



global witness

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## PEACEBUILDING OMISSION?

**A submission on the need to integrate natural resource management in the Peacebuilding Commission's post-conflict reconstruction strategies in Sierra Leone and elsewhere.**

This is a submission by Global Witness on the Peacebuilding Commission's (PBC) Integrated Peacebuilding Strategy for Sierra Leone (IPBS). Our key point is that while natural resources were included in earlier drafts, they have been dropped from the June draft of the IPBS. This is a worrying omission. In June 2007 the Working Group on Lessons Learned, created to accumulate best practices and lessons learned on peacebuilding issues, highlighted that the predation of natural resources to finance conflict was among the most serious problems with regional repercussions in West Africa.<sup>1</sup> A recent statement by the Assistant Secretary-General for Peacebuilding Support, Carolyn McKaskie, acknowledges that improving governance capacity to control natural resources is a critical element of peacebuilding. While expressing the Peacebuilding Support Office's intention to strengthen its own internal capacity to analyse and raise the issue, the statement also recognises that it "has not yet been tabled by the PBC as a thematic issue" and that "natural resource management needs to be an integral part of country-specific discussions of the Commission as part of the PBC's mandate."<sup>2</sup> This admission is mystifying given the role of natural resources in the conflict in Sierra Leone - one of the first two countries to receive the PBC's support. A reference to natural resources governance in peacebuilding should be reintroduced in the IPBS for Sierra Leone and set the example for any future peacebuilding strategies in countries where natural resources have played a role in conflict.

### **Recommendations<sup>A</sup>:**

#### ***The United Nations Security Council (UNSC) should:***

*Request that where natural resources and illicit resource exploitation have driven conflict, the Peacebuilding Commission should address their management as part of an integrated peacebuilding and post-conflict reconstruction strategy.*

#### ***The government of Sierra Leone and the Peacebuilding Commission should:***

*As they prepare to finalise the country's Integrated Peacebuilding Strategy, include natural resource management in the Sierra Leone Compact's peacebuilding activities as part of the youth employment and empowerment and good governance priorities.*

#### ***The international donors in Sierra Leone should:***

*Support the efforts of the Peacebuilding Commission to be the focal point for peacebuilding activities by the donor community and integrate natural resources into its country-specific strategies.*

Global Witness is a non-governmental organisation, founded in 1993, which campaigns against the misuse of natural resources to fund corruption and conflict. Our work on logging, oil and mining in more than a dozen countries, including Sierra Leone, Cambodia, Angola, Liberia, the Democratic Republic of Congo (DRC), Kazakhstan and East Timor, has made us an influential voice against corruption and warlordism. We were co-nominated for the 2003 Nobel Peace Prize for our work on conflict diamonds which led to the creation of the Kimberley Process, and we are a founder member of the Publish What You Pay coalition and a key participant in the Extractive Industries Transparency Initiative (EITI),

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A For a detailed list of recommendations, see page 8.

launched by the British government in 2003. In 2005, we received the annual Gleitsman Foundation International Activist Award.

## Introduction

This submission makes the case that natural resource management should be integrated in the Peacebuilding Commission's strategies in countries where natural resources have played a role in conflict. This would be a crucial element in ensuring a comprehensive and effective approach to peacebuilding by the United Nations (UN) and build on its recognition of the importance of natural resources in conflict and post-conflict reconstruction.

In 2006, the UNSC referred Sierra Leone as one of two countries to receive the PBC's attention. The PBC and the government of Sierra Leone are drafting the country's Integrated Peacebuilding Strategy (IPBS), which is likely to be finalised in October 2007.

While youth marginalisation, endemic corruption and bad governance have been identified as the root causes of Sierra Leone's civil war, natural resource exploitation became an economic driver, which perpetuated the conflict. Post-conflict reconstruction and poverty reduction strategies for Sierra Leone have recognised the potential of natural resource revenue for promoting economic recovery and poverty alleviation, and programmes to reform the mineral sector have been implemented. In 2007, Global Witness found evidence of a persisting pattern of youth marginalisation and increasing tension due to enduring corruption and mismanagement of the mineral sector in areas historically affected by the conflict.

