USAID
FROM THE AMERICAN PEOPLE

# MINERALS & CONFLICT

## A TOOLKIT FOR INTERVENTION

*Key Issues*

*Lessons Learned*

*Program Options*

*Survey Instrument*

*Monitoring and Evaluation*

*Resources*

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## FROM THE DIRECTOR

Conflict can be an inherent and legitimate part of social and political life, but in many places the costs and consequences of conflict, crisis, and state failure have become unacceptably high. Violent conflict dramatically disrupts traditional development and it can spill over borders and reduce growth and prosperity across entire regions. Although development and humanitarian assistance programs are increasingly implemented in situations of open or latent violence, unfortunately most still do not explicitly incorporate a sensitivity to conflict in their design or execution.

The Office of Conflict Management and Mitigation (CMM) in the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA) of the United States Agency for International Development (USAID) was established to provide technical leadership on conflict to USAID Missions and our Washington-based regional and pillar bureaus. The vast majority of our field missions and staff are currently working in areas that are either in conflict, coming out of conflict, or are at high-risk for violence. A central objective of the office is to integrate or "mainstream" best practices in conflict management and mitigation into more traditional development sectors such as agriculture, economic growth, democracy, education, and health. Where appropriate, CMM will be an advocate for stable change.

As Director of CMM, I am pleased to introduce this document on minerals and conflict. I hope that readers will find the information contained herein thoughtful, innovative, and useful. CMM will release additional toolkits in the near future and I trust that each one will bring its own value to discussions about development and conflict. We consider these toolkits to be "living documents" and would welcome your comments and observations to help us improve future versions.

Elisabeth Kvitashvili

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# MINERALS & CONFLICT: A TOOLKIT FOR PROGRAMMING

This toolkit is part of a series that explores how development assistance can address key risk factors associated with conflict. One area that is receiving increasing attention is the relationship between natural resources and violence. In many recent conflicts, valuable or scarce resources — land, water, timber, or minerals — have played a central role in both causing and sustaining violence. In particular, valuable minerals took center stage after "conflict diamonds" or "blood diamonds" became a prominent feature of Sierra Leone's civil war. Unfortunately, competition over minerals in the Democratic Republic of the Congo has followed a similarly brutal course.

This toolkit: 1) examines the relationship between valuable minerals, such as diamonds or coltan, and violence; 2) discusses lessons learned in developing programs to deal with "conflict commodities"; 3) presents a range of program options; 4) provides a survey instrument that identifies key questions related to minerals and conflict; and 5) identifies relevant USAID mechanisms and implementing partners. Monitoring and evaluation tools are being developed. Together, the elements of this toolkit are designed to raise awareness about the linkages among valuable minerals, development assistance, and conflict; and to help integrate a conflict perspective into development programming.

The toolkits in this series explore individual risk factors in depth. They do not identify all relevant factors linked to violence. As such, they are designed to serve as companion pieces to conflict assessments. Conflict assessments provide a broad overview of destabilizing patterns and trends in a society. They sift through the many potential causes of conflict that exist and zero in on those that are most likely to lead to violence (or renewed violence) in a particular context. While they provide recommendations about how to make development and humanitarian assistance more responsive to conflict dynamics, they do not provide detailed guidance on how to design specific activities. The toolkits in this series are intended to fill that gap by moving from a diagnosis of the problem to a more detailed discussion of potential interventions. Together, the assessment framework and toolkits are designed to help Missions gain a deeper understanding of the forces driving violence and to develop more strategic and focused interventions.

This toolkit was initially authored by a team of researchers, including Alexander Carius (Adelphi Research); Geoffrey Dabelko (Woodrow Wilson International Center for Scholars); Doris Capistrano (CIFOR); Moira Feil (Adelphi Research); and Jason Switzer (International Institute for Sustainable Development). It was subsequently revised with substantial input from officers in USAID Missions, other bilateral and multilateral donor agencies, academic experts, and members of the NGO community. Comments, questions, and requests for additional information should be directed to the Office of Conflict Management and Mitigation.

Office of Conflict Management and Mitigation (CMM)

