



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 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 and as such should be included in the Peacebuilding Commission's (PBC) Integrated Peacebuilding Strategy for Sierra Leone (IPBS). 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.

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>1</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.

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>2</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>3</sup> The UN Secretary General's reports on the UN Integrated Office in Sierra Leone (UNIOSIL)<sup>A</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>4</sup>

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 visited parts of the country historically linked to conflict and 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.

**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>5</sup> with the mining sector accounting for about 20% of GDP and 65% of foreign exchange.<sup>6</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.

Alluvial mining accounts for 90% of the country's official diamond exports.<sup>7</sup> The industry is still characterised by exploitation, poverty and poor working conditions with many living on less than a dollar a day.<sup>8</sup> <sup>B</sup> Interviews with mining officials and mining communities suggest that there is an increasing shift towards

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

B 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".

industrial scale mining in Sierra Leone. As mineral production worldwide has increased over the years, mining employment has steadily declined because the mining industry has evolved from a labour intensive industry to a capital intensive industry, which relies on highly skilled workers.<sup>9</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.

Global Witness found evidence of growing tension<sup>C</sup> in the war-battered diamond district of Kono.<sup>D</sup> Kono is often described as the breadbasket of Sierra Leone yet there is little evidence of its wealth benefiting the local population. 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>10</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 Sierra Leone Diamond Company (SLDC)<sup>E</sup> – the company with the largest concession area in the country – by the government.<sup>11</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>12</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>13</sup> No action has been taken according to Global Witness sources.

Government oversight of mining operations is weak. Mine monitors are paid so little that some are easily co-opted by companies.<sup>14</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>15</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. 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.

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C 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.

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

E 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.

## 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>F</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>F</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.

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- 1 Sierra Leone Framework for Cooperation, "Sierra Leone Compact: The United Nations Peacebuilding Commission and the Republic of Sierra Leone Framework for Cooperation: Building on Progress," First Draft 15 June 2007.
  - 2 United Nations Peacebuilding Commission, "Conference room paper for the country Specific Meeting on Sierra Leone," 10 October 2006. PBC/2/SIL/CRP.1.
  - 3 S/2005/596, 20 September 2005.
  - 4 S/2006/269, S/2006/695, S/2006/922, S/2007/257.
  - 5 Mining Journal Special Publication, "Sierra Leone Back in Business", London, July 2006, Page 5, European Community, "Sierra Leone – European Community Country Strategy Paper and National Indicative Programme", 2003-2007.
  - 6 Sierra Leone Government, "Sierra Leone Vision 2025: Sweet Salone", August 2003.
  - 7 Diamond Industry Annual Review, "Sierra Leone 2006", Page 1, Global Witness Interview with DFID Diamond consultant, Freetown, 22 January 2007.
  - 8 Press Release by Partnership Africa Canada and Network Movement for Justice and Development "Diamonds and Africa Development," in The Network Movement for Justice and Development, "The Network" March 2006, page 1.
  - 9 ILO, "The evolution of employment, working time and training in the mining industry", document TMMI/2002, International Labour Office, Geneva, 2002.
  - 10 Global Witness interview with Youth leader in Koidu, January 2007.
  - 11 Global Witness Interviews with artisanal miners and a member of Women's Association in Sandor Chiefdom, May 2007, Global Witness interview with NGO activist in Koidu, 25 January 2007.
  - 12 Global Witness interviews with artisanal miners in Sandor Chiefdom, May 2007.
  - 13 Letter from the Affected Mining Land Owners of Daigbadu and Bafineh Sections Sandor Chiefdom, Kono, to the paramount chief, Kayima Town, Sandor Chiefdom, cc'd to SLDC 5th July 2006.
  - 14 Global Witness interview with member of the local government in Koidu, May 2007.
  - 15 "To Mine or Not to Mine?" by Sierra Leonean civil society organisations.
  - 15 Global Witness interview with youth leader in Koidu, January 2007.