According to the June 2007 draft of the IPBS, the strategy for Sierra Leone aims at "highlighting key peacebuilding needs in existing national strategies and commitments and ensuring their timely and effective implementation."<sup>3</sup> Despite the wide acknowledgement of the link between natural resources and successful peacebuilding strategies, and the fact that natural resources were discussed during negotiations of the IPBS, the current draft does not include any reference to them.

### 1. The international community's recognition of the role of natural resources in conflict and post-conflict reconstruction

The international community has recognised the role of natural resources in initiating, intensifying and sustaining conflict. It has also, on a case-by-case basis, identified this role as a threat to international peace and security and imposed sanctions on their trade through the Security Council, for example on timber in Cambodia and Liberia and diamonds in Liberia, Angola, Sierra Leone and Côte d'Ivoire.<sup>4</sup>

To help bring peace to countries such as Sierra Leone, Liberia and the Democratic Republic of Congo – in which natural resources played a role in the conflict – the international community has funded three of the most expensive United Nations peacekeeping operations of all time:

- the bill for the presence of the United Nations Mission in Sierra Leone (UNAMSIL) totalled US\$2.8 billion and cost the lives of 196 peacekeepers;<sup>5</sup>
- the approved budget for the United Nations Mission in Liberia (UNMIL) for 1 July 2007 - 30 June 2008 was \$721.72 million;<sup>6</sup>
- the budget for the United Nations Mission in DRC (MONUC) for 2005 -2006 came to US\$1.13 billion.<sup>7</sup>

The UN has taken steps to address the institutional gap regarding its peacebuilding role, recognising that countries emerging from conflict face a unique set of challenges, which, if left unaddressed, can contribute to a relapse into conflict (see Annex One "**Steps leading up to the establishment of the Peacebuilding Commission**"). Evidence shows 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.<sup>8</sup> 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.<sup>B</sup> 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.<sup>9</sup>

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<sup>B</sup> Primary commodity exports of 32% of GDP is, in fact, the peak danger for a country. Beyond this – as occurs in a few extremely oil-rich countries – the likelihood of civil war decreases.

The role of natural resources has been clearly identified as one such challenge and a number of recommendations have been made to tackle it:

- In 2004, the High Level Panel on Threats, Challenges and Change identified that a new challenge for the UN is to provide support to weak states, especially those recovering from war, in the management of their natural resources in order to avoid future conflicts.<sup>10</sup>
- In a 2005 assessment of the progress made on the implementation of the recommendations made in his 1998 report on the causes of conflict in Africa, the UN Secretary General identified the need to address economic and social challenges including the illicit trade in natural resources as part of post-conflict and peacebuilding activities.<sup>11</sup>
- In June 2006, a UN Expert Group meeting in Cairo on Natural Resources and Conflict in Africa looked at how to transform natural resources from a 'peace liability' into a 'peace asset'. The group identified "the interconnectedness between natural resource governance and other peace, security and development issues" and recommended that all actors should "mainstream natural resource issues with other peace, security and development initiatives including through wealth-sharing provisions in peace agreements, DDR<sup>C</sup> programmes, expansion of peacekeeping mandates to incorporate natural resource monitoring and protection issues and the work of the UN Peacebuilding Commission." The group also recommended that African countries should "incorporate natural resource exploitation into national security and development plans (eg Poverty Reduction Strategy Papers), with special attention to youth unemployment."<sup>12</sup>
- The 2006 assessment of the progress made on the implementation of the recommendations made in the UN Secretary General's 1998 report emphasised that peace consolidation strategies "must address critical issues such as land reform, tackling unemployment and natural resource management so as to provide financing for development".<sup>13</sup> It also endorsed the recommendations made by the Cairo meeting on natural resources and conflict.
- In 2006, the UN Secretary General's progress report on the prevention of armed conflict urged more systemic actions to address the primary sources of tension for conflict-vulnerable regions and countries, such as "stepping up efforts to regulate the trade in natural resources that fuel conflict" and stressed that "a great deal more of investment is needed to build the capacities of vulnerable countries to establish effective economic governance."<sup>14</sup>