Bureau for Democracy, Conflict, and Humanitarian Assistance

United States Agency for International Development

KEY ISSUES 2

LESSONS LEARNED 8

PROGRAM OPTIONS 12

SURVEY INSTRUMENT 16

MONITORING AND EVALUATION 18

RESOURCES 26

# KEY ISSUES

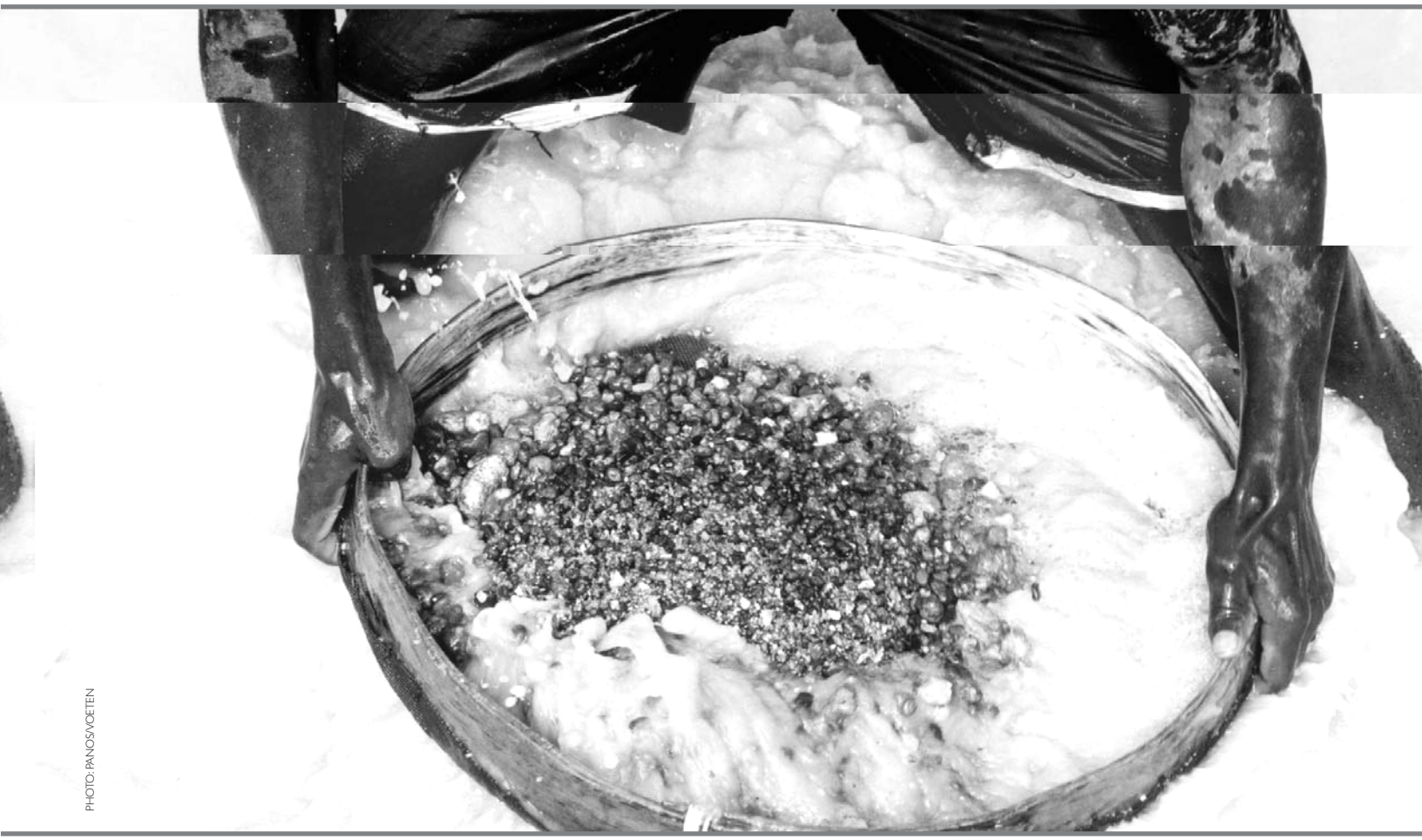


PHOTO: PANOS/VOETEN

*The presence of valuable mineral resources can exacerbate power struggles and zero-sum competition over economic resources that are common in conflict situations.*

**What is the relationship among jewelry, cell phones, Al Qaeda, and child soldiers? They are all linked to valuable minerals, and in many places, valuable minerals have been linked to violence. Diamonds in West Africa, Colombo-Tantalite (coltan) in the Democratic Republic of the Congo, and gold in Indonesia have all been linked to civil conflict. Similarly, traffic in valuable minerals is believed to have helped finance Al Qaeda's terrorist operations.**

Throughout history, valuable minerals have frequently been associated with conflict or used to finance it. Wars, banditry, murder, and violence have gone hand-in-hand with humankind's need — or greed — for the control of valuable minerals. Nevertheless, these minerals play an essential role in our daily lives. Along with the beauty and luxury they provide, industrial products and processes depend on them. When managed well, valuable minerals play an important and positive role in

enhancing economic growth and stability, such as in Botswana, Namibia, Chile, Brunei, and Gabon.

Unfortunately, the physical and market characteristics of valuable minerals also create the potential for negative impacts on peace and security. Though people, not minerals, engage in conflict, the presence of valuable mineral resources can exacerbate the zero-sum economic competition that is common in conflict situations. Choosing to work with strategic mineral resources in high-risk settings can be extremely difficult. However, where feasible, such interventions have the potential to reap multifold benefits.

## FROM LUXURY GOODS TO INDUSTRIAL PRODUCTS

Extraction of valuable minerals, such as diamonds and gemstones, gold, coltan, cobalt, silver, copper, manganese, and phosphates, occurs in two basic ways. Large-scale, industrial mining typically exploits minerals hidden in deeper veins with the help of specialist know-how and heavy-duty equipment. Artisanal and small-scale miners (ASM) exploit more accessible surface deposits using basic, often self-made tools. Minerals linked to conflict share one or more of the following physical characteristics:

- Lootable- easily extracted or plundered
- Valuable but small-easy to transport
- Extraction and sales are difficult to monitor and regulate

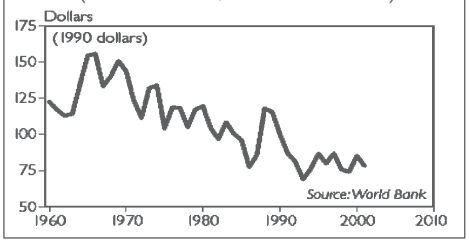
Minerals that combine these first two traits (i.e., they are lootable, small and valuable) are easily transported and concealed, and are most commonly linked to crime and conflict, as evidenced by the "conflict diamond" trade in West Africa.

Certain mineral markets are volatile and highly sensitive to external economic forces and political decisions, though mineral prices have generally declined over the long term. Market value per unit weight differs considerably depending on the mineral. The price for gold, for example, is currently in the range of ~$400 an ounce, up from about $280 per ounce in 2000. Coltan currently trades at about $40 a pound, after peaking in early 2001 at $300 per pound.

Even minerals with generally low market prices are central to the economies of many developing countries. For example, phosphate mining remained the most significant industrial activity in Togo in 2002 (5% of GDP, 26-28% of exports), despite consistently low global prices and reduced exploitation (World Bank 2002a).

Certain kinds of mineral exploitation or trade are clearly illegal under international law (e.g., UN sanctions against trade from particular countries). Other minerals are legal in nature, but are illicitly harvested or traded across borders (e.g., without licenses, permits, royalties, or border customs duties). The boundaries between legal and illegal mining activities are often blurred. Both the "legal" exploitation of minerals and "illegal" and unregulated, poverty-driven subsistence mining can generate unstable conditions and be linked to conflict.

CHART 1: WORLD BANK METALS AND MINERALS PRICE INDEX, 1960-2001 (SAMPAT 2003; WORLDWATCH)




## HOW VALUABLE MINERALS LINK TO VIOLENT CONFLICT

Valuable minerals become conflict minerals when their control, exploitation, trade, taxation, or protection contributes to, or benefits from, armed conflict. Valuable minerals are linked to violent conflict in three primary ways:

- Minerals can finance violent conflict.
- Mining can lead to lower-scale conflicts.
- Mineral wealth can increase vulnerability and corruption, which weaken states and their ability to effectively govern and maintain security, thereby opening the door to violent conflict.

## THE NATURE OF MINERAL CONFLICTS

Valuable minerals can affect the geographic focus, duration, and intensity of violent conflict:

**Geographic focus:** Even if controlling mineral resources is not the original cause of conflict, it can become the focus of fighting. The presence of minerals in remote regions can also reinforce secessionist tendencies. Conflict over resources within those remote regions often stays under the radar of international attention, allowing the conflict to fester.

