous area of a country, riches, status and power from the resources within it and the possibility of being paid off for a cease-fire or being included in a future power-sharing government.

The link between natural resources and conflict depends critically on the ability of the exploiters to access external markets. Take away the ability to earn returns from resource extraction and its value to the promoters of conflict falls away, sometimes dramatically.



The RUF, predominantly funded by diamond revenues, chopped the limbs off civilians as a terror tactic in Sierra Leone. *Teun Voeten/Panos Pictures*

Case study: Liberia



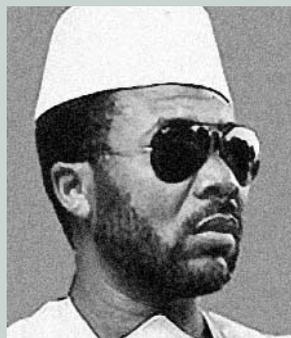
Martin Adler/Panos Pictures

The recent civil war in Liberia, in which more than a quarter of a million people died, half of them civilians, and during which some 1.3 million people were displaced, provides perhaps the starkest example of military-political entrepreneurship driven by natural resource exploitation.¹³ Warlord Charles Taylor financed his armed insurrection in 1989 by using revenue generated by the sale of timber and diamonds. When he gained power in 1997, Taylor proceeded to sponsor the Revolutionary United Front (RUF) – whose signature was to chop the limbs off civilians to promote terror – in its struggle in neighbouring Sierra Leone. Systematic rape was another tactic; it is estimated that half of all women in Sierra Leone were subjected to sexual violence, including rape, torture and sexual slavery during the civil war.¹⁴

The Liberian government not only provided material support to the RUF, but also sent its soldiers to fight alongside them,¹⁵ partially in an effort to gain control of the lucrative Sierra Leonean diamond fields, less than 100 miles from the Liberian border. UN sanctions were not imposed on Liberian diamonds until March 2001, almost two years after Liberia became involved in funding the war in Sierra Leone. As a result of sanctions, Taylor's government

shifted its focus to timber as its primary source of revenue; again, it took another two years for the UN to impose sanctions on timber.

Taylor ran a shadow state that completely bypassed the normal state institutions, diverting logging revenues to himself rather than the treasury and using these funds to finance his ambitions of regional destabilisation. Logging company militias also became private armies. Liberia's revenues from logging were a minimum of US\$187 million in 2000. According to government figures only US\$7 million of this money made it into government coffers so, subtracting for production costs, around \$100 million went unaccounted for.¹⁶ The Liberian timber industry played a vital role in arms brokering, with logging companies themselves sometimes acting as arms traffickers.¹⁷



Liberian President Charles Taylor. *Global Policy*

In 2000, Taylor regularised his theft of natural resources by passing the 'Strategic Commodities Act', which declared that the President was granted the 'sole power to execute, negotiate and conclude all commercial contracts or agreements with any foreign or domestic investor',¹⁸ effectively signing over control of all the natural resources

in Liberia to himself. This ‘theft by legislation’¹⁹ effectively legalised Taylor’s pillage: given the inherent instability of the regime, it also encouraged the immediate liquidation of Liberia’s natural capital. Between 1997 and 2001, the production of roundwood in Liberia was estimated to have increased by over 1,300%.²⁰



Ukrainian mafia man and Liberian timber baron Leonid Minin. *Agenzie Fotogramma*

One of the timber companies allowed to operate in Liberia was Exotic Tropical Timber Enterprise, which was run by Ukrainian mafia boss and arms trafficker Leonid Minin. Minin was later arrested in a hotel room in Italy in August 2000, where he was found with, amongst other things, half a million dollars worth of diamonds and a briefcase full of documents showing him to be linked to arms deals with Taylor and the RUF.²¹

In March 2003, the Special Court for Sierra Leone formally indicted Charles Taylor for participating in a joint criminal enterprise ‘to take any actions necessary to gain and exercise political power and control over the territory of Sierra Leone, in particular the diamond mining areas. The natural resources of Sierra Leone, in particular the diamonds, were to be provided to persons outside Sierra Leone in return for assistance in carrying out the joint criminal enterprise ... as part of his continuing efforts to gain access to the mineral wealth of Sierra Leone and to destabilize the Government of Sierra Leone.’²² Whilst Taylor himself was not charged with seeking to take over the diamond mines of Sierra Leone, his aid for the RUF in return for payment later, meant that he was, in effect, involved in racketeering.

UN timber sanctions were finally imposed in July 2003, more than two years after they were first discussed by the Security Council. The following month, with his funding cut off, and the advance of various rebel groups on Monrovia, Taylor went into exile in Calabar, Nigeria. He continued to be involved in Liberian politics, despite this being against the terms of his exile deal, until his escape and subsequent arrest on 29 March 2006.²³

A Global Witness investigation in March and April 2006 found reasons for concern over a continued link between natural resource exploitation and potential conflict and instability.²⁴ Some 15,000 mainly ex-combatants who had fallen outside UNMIL’s (United Nations Mission in Liberia) demobilisation and rehabilitation programmes, appeared to be in control of rubber plantations around Guthrie and Sinoe.²⁵ At that time there was no presence of government authorities in Guthrie.²⁶ The ex-combatants’ former command, control and allegiance structures remained in place and the taxation of the rubber trade was controlled by their former commanders.²⁷ Interviews with UNMIL peacekeepers suggested that an average of 6-7 trucks full of rubber were leaving each day generating around US\$18,000 in ‘taxes’ a month.²⁸ An UNMIL report dated April 2006 noted, ‘on numerous occasions, (...) the ex-combatants in Guthrie Rubber Plantation are committing serious crimes, including murder, rape and aggravated assault.’²⁹ Similar crimes have been reported around Sinoe.³⁰

The 2006 progress report of the Secretary General on the United Nations Mission in Liberia concluded that ‘the lack of state control over the natural resources of Liberia remains a potential source of instability. The illegal occupation and exploitation of rubber plantations, including Guthrie, Sinoe, Cavalla and Cocopa plantations needs to be urgently addressed.’³¹ In August 2006, the Liberian government announced that it had restored state authority at Guthrie, with UNMIL’s support, confirmed by a Global Witness visit to the plantation. However, the government does not yet have control over other key areas, such as the BOPC diamond mine and other rubber plantations.