The UN's peacebuilding framework has been strengthened with the creation of the Peacebuilding Commission in 2005 to create a structure that can help countries consolidate peace, avoid relapse into conflict and lay the foundations for sustainable development.<sup>15</sup> The Peacebuilding Commission is mandated to "bring together all relevant actors to marshal resources and to advise on and propose integrated strategies for post-conflict peacebuilding and recovery; and to focus attention on the reconstruction and institution-building efforts necessary for recovery from conflict and to support the development of integrated strategies in order to lay the foundation for sustainable development."<sup>16</sup> In countries where natural resources have played a role in the war, their management should be a key priority for the PBC. This would be a logical development as part of the UN's already active engagement in countries where the UNSC has imposed sanctions on natural resources (e.g. diamonds in Sierra Leone, diamonds and timber in Liberia), created panels of experts to monitor the implementation and violations of sanctions and supported governments to meet the requirements for lifting these. There are examples of such an approach being adopted. During its presence in Sierra Leone, UNAMSIL helped the government regain control over diamond mining areas and production. Similarly, UNMIL has been assisting the government with the implementation of the Kimberley Process<sup>D</sup> and its forestry sector reform.

In the first ever UNSC thematic debate on "natural resources and conflict" held in June 2007,<sup>17</sup> members repeatedly emphasised the appropriateness of including natural resources in the PBC's activities. The points they made included the following:

- There is a need to ensure a smooth transition from a sanctions regime to a strategy of reconstruction, to assist a country recover and make optimal use of its natural resources;
- The United Nations should adopt a coherent and consistent approach to natural resource management in post-conflict environments;

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C Disarmament, Demobilisation and Reintegration.

D The Kimberley Process Certification Scheme is a joint government, international diamond industry and civil society initiative, designed to certify the origin of diamonds from sources which are free of conflict.

- Given its mandate, the PBC has an important role to play in facilitating the rebuilding of governance structures to ensure competent and responsible management of natural resources in countries emerging from conflict.

It follows from the substantial acknowledgment within the UN and evidence of the importance of addressing this issue in post-conflict countries, that the Peacebuilding Commission would integrate natural resource management in its peacebuilding strategies.

### **A snapshot of Sierra Leone's conflict and aftermath**

In 1991, the Revolutionary United Front (RUF) supported by the then President of Liberia Charles Taylor, attacked Sierra Leone from Liberia. In the brutal conflict that ensued, over 200,000 people were killed, over 2 million displaced, and thousands maimed by the RUF signature of chopping off the limbs of civilians as a terror tactic.<sup>18</sup> It is estimated that half of the women in Sierra Leone were subjected to sexual violence including rape, torture and sexual slavery.<sup>19</sup>

The Truth and Reconciliation Commission (TRC) identified "years of bad governance, endemic corruption and the denial of basic human rights" as the root causes of the conflict. The TRC further described Sierra Leone as a deeply divided society, in a state of institutional collapse, which had reduced the vast majority of people to severe deprivation.<sup>20</sup> While not the main instigator for conflict, economic opportunity provided a strong motivation for the RUF to control strategic alluvial diamond fields of eastern Sierra Leone, which were then smuggled through Liberia, Guinea and Côte d'Ivoire.<sup>21</sup> The fight then became oriented around control over the diamond fields. It is estimated that towards the end of the war, the RUF was earning between US\$25 and US\$125 million annually from diamonds.<sup>22</sup>

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."<sup>23</sup> 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. On January 19th 2005 an ex-RUF fighter reported to the Special Court of Sierra Leone that "Kono should be retained for one reason, for mining, because you cannot fight a war without economy."<sup>24</sup>

The TRC of Sierra Leone identified certain diamond mining companies as being linked to the conflict, including Rex Diamond and Diamond Works.<sup>25</sup> According to the TRC's report Rex Diamond facilitated replacement parts for the government's helicopter gunship worth US\$3.8 million.<sup>26</sup> The report also stated that Diamond Works acquired Branch Energy Ltd in 1995, and both were found to be linked to the international private security firms Executive Outcomes and Sandline International.<sup>27</sup> Branch Energy introduced Executive Outcomes to the government of Sierra Leone who sought their services to push the RUF back from Freetown and the diamond areas of Kono.<sup>28</sup> Soon after, in part payment for the services of Executive Outcomes, Branch Energy was awarded a 25 year lease on Sierra Leonean diamond concessions by the government of Sierra Leone.<sup>29</sup>