**Duration:** Mineral wealth can finance continued fighting, strengthen incentives to defect from peace processes, and undermine discipline in military forces, thus lengthening conflict. Struggles over ownership and access to the minerals can also contribute to the complexity and duration of conflicts.

**Intensity:** Mineral wealth can finance arms purchases, raising the level of military and civilian casualties. It can also become a further point of antagonism fueling the conflict. On the other hand, the presence of resources can diminish conflict intensity, if, for example, local commanders cooperate to permit mining for personal gain or the management of the minerals provides a channel for cooperation and confidence building.

Sources: Ballentine & Sherman (2003); Le Billon (2003); Ross (2002).

**Photo opposite page: Diamond mining. Diggers washing gravel.**

*Diamonds directly financed the UNITA rebels in Angola in the 1990s, while in Liberia, Charles Taylor first used timber, then diamonds, as a lucrative source of funds. Likewise, governments and national militaries have used minerals to sustain wars against secessionist groups and rebels.*

## USING MINERALS TO FINANCE VIOLENCE

Sustaining a fighting force requires a steady flow of money. Diamonds directly financed the UNITA rebels in Angola in the 1990s, while in Liberia, Charles Taylor first used timber, then diamonds, as a lucrative source of funds (Ross 2002). Likewise, governments and other groups (including militaries) have used minerals to sustain wars against secessionist groups and rebels. An expert panel reported to the UN Security Council in 2002 that the DRC conflict had become a war for access, control, and trade of five key mineral resources. In the DRC and elsewhere, governments and/or insurgents have sold mineral rights to private interests to generate funds for buying arms and hiring mercenaries.

At times, the discovery of valuable minerals has led to attempts to overthrow the government to capture a share of future revenues. Moreover, armed rebel groups, military units, or governments often seek revenue, which can be used to fuel conflict, by mining and selling valuable minerals or requiring taxes and royalty payments from legitimate operators. Others extort "protection" funds and some simply steal the minerals after they have been mined.

For example, Russian crime groups illegally extract and sell 300 metric tons of amber worth an estimated $1 billion each year. Criminal syndicates operating in South Africa stole 20 metric tons of gold and diamonds valued at $350 million in 1996. In Southeast Asia, smuggling of precious gems was a major source of revenue for the Khmer Rouge insurgency in Cambodia and remains a secondary source of income for drug-trafficking insurgent armies based in Myanmar.

## MINING AND LOWER-SCALE VIOLENT CONFLICTS

Mining offers many potential benefits in terms of employment, wealth creation, state revenues, and infrastructure investment. Yet, disputes can easily arise from both industrial mining and artisanal and small-scale mining (ASM) activities. Issues surrounding land rights and resource access; distribution of wealth and benefits; entry, construction, and exit issues; and social and environmental impacts all have the potential to increase local vulnerability and generate conflict.

### LAND RIGHTS AND RESOURCE ACCESS

When mining begins, conflict can arise over land claims and access to resources. Sometimes, communities are relocated so that companies can reach the valuable minerals beneath the soil. Disputes can intensify when local people are offered insufficient compensation, are excluded from decision-making, and find their livelihoods threatened. At the exploration stage, governments often provide access to the proposed site for seismic testing and exploratory drilling without informing or consulting local communities, particularly indigenous peoples, whose rights to the land may be unrecognized by national law. In such cases, conflicts can arise between communities and the companies, as well as with the government.

Industrial mining is a large-footprint operation. Local communities, artisanal miners, and industrial mining companies frequently contest the right to control an area and to exploit the resources beneath it. The military is often called upon to expel artisanal competition and local farmers or foresters by force. Typically, industrial mining sites are heavily guarded by security forces to protect staff, extracted minerals, and machinery. For example, in West Papua, the mining company Freeport-McMoRan provided transportation, accommodation, and funding to the Indonesian government troops that protected the company's assets and engaged in human rights violations. Private and public security forces have reportedly used excessive force on local communities and orchestrated or overlooked incidents of expulsion, intimidation, and human rights violations (Renner 2002). Evicting artisanal miners can eliminate a significant source of income for the community, fostering resentment. In the worst case, it can lead to a spiral of violence among the community, artisanal miners, and the mining company.

### DISTRIBUTION OF MINING WEALTH AND BENEFITS

Central government officials often appropriate tax and royalty revenues from mining companies without fairly consulting and compensating communities, and concomitant secrecy feeds corrupt and illegitimate regimes. This mismatch is closely tied to the absence of democratic or participatory decision-making processes. Unclear property rights; restricted communication;

**Divers sift through gravel taken from the bottom of a lake. Teams of four or five people work together, but there are often fights between rival miners.**

and lack of representation, consideration, and protection for traditional resource users, such as artisanal miners, farmers, or fishermen, can also lead to conflict.

Once a mining enterprise is established, local communities' expectations of mining revenues can be high, occasionally prompting attempts to take a share by force. The risk of violence increases substantially if local communities believe that a new mining operation has not employed enough local people or channeled sufficient benefits to them through direct compensation, community development funds, and broader social investments.

While staff members of multinational companies present lucrative kidnapping targets, artisanal miners are easier to extort. In areas of instability and existing conflicts, bandits, rebels, and mercenaries-sometimes funded by governments-use their dominance to control access to markets, collect dues and safety payments, or steal the miners' livelihoods.

## ENTRY, CONSTRUCTION, AND EXIT

During a mining project, the risk of low-level, local conflict is highest at the time of entry, construction, and exit. The decision to develop a site leads to severe and irreversible impacts on local communities, particularly when the communities rely on intact ecosystems for their livelihoods (e.g., through subsistence farming, fishing and hunting) or have had little contact with industrialized societies. Both industrial and artisanal mining frequently bring a large influx of people from different ethnic, cultural, and religious backgrounds, often overwhelming existing communities.