Logs were traded for arms at the Liberian port of Buchanan. *Global Witness*

II. The need for a coherent definition of conflict resources

The international community has broadly recognised the role of natural resources in initiating, intensifying and sustaining conflict and has also, on a case-by-case basis, identified this role as a threat to international peace and security and imposed sanctions through the Security Council.³⁵ However, the international community has not yet designed a comprehensive strategy to address the problem effectively. Sanctions have been adopted sparingly rather than systematically; they have taken time to be adopted and have not been successfully implemented. There are also inconsistencies as to which countries and resources are targeted by sanctions. Despite its central role in the conflict in the DRC (See ‘Case study: DRC’), the trade in natural resources originating from that country has not been subject to international sanctions.

At the same time as the trade in natural resources has come to play an increasingly significant role in funding conflict, the international community has shown mounting concern about the impact of conflict on civilians.³⁶ Self-sustaining predatory armies backed by resource rents have routinely and systematically committed deliberate human rights abuses against civilians, including the forced recruitment of child soldiers in Sierra Leone and Liberia, the Revolutionary United Front’s trademark amputation of civilians’ limbs in Sierra Leone, summary execution and enslavement by UNITA (União Nacional pela Independência Total de Angola) in Angola, forced displacement of civilians in DRC, Angola and Cambodia, systematic rape of civilian populations in Cambodia, Congo Brazzaville, DRC, Liberia and Sierra Leone and cannibalism as a terror tactic in DRC. This is partly because civilians have come in the way of the contested resources, and partly because resource wars have often been fought in countries where the state is fragile and levels of formal military expertise are low, meaning that the combatants are often militiamen with poor training and discipline and dangerously little accountability. Such ‘resource wars’ also revolve around the illicit exchange of resource rents for arms and therefore promote international trafficking and contraband in arms. They also provide a harbour for other forms of organised crime, and even for terrorist activity.³⁷

The international community needs to address resource-related conflicts in a way that tackles their particular character: in other words, by proactively addressing the trade that underlies the war, as well as the war itself. Global Witness believes that the

international community, led by the Security Council, should put a comprehensive deterrent strategy in place with an authoritative mandate to stop conflict resources from contributing to human rights violations and to remove them from international trade. The first step towards such a strategy is to clearly define what a conflict resource is.

The term ‘conflict resources’ is one that is easy to grasp, but harder to define. An intuitive definition might be ‘natural resources extracted to fund a war’. However, not all conflict is internationally illegitimate – a state has a sovereign right to defend itself against aggression provided that it obeys the laws of war embodied by instruments like the Geneva Conventions. If a state relies on natural resource extraction for its wealth, and it is attacked, it is its sovereign right to use its legitimate tax revenues to defend itself, no matter what their source. There are certain rebellions against, for example, despotic or genocidal governments, which can also be considered legitimate (again, as long as they do not break the laws of war).

And this is the crucial point. While the legitimacy of war is a very complex subject, the intentional targeting of civilians for gross and systematic human rights abuses has become a growing international concern as civilians have become the vast majority of the casualties of war.³⁸ This change in the nature of conflict and its consequences, such as the mass displacement of civilians and extensive media coverage of atrocities, has forced the international community to recognise its ‘responsibility to protect’ civilians from human rights abuses during conflict or grave crisis. Global Witness believes that the problem of conflict resources must be addressed as part of this emerging consensus on collective security.



In Angola, over a quarter of the population was forcibly displaced by both sides in the civil war. *JB Russell/Panos Pictures*

Case study: Democratic Republic of Congo

The disintegration of the DRC, a country the size of Western Europe, in the late 1990s is perhaps the apogee of the problem where natural resources are bountiful and governance is poor. The conflict, which started in 1996, has involved the armies and proxy militias of six different countries, as well as those of the Congolese government itself and numerous rebel groups. These groups have engaged in the plunder and looting of the DRC's vast natural resource wealth in a conflict that has seen catastrophic levels of civilian casualties with a death toll from conflict and conflict-related issues estimated to be around four million. One study suggested that over 38,000 deaths occurred each month in early 2006 as a result of the insecurity in the country's eastern provinces.³⁹ With over 2.2 million civilians internally displaced,⁴⁰ the war in the DRC is, according to the United Nation's Development Programme, the worst conflict and humanitarian disaster since the Second World War.⁴¹ Massacres of unarmed civilians, systematic rape and the use of child soldiers have been extensively reported.⁴²

Although the conflict was caused by a number of complex political and ethnic factors, economic motivations have played a key role, with the Congolese government, numerous rebel groups and neighbouring countries funding their war effort through the exploitation of the DRC's natural resources. In many instances, fighting has been motivated by the desire of these actors to gain or retain control over the lucrative diamond, coltan*, gold and cassiterite (tin ore) mines in the eastern provinces of North Kivu, South Kivu, Maniema and Orientale. This has been documented extensively since 2001 in numerous UN Panel of Experts reports⁴⁴ and other independent reports.