Peace was formally declared in 2002, leaving the country to deal with over 70,000 combatants including around 7,000 child soldiers, millions of victims and a massive reconstruction and peacebuilding effort. Disarmament was completed in February 2004 and the 17,500 strong UN peacekeeping force, UNAMSIL, withdrew in December 2005.<sup>30</sup> Post-war Sierra Leone is still struggling to consolidate peace and remains fragile. Youth unemployment is around 80%<sup>31</sup> with around 70% of the population living below the poverty line,<sup>32</sup> and 26% living in extreme poverty.<sup>33</sup> Life expectancy is 41 years of age.<sup>34</sup> GDP per capita is approximately \$200<sup>35</sup> and Sierra Leone is ranked 176 out of 177 in the UN Human Development Index (HDI).<sup>36</sup> The army and police have been reformed with donor support, but significant challenges remain. Despite some reform of the justice sector, challenges include: access to justice, lack of accountability, and an enduring culture of impunity. Efforts to stamp out corruption have on the whole been unsuccessful. Despite the estimated US\$1.1 bn<sup>37</sup> spent by donors between 2003 and 2006, Sierra Leone's peacebuilding and peace consolidation strategies are falling seriously short of addressing the root causes of the conflict. Critical issues that need to be addressed include massive youth unemployment and marginalisation, unabated corruption at all levels of government, paramount chiefs' abuse of power, continued mismanagement of the country's natural resources and the government's inability to deliver basic social services. Tensions are increasing as there continues to be a lack of visible improvement in the lives of ordinary Sierra Leoneans. On the 11<sup>th</sup> August the All People's Congress Party won the 2007 nationwide election.

## 2. The Peacebuilding Commission and Sierra Leone

In 2006, Sierra Leone was selected as one of the first two countries to receive assistance from the PBC.

The role of natural resources in Sierra Leone's post-conflict reconstruction has been recognised in the country's long-term development strategy, Sweet Salone Vision 2025, launched by the government in 2001. The strategy identifies ensuring "sustainable exploitation and effective utilisation of natural resources while maintaining a quality environment"<sup>38</sup> as a priority. The report by the Truth and Reconciliation Commission of Sierra Leone in 2004 also made extensive recommendations on reform of the mineral sector. The significant role of the diamond industry in the conflict in Sierra Leone has been widely recognised and donors have created programmes to reform it.

In 2005, as part of the implementation of Sierra Leone's poverty reduction strategy and in order to assist the country in its efforts to consolidate peace, the United Nations and the government of Sierra Leone undertook detailed consultations with donors, civil society organisations and others to formulate an integrated peace consolidation strategy. There was broad consensus that unless external or internal threats to stability were addressed, Sierra Leone's development could be jeopardised. The participants identified the mineral sector as a potential means of addressing the challenges of unemployment and sustainable development.<sup>39</sup> This strategy was revised following Sierra Leone's inclusion on the Peacebuilding Commission's agenda so that it would serve as a framework for Sierra Leone's engagement with the Peacebuilding Commission.

In the first PBC country-specific meeting in October 2006,<sup>E</sup> the government identified four key peacebuilding needs where further efforts are required, both to address the root causes of the conflict and to lay the foundations for sustainable peace and development:

- youth employment and empowerment,
- justice and security sector reform,
- consolidation of democracy and good governance and;
- capacity building.<sup>F</sup>

The four priority areas formed the basis for the negotiation of the IPBS for Sierra Leone. Further PBC Sierra Leone-related meetings were held in December 2006, and May and June 2007. The October 2006 country specific meeting also identified the effective management of Sierra Leone's natural resources as an issue to be addressed within the Integrated Peacebuilding Strategy (IPBS) priority areas.<sup>40</sup> In the June 2007 draft of the IPBS, entitled 'The Sierra Leone Compact', the four priorities remained on the whole unchanged, but, inexplicably the reference to the effective management of natural resources has been left out. Global Witness asked the government of Sierra Leone why natural resources were omitted from the June 2007 draft, but received no reply.