Because construction is usually outsourced to contractors with little incentive to develop friendly relations with local communities, development of a large-scale mine can generate conflict when local customs and traditions are violated and public health is undermined by the spread of disease. The Panguna mining project in Papua New Guinea, for example, employed 4,300 workers, most of whom were not from the local community (Ross 2001a). This may have exacerbated secessionist

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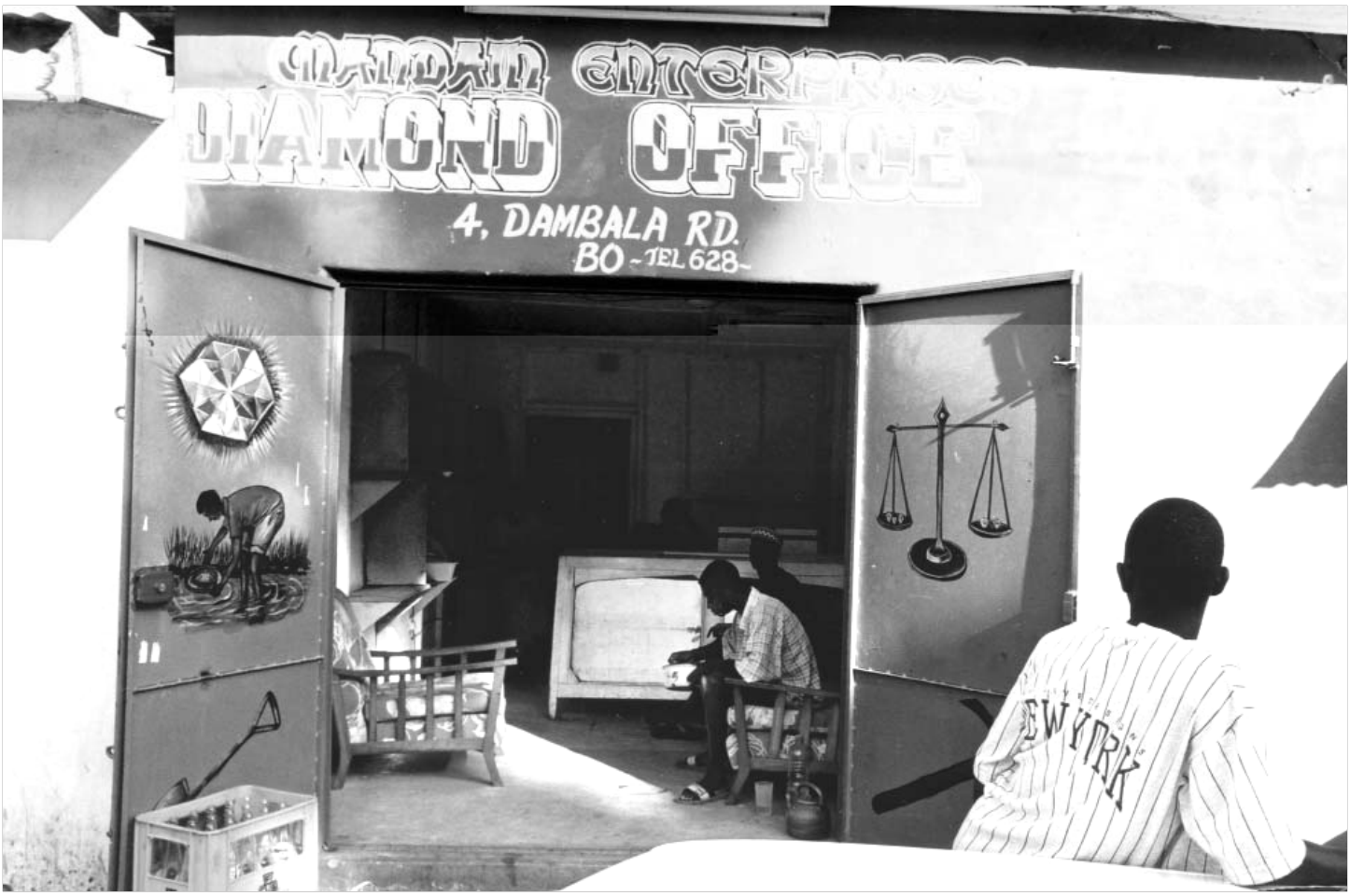



**Diamond dealership in Sierra Leone.**

*Much of the world's mining activity is poverty-driven. Poor communities increasingly turn to mining in times of crises in order to sustain themselves.*

tensions on the island, which led to a long-term conflict with the national government.

### SOCIAL AND ENVIRONMENTAL EFFECTS OF MINING

Much of the world's mining activity is poverty-driven. Poor communities increasingly turn to mining in times of crises in order to sustain themselves. In developing countries, some 80 to 100 million people depend on ASM activities (UNECA 2002), even though unregulated and uncontrolled mineral harvesting is environmentally and socially unsustainable. Many countries explicitly outlaw informal and small-scale mining, while others simply ignore it. Nevertheless, illegal and unregulated ASM activity can contribute to grievances, underground economies, and, when sales are controlled by conflict parties, the financing of violent conflict, as in the DRC, Sierra Leone, Angola, Sudan, and Liberia.

Mining can also destabilize a community or region by degrading the environment. Long-lasting or irreversible damage to water, arable land, forests, wildlife, and hunting or fishing grounds can immediately reduce the quality of life (Renner 2002). Conflicts can also arise over long-term waste storage and environmentally-related economic losses, including unemployment. While mining benefits some factions (often elite) through employment, it negatively affects those who rely on agriculture or fishing, often forcing them to fight to maintain their traditional livelihood.

## MINERAL WEALTH AND CORRUPTION

The question of whether a country's mineral wealth brings prosperity and social development or leads to a downward spiral of corruption, violence, and counter-violence depends largely on issues of economic policy and governance.

### SOCIOECONOMIC VULNERABILITY

Studies have shown that macroeconomic dependence on mineral wealth increases a country's socioeconomic vulnerability and weakens its government (Collier 2003).

Countries that are economically dependent on a few resources such as minerals, oil, and natural gas often suffer from "Dutch

Disease" - pursuing policies of over-reliance on a single commodity while shifting resources and labor away from traditional or diversified exports. A large income stream from a single commodity can increase a country's economic vulnerability to global price fluctuations or to the decisions of foreign investors. Most states lack social safety nets to buffer people from these macroeconomic shocks. In 1998, for example, the Asian financial crisis led to a 40 percent decline in sales of Zambian copper, the country's primary export. This nearly doubled Zambia's inflation and sharply constrained public spending (Parris 1999). Macroeconomic swings and commodity price collapses apparently initiated or intensified violence in Rwanda, Central America and Indonesia. (Griffith-Jones and Kimmis 2002).