The DRC's neighbours played an active role in the exploitation of the country's natural resources throughout the conflict. Rwanda and Uganda backed several rebel groups at different times, including RCD Goma (Rassemblement Congolais pour la Démocratie) and the MLC (Mouvement pour la Libération du Congo). These groups, which splintered into numerous factions, have fought to control mines, especially in the east of the country, and have funded their activities with revenues from the trade in natural resources, for example by imposing illegal taxes on operators in their

areas. Zimbabwean troops, brought into the country by the former president of DRC, Laurent Kabila, were awarded timber concessions in 1998 in return for their help in defending the government against these rebel groups.⁴³ The government, in turn, funded its own war with revenues from resources in government-held areas, such as the copper and cobalt trade in the south-eastern province of Katanga.⁴⁴

The war officially ended in July 2003, when the peace process resulted in the creation of a Transitional Government, consisting of members of the former government and representatives from all the major rebel groups. However, the central government in Kinshasa has struggled to reassert control over this vast country and a number of groups have continued to fight and to try to retain influence over parts of the east during the transitional period. As the country slowly moves towards peace, rebel groups and armed forces, including the newly integrated Congolese national army, still compete over natural resources, for example in the Kivu provinces in the east, where armed groups have battled to control coltan and cassiterite mines.⁴⁵

Impunity remains widespread in the DRC where very few groups or individuals have yet been tried or systematically investigated for their role in atrocities and abuses of humanitarian law in the country. Many of those who have used violence to control mining areas were given key positions in the Transitional Government and were among the candidates in the July 2006 elections.

Although the UN Security Council imposed an arms embargo on armed groups operating in eastern DRC, it has not taken strong action to address the role played by natural resources in driving conflict. Despite broad international recognition of the links between natural resource exploitation and conflict in the DRC, detailed recommendations by the UN Panel of Experts' reports on this issue have not been adequately followed-up. In December 2005, the International Court of Justice ruled *inter alia* that by engaging in the illegal exploitation of natural resources and pillaging assets and wealth in the DRC, Uganda had violated several principles of international humanitarian law and human rights law and should pay compensation to the DRC.⁴⁶



Cobalt and copper mine, DRC.

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* Coltan is a mineral used in electronic devices, such as mobile phones and laptop computers.

III. 'Conflict resources' as part of a collective security approach

In order to fulfil its mandate of ensuring peace and security for all, the UN has been gradually implementing reforms towards a more effective and comprehensive approach to collective security, conflict prevention and peacekeeping. In 2000, the Brahimi report⁴⁷ suggested reforms to improve the management of the expensive UN peacekeeping and peacebuilding operations. Peacekeeping has put great strain on the UN with mixed results and some clear failures such as Yugoslavia (Srebrenica), Angola, Somalia, Rwanda and Cambodia.⁴⁸ At the same time, the UN's mixed record on sanctions against governments, particularly in the case of Iraq, has led to an international effort to design more effective, humane and targeted sanctions. In 2003, the Stockholm Process made a number of specific recommendations to the Security Council on how to improve the implementation and monitoring of targeted sanctions.⁴⁹ In 2004, the Report of the Secretary General's High-level Panel on Threats, Challenges and Change recommended a number of measures to ensure that Security Council sanctions are effectively implemented and enforced.

The international community's response to the changing nature and consequences of conflict has been shaped by the 'responsibility to protect' agenda including a more prominent role for the Security Council in conflict prevention and in the protection of civilians in armed conflict.

Since the early 1990s, the Security Council has recognised that large scale human suffering is both a consequence of, and a contributing factor to, instability and further conflict. As such, serious and blatant violations of international law and human rights law constitute threats to international peace and security and are, therefore, part of the Security Council's remit.⁵⁰ This role was explicitly acknowledged in



Graffiti in Guinea shows diamonds being central to African conflicts

Global Witness

the Security Council's second resolution on the protection of civilians in armed conflict in 2000:

[The Security Council] notes that the deliberate targeting of civilian populations or other protected persons and the committing of systematic flagrant and widespread violations of international humanitarian and human rights law in situations of armed conflict may constitute a threat to international peace and security, and, in this regard, *reaffirms* its readiness to consider such situations and, where necessary, to adopt the appropriate steps.⁵¹

This responsibility was recently strengthened by the international community's full endorsement, via a resolution adopted by the UN General Assembly in 2005, of the emerging concept of the responsibility to protect, which sets out the duties of governments to protect their populations from genocide, war crimes, ethnic cleansing and crimes against humanity or serious violations of international humanitarian law.⁵² While the responsibility to protect civilian populations rests primarily with each individual state, where states are unable or unwilling to provide such protection, the international community, including the Security Council⁵³, has the collective responsibility to act. This responsibility extends to the prevention, reaction and rebuilding stages of conflict resolution.

These developments reflect a broader understanding of collective human security in which protection of human rights has become central, and where the principle of non-intervention yields to that of the 'responsibility to protect'. In April 2006, for the first time, a Security Council resolution on the protection of civilians in armed conflict, explicitly affirmed the responsibility of the international community, specifically the UN Security Council, to act to protect populations from genocide, war crimes, ethnic cleansing and crimes against humanity.⁵⁴

The same UN resolution also reaffirmed the Security Council's concern about the effects of illicit exploitation and trafficking of natural resources in armed conflict. An agreed definition of 'conflict resources' would help clarify the international community's mandate to act to control the trade in natural resources funding conflicts where the laws of war are broken and human rights flouted.

Indeed, Global Witness suggests that a 'conflict resource' can be defined as one that should be removed from trade by the international community under their responsibility to protect civilians, either because of the resource's



Predatory militias, funded by the trade in natural resources, threaten human security and development. *Martin Adler/Panos Pictures*

contribution to conflict situations where civilians' human rights are abused and/or where individuals who derive an income from natural resource extraction are breaking the laws of war or are deliberately targeting civilians.