The Peacebuilding Commission was set up to help countries avoid relapsing into conflict and it has recognised that "as long as Sierra Leone remains susceptible to a possible resumption of violence, it is in need of sustained international attention..."<sup>41</sup> Failure to recognise the role of natural resources in Sierra Leone's peacebuilding strategy from the onset could prove a dangerous oversight and undermine peacebuilding efforts as recognised on numerous occasions by the UN. In September 2005, the report of the UN Secretary General on the UN Mission in Sierra Leone stated that many of the root causes of the conflict, such as corruption, governance, widespread poverty, youth unemployment and the resulting public discontent, had yet to be addressed.<sup>42</sup> The December 2005 report of the UN Secretary General submits that the insufficient control by the government over the mining sector presented a long-term challenge that required international support long after the UN peacekeeping mission left the country.<sup>43</sup><sup>G</sup> The UN Secretary General's reports on the UN Integrated Office in Sierra Leone (UNIOSIL)<sup>H</sup> in 2006 and 2007, note that poverty and unemployment remain widespread particularly among the youth and that the security situation is stable but fragile.<sup>44</sup>

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E The West African Network for Peacebuilding (WANEP) initiated a civil society consultation in July 2006 with a focus on the Peacebuilding Commission, the results of which were presented to all stakeholders during this first meeting in October: West Africa Network for Peacebuilding, "Report on the Global Partnership for the Prevention of Armed Conflict National Civil Society Consultation in Sierra Leone" 19-20 July 2006.

F For further information see the Sierra Leone Compact, "The United Nations Peacebuilding Commission and the Republic of Sierra Leone Framework for Cooperation: Building on Progress" First Draft, available at: <http://www.reformtheun.org/index.php/issues/1735?theme=alt4#developments>.

G Issues surrounding the mining sector in Sierra Leone have been well documented both by local and international NGOs.

H UNIOSIL was created in January 2006 to assist the Government of Sierra Leone in consolidating peace, strengthening democracy and sustaining development.

During 2007, Global Witness visited parts of the country historically linked to conflict and found a persisting pattern of youth marginalisation and increasing tension linked to corruption and mismanagement of the mineral sector.

### 3. Sierra Leone 2007: the rich land of the poor.

***“Nobody will raise a finger against the companies in Kono or they will have their fingers chopped off.” Sierra Leone government Official, May 2007.***

If managed equitably natural resources could make an important contribution to poverty reduction and accelerate economic growth. Sierra Leone’s economy is highly dependent on its primary sectors – agriculture and mining,<sup>45</sup> with the mining sector accounting for about 20% of GDP and 65% of foreign exchange.<sup>46</sup>

Six years on from the end of the civil war in Sierra Leone, Global Witness has found evidence of low level conflict and increasing frustration amongst the youth and diamond mining communities. Despite Sierra Leone being a Kimberley Process participant since 2003, government control of diamond areas are weak and poorly enforced. Although revenues from the legitimate diamond trade have increased significantly over the past several years, government officials have suggested that smuggling has contributed to a drop of official diamond exports from US\$140 million in 2005 to US\$120 million in 2006.<sup>47</sup> Ensuring the effective implementation of the Kimberley Process in Sierra Leone should be an integral part of post-conflict reconstruction strategies to prevent future conflict and to help ensure that diamonds actually contribute to the country’s development. This continues to be a challenge.

Alluvial mining accounts for 90% of the country’s official diamond exports.<sup>48</sup> It is estimated that there are between 150,000 and 200,000 diamond diggers within the illegal and legal sector. The majority of these are artisanal miners.<sup>49</sup> The industry is still characterised by exploitation, poverty and poor working conditions.<sup>50</sup> These miners work in very dangerous conditions and many live on less than a dollar a day.<sup>1</sup> Interviews with mining officials and mining communities suggest that there is an increasing shift towards industrial scale mining in Sierra Leone. As mineral production worldwide has increased over the years, mining employment has steadily declined. According to an International Labour Organisation (ILO) report, well over three million miners’ jobs have been lost between the late 1990s and 2002 and there are likely to be further reductions before the end of this decade. This is because the mining industry has evolved from a labour intensive industry to a capital intensive industry, which relies on highly skilled workers.<sup>51</sup> It is difficult to see how the government of Sierra Leone will reconcile this trend with its unemployment problem, unless it promotes alternative livelihoods for mining communities and reforms the mineral sector significantly.