## MINERAL WEALTH, CORRUPT ELITES, AND NEGATIVE DEVELOPMENT

Revenue flows from mineral sales and foreign mining companies are easily hidden, reducing incentives for governments to distribute economic benefits equitably. When the flows are used to reinforce military capacity and pay off the opposition, key collaborators, and friendly leaders, social order and development suffer. The diverted benefits of mineral wealth enrich elite groups and increase the power of the ruling clique, simultaneously undermining nascent democratic, legal, or non-violent dispute resolution structures, and increasing tensions and the potential for conflict. The deterioration of good governance may not be an accidental by-product but rather an intended goal of those who wish to take advantage of a weakened state.

The IMF, for example, reported that in 2000, less than two percent of government expenditure in the DRC was "executed through normal procedures" (Smillie 2003). Most of these expenditures were from diverted revenue, through direct orders from the central bank without prior knowledge of the treasury. Corruption and bad governance are major reasons that countries that rely heavily on minerals tend to score very poorly on human development indicators, including child mortality rates, life expectancy, child education, and overall economic equality (Ross 2001b).

International companies often contribute financial support and confer legitimacy to governance failures. Even if a company does not actively engage in corruption and bribery, compliance with illegitimate and oppressive governments or rebel groups enables oppression and escalates violence (Ross 2002). The population does not generally realize the scale of corruption payments to the government, which are often secret. Further, the military and political power generated by the revenue weakens the ability of people to mobilize for democratic change.

## CHARACTERISTICS OF "ELITE" NETWORKS INVOLVED IN ILLEGAL NATURAL RESOURCE EXPLOITATION IN THE DRC

1. The networks consist of a small core of political and military elites, businesspersons, and, in occupied areas, selected rebel leaders and administrators. Some members occupy key positions in the government or rebel groups.

2. Members of these networks cooperate to generate revenue and, in the case of Rwanda, institutional financial gain.

3. The elite networks ensure the viability of their economic activities by using the military and other security forces under their control to intimidate, threaten, or carry out acts of violence.

4. The networks monopolize production, commercial, and fiscal functions.

5. The elite networks maintain the façade of rebel administrations in occupied areas to generate public revenues, which they divert, thereby depleting the public treasury.

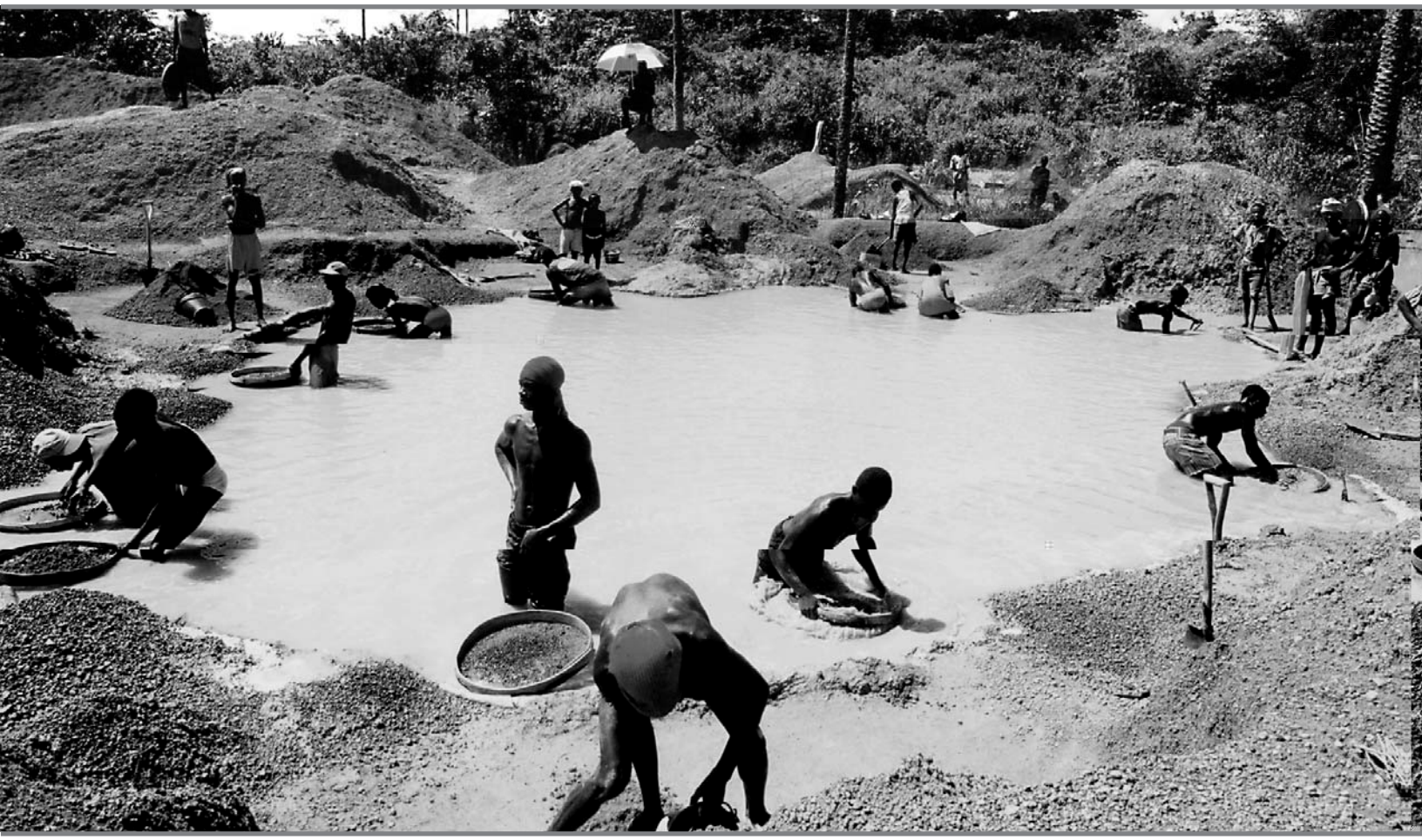
6. The elite networks gain money from criminal activities such as theft, embezzlement, undervaluing goods and assets, smuggling, false invoicing, evading taxes, kickbacks to public officials, and bribery.

7. The elite networks form business companies or joint ventures as fronts for illegal commercial activities.

8. The elite networks are supported by transnational organized crime groups, which provide "services," such as air transport, illegal arms dealing, and natural resource marketing.