We propose the following definition of 'conflict resources' to invoke international action:

Conflict resources are natural resources whose systematic exploitation and trade in a context of conflict contribute to, benefit from or result in the commission of serious violations of human rights, violations of international humanitarian law or violations amounting to crimes under international law.

The UN Security Council could endorse a resolution that defines 'conflict resources'. Such a definition would assist the international community in differentiating between cases where natural resources are legitimately used to pay the costs of conflict (for example, in pursuit of a state's sovereign right to self-defence) and cases where the extraction and trade of such resources is funding illegitimate activity.

An internationally-agreed definition of conflict resources would also prove to be a crucial preventative tool, as it would help identify those situations in which natural resources – as potential conflict drivers – are likely to become

conflict resources. The definition would assist the Security Council in its proposed activities – as laid out in a recent resolution⁵⁵ – to strengthen the United Nations' conflict prevention capacity:

- to assess regions at risk of armed conflict;
- to support an early warning capacity and establish conflict prevention strategies;
- to develop quick win activities to prevent conflicts arising from competition for economic resources;
- to take action against the illegal exploitation and trafficking of natural resources where these contribute to the outbreak, escalation or continuation of armed conflict.

A Security Council-endorsed definition of 'conflict resources' could also play an important role in actually deterring the trade in these resources, and consequent human rights abuses, by providing a clear behavioural red flag for businesses and individuals operating in conflict zones. Companies providing transport for troops and arms, paying for protection by private and public security forces, or choosing to operate in areas controlled by warlords, political factions or occupying armies can become com-

plicit in human rights abuses. A recent UN report found that the extractive industries account by far for the most allegations of human rights abuses, including complicity in crimes against humanity.⁵⁶ Despite widespread international publicity from 2000-2003 linking Liberia's timber industry to the civil wars in Liberia and Sierra Leone, European and Chinese timber companies continued to buy Liberian timber. Through his company OTC, timber baron Gus Kouwenhoven was directly involved in importing weapons for former president Charles Taylor, in violation of the UN arms embargo on Liberia.

Multinational mining companies have also been linked to human rights abuses committed by militias fighting to control DRC's rich natural resources: in 2004 and 2005, AngloGold Ashanti and Anvil Mining came under the spotlight for their involvement with militia groups and the Congolese army, respectively. AngloGold Ashanti has since denied having a relationship with the Front National Intégrationniste – a militia group responsible for grave human rights abuses – and regretted that any payments had been made to the group. Anvil Mining stated that it had no option but to agree to supply air and ground transport to the Congolese military in response to rebel activity in Kilwa in October 2004; the Congolese troops went on to kill around 100 unarmed civilians.⁵⁷ In July 2006 UK-based Afrimex, a company that trades in coltan and cassiterite in eastern DRC, admitted to the UK Parliament's International Development Committee that it had paid taxes to RCD Goma, the Rwanda-supported faction controlling that region, and could not guarantee that money they had paid for minerals had not ended up in the coffers of various armed factions responsible for numerous serious human rights abuses.⁵⁸

A definition of conflict resources could also help companies implement more conflict-sensitive business activities, create more a secure operating environment, and ensure their role in the promotion and protection of human rights.

Global Witness is not alone in calling for these actions. The need for such a definition of conflict resources has been repeatedly emphasised as part of a common international strategy to tackle and prevent conflict.

In March 2005, the *Commission for Africa* report recommended that:

to speed up action to control the trade in natural resources that fund wars, the international community should:

- Agree a common definition of conflict resources, for global endorsement through the United Nations;

- Create a Permanent Panel of Experts within the UN to monitor the links between natural resource extraction and violent conflict in order to enable the implementation of sanctions. The Panel should be empowered to recommend enforcement measures to the UN Security Council.⁵⁹

The 2005 UNDP Human Development Report also emphasises the need for a definition of conflict resources:

Urgent action is needed to weaken the links between violent conflict and natural resources. Creating a Permanent Expert Panel within the Security Council to monitor these links is a first step. The second step is creating legal instruments and certification schemes to obstruct trade in conflict resources, building on current initiatives in diamonds and timber. The absence of clear criteria for defining 'conflict resources' and restricting their sale remains a major problem. Resolving these problems requires the third step of effective sanctions.⁶⁰

As part of its commitment to support the development of Africa's peace and stability, the 2005 *G8 Summit Communiqué* declared that the G8 would act 'effectively in the UN and in other fora to combat the role played by "conflict resources" such as oil, diamonds and timber, and other scarce natural resources, in starting and fuelling conflicts'.⁶¹

In a March 2006 speech, Hilary Benn, the United Kingdom's Secretary of State for International Development stated that 'an agreed UN definition of conflict resources would help create an international framework to better control illegal trade and the flows of conflict finance'. In its 2006 White Paper on International Development, the UK government set out priorities to press the international community to tackle the trade in conflict resources, to promote international standards on the management of natural resource revenues in countries affected by conflict, to improve UN sanctions, and to help set up a permanent UN Panel of Experts to monitor the links between natural resources and conflict.

Finally, the international community has already accepted the idea of defining a conflict resource to enable appropriate actions. This was done for 'conflict diamonds' through the Kimberley Process, a government-led initiative to curb the flow of such diamonds into licit commerce. However, the definition adopted⁶² has proved limited (in that it only covers rebel groups, not governments, and only covers rough diamonds not polished ones) and is somewhat circular (in that it also requires further Security Council resolutions).

It is now time for the international community to put these commitments into practice.