Potentially positive steps such as the creation of the Diamond Area Community Development Fund (DACDF) could also be affected by the change.<sup>52</sup> The DACDF was created to ensure that part of the revenue generated from diamonds returns to the respective diamond producing chiefdoms for development projects. Mining companies require large concession areas; therefore there is less land available for individual artisanal miners. Less artisanal mining licences means less funds are going back into the communities through the DACDF. Global Witness interviewed an official in Kono who said that now Sierra Leone Diamond Company (SLDC)<sup>J</sup> – the company with the largest concession area in the country – had come to the Chiefdom they received less from the DACDF.<sup>53</sup> Global Witness wrote to the company asking for comment on the main issues raised in this submission that relate to SLDC. At the time of the release of the submission Global Witness had not received a reply. There are allegations by local community members and civil society activists of mismanagement of the DACDF funds by the local officials<sup>K</sup>, and a lack of transparency in the allocation and use of the DACDF by the authorities.<sup>54</sup>

Global Witness found evidence of growing tension<sup>L</sup> in the war-battered diamond district of Kono.<sup>M</sup> Kono is often described as the breadbasket of Sierra Leone yet there is little evidence of its wealth benefiting the local population. While diamonds from Kono, the largest diamond producer in Sierra Leone, have traditionally contributed significantly to national revenue, poverty in rural Kono is 79.6%. This compares with 59.6% in rural Pujehun District, a largely agricultural but also diamond mining area.<sup>55</sup>

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I The dire working conditions and poverty of artisanal miners have been linked to possible future conflict. See Global Witness and PAC 2004 report “Rich Man Poor Man”.

J We have referred to SLDC throughout this submission for consistency, although the company’s name has been changed to African Minerals Limited on the 16<sup>th</sup> of August 2007.

K These include allegations that some chiefs have presented the funds as a token to the communities, rather than as the communities’ right.

L Local residents and youth groups reported to Global Witness that youths have gone on rampages, there have been protests leading to arrests by the police, and alleged harassment and intimidation of civil society groups by local authorities.

M Kono was one of the districts most affected by the civil war.

Youth in Kono told Global Witness that they feel increasingly marginalised. They believe land is being taken away from local communities as part of a natural resource management policy which does not benefit the local population. Mining companies are grabbing land with the government's and sometimes the paramount chiefs' backing.<sup>56</sup> Artisanal diamond diggers interviewed by Global Witness in the Sandor Chiefdom described their frustration as their land was taken when a concession was awarded to SLDC by the government.<sup>57</sup> They also complained that the company was operating in traditional sacred land and mining licences which were previously renewed by the authorities on a yearly basis are now being denied by local authorities.<sup>58</sup> Some licence holders told Global Witness they have had their licences taken away and that they had not been given sufficient compensation for the loss of land.<sup>59</sup>

Sierra Leoneans find it difficult to hold the companies to account because most contracts, lease agreements and Environmental Impact Assessments (EIA) are not in the public domain. The Affected Mining Land Owners of Daigbadu and Bafinfeh Sections of Sandor showed Global Witness a letter they wrote to their paramount chief requesting a copy of SLDC's Environmental and Social Impact Assessment and mining lease agreement for its concession in Sandor. They explained that this information "will serve as instruments to clarify some of the burning issues, like the indiscriminate encroachment on our mining lands that is affecting our communities."<sup>60</sup> No action has been taken according to Global Witness sources.

At the time Global Witness visited Kono, Koidu Holdings, which previously operated under the name Branch Energy,<sup>61</sup> was blasting twice a week in order to mine kimberlite. The EIA for Koidu Holdings' operations requires the temporary evacuation of local residents and the relocation of some local communities.<sup>62</sup> In a public community meeting with the paramount chief, the Affected Property Owners Association, representing those in the community who have refused to move, complained that the houses provided by Koidu Holdings are substandard, too small and that they had not provided sufficient numbers fast enough.<sup>63</sup> Global Witness tried to arrange a meeting with Koidu Holdings in Koidu but no one in the company was available. Global Witness also wrote to the company asking for comment on the main issues raised in this submission that relate to Koidu Holdings. At the time of the release of the submission Global Witness had not received a reply.