Sources: Stabrawa (2003); United Nations (2002)

# LESSONS LEARNED



*For participatory decision-making to foster agreement rather than exacerbate existing differences, all groups must be involved, with gender and ethnic groups represented proportionally.*

**Despite the complexity of the links between minerals and conflict, many development initiatives by USAID, other aid agencies, NGOs and the private sector are having a positive impact. These range from direct interventions to policy dialogues, and many have achieved positive results for social stability and offered important lessons for future action.**

## LOCAL COMMUNITIES AND INFORMATION ACCESS

True and timely information is essential for holding decision-makers accountable, but the sheer distance and lack of adequate transport and telecommunications infrastructure between the center of decision-making and a mining site can hinder information access for locals and limit channels for their voices to be heard. Development actors can play an important role in fostering the flow of data by supporting watchdog groups and information activities.

## 2 INCREASE PARTICIPATION, AND PARTNERSHIP

Beyond sharing information, local communities and miners should actively participate in decisions that affect their lives. Participation and involvement diminish grievances and the potential for conflict in two important ways:

- Locals can voice concerns that might be unknown or ignored by decision-makers located elsewhere; and
- Consensus-based decisions meet needs of all stakeholders and distribute responsibility.

For participatory decision-making to foster agreement and dialogue rather than exacerbate existing differences, all stakeholder groups must be involved, with gender and ethnic groups represented proportionally. Participation is a key characteristic of democracy, and even small-scale efforts to encourage dialogue can foster stability.

Incorporating the local community into key decision-making processes also is essential to ensuring that local knowledge, customs, and aspirations are adequately taken into account. When this approach is followed, the community affected is much more likely to accept, and to work to support, an activity.

## 3 CREATE SUSTAINABLE LIVELIHOODS FOR ARTISANAL AND SMALL-SCALE MINERS

Recognizing that banning or ignoring unsustainable ASM is counterproductive, the World Bank and the United Nations have begun to tackle its root cause: poverty and lack of sustainable livelihoods. ASM has been largely viewed as negative, with unregulated ASM linked to severe environmental degradation, high crime rates, poor social and health conditions, increased STDs and HIV/AIDS, prostitution, and child labor.

In the past five years, international organizations have launched initiatives that explore ASM, poverty, and subsistence. There is an emerging consensus that ASM plays a vital role in local life, provides employment, and supports development goals when it is officially recognized, regulated, and supported. The relative lack of knowledge and analytical tools in the area of ASM underscores the need to increase its visibility, facilitate more effective ASM policy design and implementation, and monitor assistance efforts to help prevent poverty traps and conflicts associated with small-scale mining activities.

The United Nations Department of Economic and Social Affairs (UNDESA), United Nations Development Programme (UNDP), and the World Bank are working to convince governments to recognize ASM and manage it so that miners can work legally, access basic social services, and increase their earnings.

Development agencies can set an example for national governments by explicitly recognizing ASM in their own work. For example, the 2002 Poverty and Human Development Report of Tanzania makes several references to mining and ASM and calls for new policies to make these sectors truly pro-poor (UNDESA 2003).

Upgrading the sector requires a holistic approach that includes micro-credit loans, training, professional organizations, formal land tenure, and a special appreciation of women's and children's role in ASM (UNDESA 2003).

## 4 REDUCE MACROECONOMIC DEPENDENCE AND VULNERABILITY

Vulnerability caused by overdependence on mineral exports can be addressed by:

- Macroeconomic policies that smooth out the economic impacts of swings in mineral prices. Such mechanisms link aid to state revenues, making it conditional on government commitments to limit public expenditures when prices are high and to establish regulations to hinder fraud and corruption, as in the case of Chile's Copper Stabilization Fund (World Bank 2002b).
- Microeconomic policies that support economic diversification. These include providing micro-credit to entrepreneurs and small businesses and

***There is an emerging consensus that artisanal and small-scale mining activities (ASM) play a vital role in local life, provide employment, and support development goals when they are officially recognized, regulated, and supported.***

**Photo opposite page: Digging a diamond mining pit by hand**

reducing bureaucratic barriers to establishing a business and entering the formal economy.

## 5 ADDRESS GAPS IN NATIONAL GOVERNANCE

Corruption and patronage can be exacerbated by mineral wealth (Ross 2001b). Making aid contingent on implementing anti-corruption strategies, democratic constitutional provisions, and local-level empowerment activities can help.

Some mining companies and government officials exploit communities, abuse human rights, and instigate violence with impunity. Donors that have supported and publicized local and international accountability mechanisms have helped communities make their voices heard.

Such mechanisms include national legislation and human rights protection, regional ombudsmen, the World Bank Inspection Panel, and the National Contact Points established under the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (OECD 2001).

Raising awareness among government officials and leaders of civil society organizations about the existence of and means of access to international regulatory mechanisms, like the Kimberley Process as well as other emerging systems that can help countries properly regulate their natural resources, provides another means to help countries address national policy gaps.

## 6 PROMOTE RESPONSIBLE BEHAVIOR BY COMPANIES

Promoting responsible private sector investment in regions prone to mineral-related conflict is an important element of development and peace building. Development agencies can support the adoption of voluntary international standards by companies.

The US-UK Voluntary Principles on Security and Human Rights are a good example. International Alert has also been working closely with OECD DAC in its Business and Conflict program to promote conflict-sensitive and conflict-prevention approaches to corporate investment and conduct.

These OECD DAC guidelines recommend that governments:

- Promote the use of peace and conflict impact assessment by businesses;
- Support processes to resolve project-related claims by indigenous communities;
- Improve codes of conduct on specific issues and risk insurance;
- Explore tri-sectoral development partnerships and create fora for multi-stakeholder dialogue; and
- Identify ways to involve the private sector in the peace-building process.

If voluntary commitments are broken or insufficiently monitored, regulatory processes would be needed to back these commitments.

Another channel for intervention on minerals and mining is promoting adherence by the private sector to international conventions on bribery and corruption, including the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

## 7 STRENGTHEN GOVERNANCE OF THE INTERNATIONAL MINERAL TRADE

Minerals obtained and controlled through criminal means can be legally traded in the international market. Thus, efforts to hinder conflict trade must address the full commodity chain: miners (both artisanal and industrial); traders and intermediaries; processors; and consumers.

The Kimberley Diamond Certification Process and complementary efforts represent an important step in this direction. Donors can fund certification processes, make compliance a condition for aid, and support civil society advocates. Follow-on activities should include on-the-ground training for ASM, local NGOs, government officials and industry representatives to ensure compliance with certification regimes.