Case study: Côte d'Ivoire

Côte d'Ivoire was once the economic powerhouse of West Africa: a stable and affluent country, conspicuous for its religious and ethnic harmony, which had managed to avoid the descent into civil war that had plagued so many of its neighbours. In the 1970s and 1980s, it was known as the 'African miracle'. And yet in September 2002, an army mutiny escalated into a full-scale rebellion, resulting in the country being split into a rebel-held north and a government-held south. Three and a half years on, and several failed peace agreements later, the country remains divided in a military stalemate with the two sides separated by a buffer zone enforced by peacekeepers from the UN Operation for Côte d'Ivoire (ONUCI) and French troops. The standoff has led to a culture of impunity characterised by human rights violations such as extortion, harassment and intimidation of civilians by government forces and harassment, arbitrary arrests, extortion of money and robbery by the rebels.⁶⁴ There are also reports of extra-judicial executions and the use of child soldiers by both sides.⁶⁵

Natural resources are key to the financing of the conflict. In September 2005, Global Witness investigations discovered that diamonds mined in rebel-held *Forces Nouvelles*, areas were being smuggled into Mali and Guinea and then onto the international market.⁶⁶ A UN Panel of Experts report found that the rebels were using cocoa and cotton, as well as diamonds, to fund their war effort and for personal gain.⁶⁷ In December 2005, three years after the conflict started, the Security Council extended the arms embargo against Côte d'Ivoire to include a ban on rough diamond exports from the country.⁶⁸

Natural resources are also important in funding the government and government-associated militias. Some 40% of the world's cocoa comes from Côte d'Ivoire. Cocoa makes up 40% of the country's export earnings. The majority of cocoa plantations are in the government-controlled south of the country. The Panel of Experts estimated that 20% of government military spending had come directly from the cocoa industry in the form of contributions, loans and grants.⁶⁹ This is in addition to the routine contributions made by the industry via taxes to the treasury. For example, in August 2003, the chairman of one of the cocoa industry's regulating bodies admitted giving large sums of the institution's money to President Gbagbo to enable him to 'defend Ivorian people'.⁷⁰



Côte d'Ivoire produces 40% of the world's cocoa.

Sven Torfinn/Panos Pictures

Natural resources are also key to understanding the underlying cause of the conflict. Cocoa was built on the availability of cheap labour and virgin forest.⁷¹ Since independence, Côte d'Ivoire has encouraged people from neighbouring countries to work on the cocoa plantations, partly as a result of the prevailing slogan that 'land belongs to those who make it produce.' This policy was economically successful until forest suitable for cultivation began to run out.⁷² A collapse in world cocoa prices caused an economic crisis in the country which encouraged a movement of Ivorians from cities to the countryside and prompted demands for the reclamation of 'their' land. This competition over land access has fuelled the country's ethnic and economic tensions, which led to the current conflict.

The situation in Côte d'Ivoire suggests worrying signs of a war economy that is thriving on a combination of access to land and control over natural resources, coupled with social and ethnic violence. Given the recent history of other West African countries and the presence of Liberian militias in parts of Côte d'Ivoire, failure to address this control over natural resources could constitute a danger not only for the country but also for the entire region.

IV. Towards a coherent UN response to conflict resources

In addition to adopting a clear definition of conflict resources, the international community should also establish a comprehensive and authoritative sanctions strategy to curb the exploitation and trade in conflict resources when they are identified. Sanctions should drain off the supply of funds to armed groups involved in resource-related conflicts and thus prevent associated human-rights abuses. The possibility of sanctions should also be a deterrent to any party intending to start a conflict and fund it through trading in conflict resources.

The sections below propose the main elements of a more coherent response to the problems posed by conflict resources.

A) Provide for an effective UN sanctions regime

Sanctions are the natural weapon to deny a market to conflict resources. The UN Security Council can specify mandatory economic and/or other sanctions on states to maintain or restore international peace and security under Article 41, Chapter VII of the UN Charter. While the 1990s have seen an unprecedented rise in the number of sanctions imposed by the UN Security Council, so far their success has been limited.⁶³ Despite efforts to improve the effective implementation and enforcement of sanctions mentioned earlier, the machinery involved in implementing and monitoring sanctions remains inconsistent and incoherent, with no auditing mechanism to oversee their administration. Member states have been left to police themselves and enforcement has been, at best, sporadic.



UN peacekeepers may look good but are they watching over natural resources?

Dieter Telemans/Panos Pictures

The implementation of sanctions is watched over by a series of separate *ad hoc*, part-time sanctions committees nominated by the Security Council. Sanctions committees only review submissions by member states on how sanctions are being implemented; these may not be reliable as states frequently lack technical and professional expertise to prevent either the trade in, or laundering of, conflict resources.

The sanctions committees themselves are composed of part-time staff and so have very limited resources. Their specific mandates from the Security Council may also be unclear. Interaction between the different committees has also been scarce and information has not always been disseminated effectively. Administrators overseeing sanctions may not have much, if any, experience in investigating and disrupting the covert networks involved in arms brokering and contraband trafficking. There has also been widespread failure to impose secondary sanctions upon states that violate the original sanctions.

A proxy strategy has developed through the appointment of *ad hoc* 'Panels of Experts' to 'name and shame' violating countries, companies and individuals. The UN Security Council convenes a Panel of relevant experts to investigate and report publicly on a specified mandate (normally, sanctions violations) within a specific time frame. While these Panels are independent and are therefore less constricted by diplomatic niceties, the success of this process has been partial.

Although Panels have been formed for DRC, Angola, Sierra Leone and Liberia, amongst others, and have provided the Security Council with in-depth information about the situation on the ground, they have had quite limited mandates and follow-up action on their findings has been piecemeal.