Communities visited by Global Witness also complained that companies had not provided the facilities they had promised like schools and good roads, and were resentful that decisions involving their land were being taken by central government without community involvement.<sup>64</sup>

Government oversight of mining operations is weak. Mine monitors are paid so little that some are easily co-opted by companies.<sup>65</sup> On 26<sup>th</sup> July 2006, a joint task force was established as a result of a policy dialogue meeting between the government and two civil society organisations, to look at some of the issues surrounding mining in Kono. Participants included the Ministry of Mineral Resources, the Parliamentary Committee on Mines and civil society representatives. During a visit to Kono the task force approached Koidu Holdings and SLDC but both companies refused requests for a meeting.<sup>66</sup>

Tension relating to the lack of land is being exacerbated by the failure to reclaim mined-out areas. Koidu's lunar landscape will remain unusable for agriculture unless further land rehabilitation is undertaken. While the government is paid to reclaim land after mining through licence fees, there is little evidence of this in Kono. The only land reclamation projects which are visible in Kono are being carried out by NGOs.

The problems identified above are not unique to diamond mining; during investigations Global Witness visited other mining areas and found a similar pattern of tension and growing frustration among the communities affected by operations and very little evidence of economic benefits from the mineral sector for the people.

## **Conclusion**

As the situation in Sierra Leone demonstrates, it is imperative that natural resources are integrated in the Peacebuilding Commission's strategies in countries where natural resources have played a role in conflict, as part of a comprehensive and effective approach to peacebuilding by the United Nations and international donors.

Critical issues persist within the mineral sector in Sierra Leone such as the relationship between communities and companies, abuse of power by some paramount chiefs, allocation of concessions, negotiation of contracts, land tenure, the industrialisation of the mining industry without the simultaneous creation of alternative livelihoods for artisanal miners, and land reclamation. Weak implementation of the Kimberley Process and significant smuggling of diamonds also must be addressed to prevent future conflict and help ensure that diamonds contribute to development. Failure to address these issues could, in the context of the enduring endemic corruption and lack of economic and social development,

contribute to undermining peacebuilding efforts of the government of Sierra Leone, international donors and other stakeholders and once again destabilise the country.

The Sierra Leone Compact presents the government of Sierra Leone, the Peacebuilding Commission and the donor community with an opportunity to address these issues comprehensively. As the PBC and the newly elected government of Sierra Leone finalise the country's Integrated Peacebuilding Strategy (IPBS), the role of natural resources should be reflected in the strategy and its implementation.

## **Recommendations**

### **The PBC should support the government of Sierra Leone to:**

#### **Management of natural resources**

- Implement Extractive Industries Transparency Initiative in a disaggregated, company by company basis;
- Increase transparency of the disbursement of the DACDF;
- Apply the principles of the EITI at the level of paramount chiefs and all payments relating to mining activities;
- Create a monitoring body similar to the independent forest monitor<sup>N</sup>, which was created to oversee logging operations, mining companies and their production. This would report to the government and other stakeholders involved in peacebuilding;
- Create a DACDF-type mechanism for mining companies;
- Improve implementation of the Kimberley Process with specific focus on effectively carrying out the recommendations of the Sierra Leone review visit report.

This should include

- adopting stronger monitoring mechanisms for the artisanal mining sector and creating of small, effective well-equipped and well-trained teams of monitors,
- establishing regional offices of the KP authority in diamond mining areas in order to improve implementation of controls and;
- strengthening cross-border coordination of KP authorities and law enforcement officials and harmonise taxation systems to crack down on smuggling and reduce incentives for smuggling.

#### **Access to Concessions**

- Reform how concessions and contracts are negotiated and allocated and ensure the inclusion of communities in the negotiations of these contracts;
- Review current natural resource contracts in Sierra Leone;
- Ensure that the principle of free informed prior consent is always applied in natural resource concession awards.

#### **Good Governance**

- Reform the institution of the paramount chief;
- Increase inter-ministerial cooperation on natural resource issues;
- Incorporate natural resource management in activities to improve early warning mechanisms and promote Sierra Leone's institutional capacity for conflict prevention.