## 8 CREATE A SAFE SPACE FOR REFORM

The political dynamics before, during, and after conflict will determine what is possible in terms of reforming the mineral sector. The windows of opportunity must be carefully gauged to gain access to governments from a policy perspective as well as to communities for implementing an action agenda. There are significant political and security risks inherent to working in a conflict context, making it essential to have buy-in from local stakeholders and support from outside stakeholders such as private sector corporations, Ambassadors to the host country, UN peacekeepers, and others.

## 9 MONITOR AND ASSESS DEVELOPMENT

Managers of development agencies have greater capacity to react to violent situations related to mineral dependence when they are aware of the risk factors. Conflict assessments at both country and program levels should include the role of potential conflict commodities.

By supporting independent and grass-roots research and monitoring efforts, development agencies can enhance internal and public awareness and understanding of the mineral-conflict relationship.

## WANT TO KNOW MORE?

Ian Bannon and Paul Collier, the editors of *Natural Resources and Violent Conflict: Options and Actions* (2003), have collected previously unpublished articles by leading authors in the field, such as Michael Ross and Philippe Le Billon. The book examines the economics of the natural resources/violent conflict nexus, including the role of macro-economic policy, the financial and business sectors, and the development community.

In *The Anatomy of Resource Wars* (2002), Michael Renner explains the relationship between natural resources and violent conflict, illustrating how natural resources either finance or trigger violent conflicts, by providing descriptions of specific cases and analyzing their dynamics.

Michael Ross's report, *Extractive Sectors and the Poor* (2001), gives a brief but thorough overview of the links between minerals (including oil) and conflict, highlighting livelihood and governance issues. http://www.polisci.ucla.edu/faculty/ross/oxfam.pdf.

The final report of the Extractives Industries Review (EIR), *Striking a Better Balance* (2003), presents the cumulative results of the EIR process, which was launched by the World Bank Group to provide an independent review of its role in the extractive industries. The report contains a collection of recommendations to guide the World Bank's involvement in the oil, gas, and mining sectors, many of which are generally applicable to policy and decision-makers. http://www.eireview.org.

The Mining Minerals and Sustainable Development (MMSD) project report, *Breaking New Ground* (2002), combines a wealth of information on all aspects of mining, including economic, social, and environmental concerns about industrial and artisanal mining, as well as responses and recommendations. It reviews mining dynamics and best practices for particularly controversial aspects of the industry. http://www.iied.org/mmsd/finalreport/index.html.

***The Kimberley Process is a joint government, diamond industry and civil society initiative to stem the flow of conflict diamonds through an innovative, voluntary certification scheme requiring participants to attest that shipments of rough diamonds are free of conflict stones.***

# PROGRAM OPTIONS

PHOTO: PANOS/LOWE

**The following programs are examples of innovative attempts to address the role of minerals in causing and sustaining violence. While tools are still being developed to measure the impact of these programs, many have shown promise in empowering local communities, promoting responsible behavior by the private sector, and addressing gaps in government policy.**

## STRENGTHENING GOVERNANCE OF INTERNATIONAL TRADE IN MINERAL COMMODITIES

- The Kimberley Certification Process brings together governments, the diamond industry, and NGOs to negotiate commodity tracking to preserve the legitimate diamond trade while excluding conflict diamonds from international markets. Participants agree not to trade in rough diamonds with any non-participant and to require certification for both exports and imports, with internal controls to eliminate conflict diamonds. Data collection and

maintenance on production, imports, and exports is key, as is cooperation and sharing information with other participants. The Kimberley Process has 43 participants who are involved in the production, export, and import of rough diamonds and accounts for approximately 98% of the world trade. Yet, voluntary compliance to the agreement leaves many NGOs concerned about the system's credibility and effectiveness.
***www.kimberleyprocess.com***

- In Sierra Leone, the Peace Diamond Alliance (PDA) complements the Kimberley Process by formalizing the diamond trade while strengthening the state's capacity to govern it effectively. Following previous successful diamond certification efforts in Sierra Leone, PDA works collaboratively with local and international members to formulate an integrated approach to diamond management-developing competitive buying schemes, training miners about the value of their production, tracking diamonds, providing credit to miners, reclaiming mining land for agriculture, engaging youth, and socializing soldiers. The project's strength lies in member commitment to undertake specific actions and share responsibility.
www.peacedia233.64107.306.4624

- In Sierra Leone, technical assistance to the government for new diamond policies and development activities has included dialogue among the government, representatives of diamond-producing communities, human rights activists, traditional leaders, Parliament, rebels, and international diamond leaders and exporters. Long-term development problems, such as poverty and exploitative systems of production and marketing, were addressed along with short-term issues related to the war and rebel use of diamonds.
Partners included the privs. 7lighs to73ate(/9l5ssed along )TJ0 -1.2 TD(with shorp included the pr)-25(ivs. 7lighse(leader)-40tr)-25diam1r Utra

PHOTO: USAID ARCHIVES

***The Las Cristinas tri-sector partnership in Venezuela successfully resolved conflicts among local communities, artisanal miners and a large-scale mining group. The project constructed a communal health service center, which improved both public health and relationships among the groups.***

Kimberley Process. Development agencies can support independent monitoring and advocacy by NGOs that carry out rigorous, verifiable research in support of human security. **http://www.globalwitness.org/** **http://www.pacweb.org**

## 4 FIGHTING POVERTY AND CREATING SUSTAINABLE LIVELIHOODS

- The multi-stakeholder Mining Policy Research Initiative, created in 1998, addresses mining issues in South America. Its wide variety of programmatic areas includes sustainable artisan and small-scale mining, multi-stakeholder dialogue and engagement, partnerships for local development, mine closure and reclamation, and mining and indigenous peoples. ***http://www.iipm-mpri.org/***

- The Communities and Small-Scale Mining (CASM) secretariat seeks to "reduce poverty by supporting integrated sustainable development of communities affected by or involved in artisanal and small-scale mining in developing countries." It hosts a knowledge center, regular meetings, and workshops to identify best practices in mining and governance policies and initiated a research program to improve profiling of artisanal and small-scale mining activities in Africa and to implement baseline surveys. It aims to gain a better understanding of ASM, including how it interacts with other sectors and stakeholders and its social, economic, political, and environmental dimensions. ***http://www.casmsite.org/***

- In Tanzania, national dialogue on mining's contribution to poverty reduction seeks to better assess needs, vulnerability, capacity, and development alternatives; identify policies to improve ASM-sector performance; and build links with other income-generating sectors. ***http://www.casmsite.org***