The Fowler Report of 1999 was very critical of the failure to sanction UNITA, the Angolan rebel movement, but political considerations hampered an effective international response.⁷³ While the work of the Panels of Experts in documenting violations has been prolific in the cases of Panels such as those on Sierra Leone and on Liberia – even contributing to the prosecution of the Dutch national Gus

Table 2: UN targeted sanctions on natural resource exports⁷⁴

Country	Resolution	Year	Commodity
Cambodia	S/RES/792	1992	Timber
Angola	S/RES/1173	1998	All diamonds not certified by the government
Sierra Leone	S/RES/1306	2000	All rough diamonds pending the creation of a certification scheme
Liberia	S/RES/1343	2001	All rough diamonds
Liberia	S/RES/1478	2003	Timber
Côte d'Ivoire	S/RES/1643	2005	All rough diamonds

Kouwenhoven on alleged charges of sanctions busting and war crimes – their recommendations to the sanctions committees should then be adopted by the Security Council, which often does not happen. This is not surprising as most of the information documented by the Panels concerns violations by particular countries or their citizens, which makes it politically sensitive for member states.

The DRC offers a particularly blatant example of the failure to use sanctions to curb conflict. Despite a catastrophic humanitarian situation, the international community has only imposed a weapons embargo: there were no sanctions on resources either extracted from conflict areas or those trafficked through neighbouring countries (see ‘Case study: DRC’). Moreover, MONUC’s (Mission des Nations Unies en République Démocratique du Congo) mandate was never expanded to include the monitoring of natural resources.

The Panel of Experts process to look at the ‘Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo’ has also been controversial. Mandated to document the role of natural resources in the conflict, the Panel named a host of companies alleged to have broken international law and violated the OECD Guidelines on Multinational Enterprises without providing robust public evidence of their conclusions.⁷⁵ While the work of the Panel led to the disengagement of several companies operating in the region, controversy about this ‘naming and shaming’ strategy meant that the Panel subsequently chose to provide details of violations in a sealed submission which was only made available to Security Council members. The need for a more professional and systematic set of guidelines for Panel operations was also highlighted by a flawed and opaque process whereby certain companies’ cases were suddenly declared ‘resolved’ without any clear explanation being provided.⁷⁶ Controversy over the credibility of the Panel’s findings related to individual companies also overshadowed the recognition and documentation of the role of ‘mass scale looting’ and ‘the systematic and systemic exploitation of natural resources’⁷⁷ in DRC’s war, and may have hindered an opportunity to compel the international community to take action on that front.

The format and continuity of Panels of Experts are also problematic. As each Panel is created as needed and then disbanded, there is no continuity or development of institutional knowledge within the UN. There is little or no coordination between the different Panels (although sometimes the same people serve on different Panels), and thus no means of pooling information gathered on individuals and covert networks. This *ad hoc* format also means that each Panel is costly and time consuming to create and that the overall system lacks coherent guidelines on mandates (including the need for a professional terms of reference), necessary technical competencies, and follow up on findings.

There is also a need for investigations and sanctions to be coordinated regionally. As mentioned, it took almost two years for sanctions to be applied on Liberia’s diamonds⁷⁸ in response to the country’s continued involvement in funding Sierra Leone’s RUF (in March 2001), even though it was apparent in 1999 that Liberia was exporting vastly more rough diamonds than it was mining itself (some US\$300 million versus about US\$10 million).⁷⁹ Timber sanctions on Liberia were more effective, not least because logs are harder to smuggle than diamonds; nonetheless, there were significant violations of sanctions after their initial imposition through Côte d’Ivoire and elsewhere.⁸⁰ Furthermore, the UN travel ban was widely breached with, for example, timber baron Gus Kouwenhoven repeatedly travelling outside Liberia.⁸¹

Other multilateral mechanisms have been set up to address the trade in conflict resources, most notably the Kimberley Process Certification Scheme. However, these kinds of commodity-specific trade controls may involve lengthy negotiation – the Kimberley Process took over two years to negotiate and about the same time again to become operational (many participants regarded this as a very fast turnaround). This is hardly an immediate response to the exploitation and trade in resources that funds conflict and serious human rights violations.

The current UN system also lacks any real punitive element. Although being named and shamed may be problematic,

more credible deterrents are necessary given the huge potential profits from sanctions-busting, especially given the low public profile of many of the operators. A Panel of Experts' report on Angola estimated that some US\$350–420 million worth of diamonds were smuggled into neighbouring countries in 2000 – approximately half of Angola's annual diamond production;⁸² the financial profit from continued trading probably outweighed the reputational concerns.

Naming and shaming also needs to be complemented with uniform deterrent measures, such as travel bans and asset seizures. To be effective, these need to be entered into national domestic legislation and sanctions-busting properly criminalised – thus giving law enforcement officials a more proactive mandate. Often, by the time that it has been revealed that a sanctions-buster has been operating in a certain jurisdiction and the authorities have scrambled round to work out what powers they have to act, the individuals and money involved have moved on. Countries should also consider long-arm enforcement measures to deter their own nationals from sanctions busting irrespective of their physical location; recent efforts by the Netherlands to prosecute its nationals for profiting from economic and war crimes may provide a useful model.

Global Witness believes that a few simple institutional reforms could make the existing UN sanctions regime more proactive, professional, coordinated and impartial.

Sanctions committees and the *ad hoc* Panel mechanism should be brought together to form a Permanent Sanctions



In 2006, Dutch timber baron Gus Kouwenhoven was convicted under Dutch law of violating the UN arms embargo on Liberia. He was charged, but acquitted, of war crimes.

Panel merged with a Panel of Experts that would be run by professionals with a strong practical and theoretical knowledge of how best to apply and monitor sanctions.

The Permanent Panel would be mandated to oversee sanctions implementation across the UN system including coordinating technical and economic assistance to member states to enforce sanctions and providing advice where secondary sanctions might be necessary. It could also perform sanctions implementation and review missions to coordinate international assistance on weak points in the system in order to prevent laundering of conflict commodities or illegal arms transfers.