#### **Employment**

- Employ youths in long term and sustainable land reclamation projects, i.e. short term national employment schemes in which youths are engaged in land reclamation;
- Implement changes so that artisanal miners who are allocated mining licences are also required to reclaim mined-out areas and the current contribution for land reclamation that artisanal miners are required to pay the government is scrapped;
- Create alternative livelihoods in diamond areas where companies are beginning operations;
- Create dedicated activities to improve the conditions of work of individual diggers and to diversify employment opportunities.

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<sup>N</sup> IFM is the use of an independent third party that, by agreement with state authorities, provides an assessment of legal compliance, and observation of and guidance on official forest law enforcement systems. Global Witness has pioneered IFM in Cambodia and Cameroon.



## **Annex One: Steps leading up to the establishment of the Peacebuilding Commission**

Three United Nations reports on the reform of the UN post-conflict peacebuilding framework led to the creation of the Peacebuilding Commission in 2005, as the dedicated institutional mechanism to address the special needs of countries emerging from conflict towards recovery, reintegration and reconstruction.

In 1992 Secretary General Boutros Boutros-Ghali released “An Agenda for Peace”, which analysed the UN capacity for preventative diplomacy and peacekeeping and made recommendations to strengthen it and make it more effective. The report introduced the new concept, “post-conflict peacebuilding” defined as “action to identify and support structures which will tend to strengthen and solidify peace in order to avoid a relapse into conflict.”<sup>67</sup> In 1995, the Secretary General released a supplement to “An Agenda For Peace” with the main purpose of highlighting unforeseen challenges for UN peacekeeping operations. One such challenge was a tangible change in the nature of conflict since the end of the Cold War; from inter-state to intra-state conflict, as well as a change in the characteristics and impacts of these conflicts. The nature of the peacekeeping operations’ mandates also shifted from largely military deployments to helping implementing peace settlements and building up national institutions, requiring a wide range of civilian functions. While the concept was received positively, its implementation was much less visible.

In 2000, under Secretary General Kofi Annan’s leadership, the high level panel on the United Nations Peacekeeping Operations led to the Brahimi report, which assessed the effectiveness of the UN to deploy peace operations and recommended that the UN should be “focal point for peacebuilding activities by the donor community” and that more thinking should be put into strengthening “the permanent capacity of the United Nations to develop peacebuilding strategies.”<sup>68</sup>

Finally in 2003 the report of the high-level Panel on the Threats, Challenges and Change identified the main challenges to a more secure world, proposed measures to strengthen the UN as a collective security system and identified the lack of a place within the UN explicitly designated to avoid State collapse and relapse into conflict as a major institutional gap. The report stressed that “failure to invest adequately in peace-building increases the odds that a country will relapse into conflict” and recommended that the Security Council, acting under Article 29 of the UN Charter establish a Peacebuilding Commission.<sup>69</sup>

In its March 2005 report “*In larger Freedom: towards development, security and human rights for all*”, Secretary General Kofi Annan recommended the creation of the Peacebuilding Commission.<sup>70</sup>

## **Annex Two: Timeline for the Peacebuilding Commission’s engagement in Sierra Leone**

- 21 June 2006: Referral from the Security Council of Sierra Leone to the PBC.
- 23 June 2006: first session of the Organisational Committee of the Peacebuilding Commission
- 19 July 2006: Informal country specific meeting on both Sierra Leone
- 19-20 July: WANEP organises a national civil society consultation meeting in Freetown on the PBC.
- 12 October 2006: First formal country specific meeting on Sierra Leone in New York.
- 13 December 2006: Second formal country specific meeting on Sierra Leone in New York. The PBC approves US\$ 25 million from the PBF, which was later increased to US\$ 35 million.
- 8 February 2007: Informal country specific meeting on the Peacebuilding Commission’s six-month work plan for Sierra Leone.
- 20 February 2007: Working Group on Lessons Learned Meeting with a focus on the upcoming Sierra Leone elections.
- 19-25 March 2007: Peacebuilding Commission Delegation Field Mission to Sierra Leone.
- 27 March 2007: Informal country specific meeting, Debriefing from the Field Mission.
- 9 May 2007: Informal country specific meeting, First Discussion on the Sierra Leone Compact.
- 21 May 2007: Informal country specific thematic discussions on youth employment and empowerment
- 22 June 2007: Formal country specific meeting to discuss the draft Sierra Leone Compact.

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