This service could be provided by a minimal secretariat with a large number of experts on specialist rosters available on call.

The Permanent Panel could also provide advice to the Security Council on shaping sanctions regimes including the *ad hoc* deployment of asset freezes and travel bans. Expertise and speed of response are crucial to effective sanctions (given that sanctions work best when targets are clearly defined and decisively applied) to starve the conflict of revenues near the start rather than later on, when conflict and economic networks have become entrenched and the death toll has risen.

Similarly, professionalisation of the UN sanctions process would also help prevent rent-seeking and corruption around the enforcement process itself – like that of the 'Oil-for-Food' debacle – and would also help minimise any inadvertent humanitarian impacts of inappropriately targeted sanctions.

Member states of the UN should also set about making violation of UN sanctions a crime with extraterritorial jurisdiction – a process that, again, could be overseen by the Permanent Panel – so that sanctions violators can be arrested and tried quickly, providing a major deterrent to those individuals who seek to continue making money from sanctions busting.

UN peacekeeping or observer missions could also be used to enforce sanctions as part of their mandate and be required to report sanctions violations to the Permanent Panel. Again, the UN record has been mixed so far. Although observers attached to the UN Transitional Authority in Cambodia (UNTAC) were posted at certain border crossings to monitor the implementation of sanctions imposed by a Security Council resolution in 1992, large-scale illegal timber exports continued from Khmer Rouge areas of control to Thailand. UNTAC was fully aware of these activities

and documented the situation in minute detail but Global Witness understands that information was intentionally suppressed by the UN headquarters. This allowed the Khmer Rouge to continue to fight their war, financed by their monthly US\$10-20 million income from this illegal trade, a situation which prevailed until Thailand finally closed the border to this trade in May 1995, following a series of exposés by Global Witness. In Sierra Leone, an Economic Community of West African States (ECOWAS) request that UN monitors be posted to prevent diamond smuggling across the border with Liberia was rejected, despite the crucial role of diamonds in driving a predatory insurgency.

Together, these four reforms – better targeted sanctions, a permanent Panel of Experts to oversee sanctions implementation, criminalising sanctions-busting and allowing UN peacekeepers to enforce sanctions – would greatly enhance the effectiveness of sanctions as a response to the conflict resource problem.

By having a definition of conflict resources that is easy to apply as a ‘red flag’ for commodities coming from a conflict zone, the Permanent Panel would be able to bring to the Security Council instances when a natural resource was being used to fund conflict, and to demonstrate objectively how this was the case. This would allow the Security Council to apply sanctions more effectively and without delay.

B) Using the Security Council’s power to refer cases to the International Criminal Court (ICC)

Since its establishment by the Rome Statute in 1998, which entered into force in 2002, the ICC has become a landmark in the international criminal justice system as the only permanent and international court with jurisdiction over persons for the most serious international crimes such as genocide, crimes against humanity and war crimes.⁹¹

Where national authorities are unable or unwilling to prosecute perpetrators, the international community, through the Security Council,⁹² has the obligation to refer the situation to the ICC. In a clear decision to fulfil its role under the collective security consensus, the Security Council has taken the historic step of referring the situation in Sudan to the ICC.

Accurate information is, of course, a fundamental tool in assisting the Security Council in making these decisions. A common definition of conflict resources could assist the Court in establishing an evidentiary standard and a Permanent Panel could help the Court’s practitioners expedite investigations and execute warrants.



The UN can be effective in some cases but it needs to do more.

Global Witness

This could be the case in Uganda and the Democratic Republic of Congo, where the exploitation of conflict resources by several parties has clearly enabled the most serious violations of human rights during the civil war (see ‘Case study: DRC’). As the Court initiates prosecutions and investigations in these countries, a definition of conflict resources could help the Court establish irrefutable chains of criminal responsibility of certain individuals who have committed, ordered, aided, abetted, assisted or in other ways contributed to the commission of serious international crimes linked to the exploitation of natural resources. In the case of conflict resources, these could include government representatives and rebels and also individuals and companies in the diamond, oil, timber and other industries.

C) The role of the Peacebuilding Commission

An EU Presidency statement in October 2005 stressed that an effective Peacebuilding Commission should have the ability to assess the situation on the ground in the country concerned to identify and then enable the key conditions needed for lasting peace.⁹³ As part of its functions, where predatory and illicit resource exploitation has driven conflict, so the Peacebuilding Commission should be empowered to address these issues. Two key elements in this strategy would be: (i) preventing illicit exploitation of natural resources and any exploitation outside the control of the transitional authority; and (ii) making sure that revenues from any authorised exploitation are transparent and properly managed. Many of these elements have yet to be secured in many post-conflict environments such as the Democratic Republic of Congo. In a fragile post-conflict environment, opening a sector that has been instrumental in financing the conflict up for business without appropriate safeguards is likely to be extremely counterproductive.

Case study: Angola

Angola's forty years of civil war saw over half a million people killed in its last decade alone and over a quarter of the population displaced.⁸³

As patronage from the United States and the apartheid South African government dried up in the early 1990s, UNITA insurgents, led by the sociopathic Jonas Savimbi, turned to the diamond trade for their funding.

From 1992, when it reneged on a ceasefire with the Soviet and Cuban-backed MPLA (Movimento Popular de Libertação de Angola) Angolan government, UNITA was able to control about 60-70% of Angola's easily-exploitable diamond fields. Between 1992 and 1998, UNITA traded diamonds worth an estimated US\$3.7 billion; its revenues were supplemented with sales of gold, timber, coffee and wildlife products.⁸⁴

Ineffective implementation and monitoring of UN sanctions – on arms, petroleum products and diamonds as well as bans on travel and an asset freeze – allowed UNITA to continue to trade diamonds for military hardware through neighbouring countries. The first Panel of Experts on Angola, set up in May 1999, reported that Togo and Burkina Faso, as well as Belgium, amongst other countries, were breaking the sanctions on UNITA diamonds.⁸⁵

UNITA's fortunes turned in the late 1990s, as the MPLA government, flush with receipts from its oil business (having itself had the ideological flexibility to switch from Stalinism to petrocapitalism), was able to gradually beat UNITA back after mortgaging future oil revenues for covert French military assistance.

After 1998, UNITA's income declined rapidly to an estimated (but still significant) US\$80–150 million a year, due to territorial losses, depletion of some diamond deposits and the impact of sanctions.⁸⁶ By the time of Savimbi's death in 2002, UNITA was fighting a losing battle and it entered into peace negotiations soon after.

Collateral damage to the ordinary Angolan citizenry of the four decade conflict has been shocking: development indicators are dire and corruption entrenched. At the end of the 1990s, three-quarters of the Angolan population was forced to survive in absolute poverty on less than one dollar a day, 42% of Angolan children aged five or less were underweight,⁸⁷ life expectancy was a mere 45 years, and over three million civilians had fled their homes.⁸⁸

Angola's resource curse is not yet over: the patterns of predatory behaviour during the war have endured after the 2004 ceasefire which followed Savimbi's death. The government continues to run its oil revenues through offshore tax havens and out of sight of any independent scrutiny. Large amounts of the country's oil revenue remain unaccounted for, with a significant proportion being subverted for personal gain and to support the aspirations of an elite group of individuals around the Presidency.⁸⁹ Global Witness' investigations have shown that from 1997-2001, almost US\$1.7 billion per year of Angola's oil money was missing from the budget. This was about a quarter of the country's GDP at the time; in the same period, approximately one-in-four children died of preventable causes before the age of five.⁹⁰



Angola's civil war devastated the country and its citizens. *Global Witness*

Case study: Cambodia



A Khmer Rouge soldier and the timber that funded them. *Global Witness*

Our state does not have sufficient capital either to expand its strength or enlarge the army...
The resources [in our liberated and semi-liberated zones] absolutely must be utilised as assets.

Pol Pot, 1991

After being driven from power in 1979, Pol Pot's genocidal Khmer Rouge regrouped along the Thai border and launched an insurgent rebellion that would last for almost two decades. In the early 1990s, as the end of the Cold War eroded much of its external support, the Khmer Rouge began funding its war effort by exploiting natural resources, particularly timber. By 1995, overland exports of timber to Thailand earned the Khmer Rouge leadership between US\$10-20 million per month. Resulting political and economic disorder was exploited by both the Cambodian government and the Khmer Rouge to loot state assets.

Global Witness was leaked three confidential letters written by Cambodia's co-Prime Ministers in early 1996 that were addressed to the Thai Prime Minister Banharn Silpha Archa. The letters appeared to grant permission to 18 Thai logging companies operating in hard-line Khmer Rouge areas to export some 1.1 million m³ of timber; this circumvented an export ban between the two countries. The Khmer Rouge would receive between US\$35-90 million from the deal, whilst the Cambodian officials in Phnom Penh would receive \$35 million in extra-budgetary in-

come. In short, battlefield enemies were collaborating to loot the Cambodian state. High-ranking officials were helicoptered to Khmer Rouge log collection points inside the Thai border to receive payments and facilitation fees that were split between Cambodian and Thai prime ministers and other ministers and low-ranking officials at the border.⁹⁴ The deal collapsed after it was exposed, and the IMF withdrew from the country because of the high-level government corruption revealed.

This is one of the 'bizarre instances of co-operation between forces that are supposed to be locked in combat' that characterises the political economy of civil wars based around natural resources⁹⁵. It is evident that the ideological content of the struggle had ceased to be so important; instead political and economic disorder were being exploited in their own right to enrich participants in the conflict. Crucially, this free-for-all and illegal exploitation of Cambodia's forests served as the gestation for the continuing and endemic corruption in Cambodia's forest sector which continues to this day, largely under the auspices of the same political players.

V. Conclusion and a summary of actions

Predatory extraction of resources has been intimately linked to the funding of several major conflicts, some of which have destabilised whole regions and led to horrific and routine human rights violations. In the past, the problem has been dealt with in a piecemeal and inconsistent manner.

The UN should act to address conflict resources as part of its continuing reform efforts by:

- Agreeing on a common definition of ‘conflict resources’ to trigger action through the UN system;
- Implementing a comprehensive sanctions strategy on such commodities, including a permanent professional body to oversee such a strategy (building on the existing sanctions regime and Panel of Experts process);
- Using the Security Council’s power to refer cases to the International Criminal Court to investigate and punish those trafficking in conflict resources where national governments are unable or unwilling to act;
- Providing for accountable and transparent natural resource management during post-conflict reconstruction, including through peacekeeping operations and through the UN’s new Peacebuilding Commission.



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8th floor, 1120 19th Street NW
Washington DC 20036

e-mail: mail@globalwitness.org
<http://www.globalwitness.org/>

ISBN 0-9772364-12-1

Global Witness is a UK-based, non-governmental organisation which investigates the role of natural resources in funding conflict and corruption around the world.

References to ‘Global Witness’ above and in the body of this report are to Global Witness Limited, a company limited by guarantee and registered in England and Wales.

This report is compiled, published and distributed by Global Witness Publishing Inc. from the results of the investigations carried out by Global Witness Limited and is used to brief governments, inter-governmental organisations, civil society and the media.



It is time to close the door on natural resources funding wars and human rights abuses. *Tyler Hicks/Getty Images*

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