## 5 INCREASING PARTICIPATION, AND PARTNERSHIP

- The Las Cristinas tri-sector partnership in Venezuela successfully resolved conflicts among local communities, artisanal miners and a large-scale mining group. The project constructed a communal health service center, which improved both public health and relationships among the groups. The partnership model combined participatory decision-making with benefit-sharing to resolve conflicts among the local community and industrial and artisanal mining. An independent evaluator concluded that there are no longer any mining-related conflicts in Las Cristinas, unlike other areas of Venezuela. ***www.bpd-naturalresources.org***

- For several years, BHP-Billiton has successfully engaged in an ongoing consultative process with key community stakeholders in the Tintaya mine in Peru to resolve differences and manage conflict. The joint effort by Oxfam America, Oxfam Australia - Community Aid Abroad, several Peruvian organizations, BHP-Billiton, and affected communities has provided a channel for substantive engagement between the affected communities and the mine owners. The facilitated dialogue process is known as the Mesa de Diàlogo (Dialogue Roundtable). The highly effective dialogue has provided a sense of legitimacy, a forum for transparent and inclusive communication, and a means for addressing old, recent, and emerging grievances.

## 6 LOCAL COMMUNITIES AND INFORMATION ACCESS

- An independent hydrological impact assessment and community referendum in Tambogrande, Peru, gave voice to the marginalized local population when a proposed mine threatened environmental pollution, diversion of the nearby Piura River, and forced relocation of about 9,000 townspeople and fruit growers. Strengthened stakeholder participation in the decision-making process helped keep local citizens

informed and provided a platform for communication with decision-makers.
***www.oxfamamerica.org/***

## 7 ADDRESSING GAPS IN POLICY AND GOVERNANCE

- A project to help Peru's Ministry of Energy and Mines improve public sector practices for mine safety, environmental management, and poverty reduction, focuses on medium-sized underground operations, which have the highest incidence of fatalities and environmental degradation. The project trains engineers, regulators, operators, and workers on treatment and control of environmental impacts, such as acid mine drainage and mine site reclamation. Peru's mines have improved their compliance with environmental standards, and the ministry is preparing a new environmental code for transporting and handling concentrates.
***www.percan.ca***

- In Bolivia, a project has supported regulatory reforms to minimize the environmental impact of mining operations and attract new investment. More than 80 percent of mining areas are highly contaminated, affecting 300,000 people, many of whom depend on the mining sector for survival. The project provides technical assistance for rehabilitating mine sites, administering mining codes, managing geological information, and improving health and safety conditions. A planned extension project will build administrative capacity for controlling pollution, improving health and safety, and consulting the public.
***www.acdi-cida.gc.ca***

- Workshops and seminars for mining companies in Bolivia, Ecuador, and Peru promote corporate social responsibility and sustainable development and encourage regional and bilateral dialogue on the sector's sustainable development. Workshops on mining and the environment and on mining and communities have resulted in a community consultation process in Ecuador to develop and adopt a new mining law grounded in sustainable development principles.
***http://www.acdi-cida.gc.ca***

***Workshops and seminars for mining companies in Bolivia, Ecuador, and Peru promote corporate social responsibility and sustainable development and encourage regional and bilateral dialogue on the sector's sustainable development***

# SURVEY INSTRUMENT

PHOTO: PANOS/LOWE

**This section identifies key questions that evaluate the risk of conflict linked to valuable minerals. These questions should help development agencies effectively integrate valuable minerals management and conflict prevention/mitigation into their programs and projects. Not all questions will be relevant in all regions because of historical and cultural differences.**

## Are minerals being used to finance violence or oppression? If not, what factors suggest that minerals may do so in the future?

- Are valuable and/or highly lootable minerals present, and are these resources located in remote, politically and economically marginalized areas with secessionist tendencies or a history of violence?
- Do other forms of trade that support criminality and violence exist in these areas (e.g., narcotics, timber, small arms traffic, etc.)?
- If you compare minerals export data (where such statistics are available), does it indicate that minerals production has gone "underground" and developed illegal trade markets?

## Are the social and environmental impacts of mining and inequitable distribution of benefits fueling grievances or contributing to violence?

- Do large proportions of the population depend on ASM for income, and is ASM illegal without clearly defined rights and obligations or mechanisms for regulation and support?
- Are there mechanisms to assess environmental and social impacts, develop mitigation and compensation plans, monitor and enforce compliance, and disseminate relevant information to affected communities?
- Have groups (including local community and indigenous groups) with legitimate interests, facing serious impacts, or holding formal and informal access rights to the resource area, been appropriately consulted and compensated? If these groups oppose the decision and refuse compensation, do they have access to legal representation in an independent judicial system?
- Are there processes to mitigate dynamic flashpoints produced during minerals exploitation: initial exploration, the influx of other communities ("honey pot effect") and construction workers, and the impact of mine closure?
- Is securing the mining site with military or private security forces likely to contribute to human rights abuses? Are artisanal and small-scale miners intimidated into cooperating with rent-seeking forces using violence?
- Do institutions equitably mediate competing claims from communities, artisanal and small-scale miners, companies, and officials, for access to natural resources, social and environmental impacts, and benefit-sharing?

## Do underlying domestic and international governance failures contribute to the potential for violence?

- Is the country's economy highly dependent on valuable minerals? Are there mechanisms to mitigate mineral-related economic shocks, and to support diversification?
- Do government and security institutions (military/police) participate in the lootable minerals trade?
- Are efforts underway to combat corruption, enhance revenue transparency, and hold officials accountable for mineral-related activities?
- Are there international mechanisms to enhance governance of the minerals in question, and can these mechanisms be used to screen out "conflict commodities" and manage revenues? Do the state and its neighboring countries participate in these initiatives, and have they implemented domestic regulation and enforcement?
- Are foreign mineral extraction companies contributing to or legitimizing oppressive capacity of the state, the financial support of insurgent groups, or the violation of local human rights, and can these companies be encouraged to adopt voluntary standards?

## Consider how management and development of mineral resources might work well, and determine the essential prerequisites for a positive trajectory that does not spark conflict. Within that framework, where are the relevant gaps?

**Governance Gaps:**

- Are there important institutional gaps or weaknesses?
- Are there critical legal and/or policy needs?

**Operational/Capacity Gaps:**

- Are there informational barriers (e.g., issues of transparency, evidence, common definitions/constructs, etc.)?
- What are the human capacities on issues related to valuable minerals?

**Special Considerations:**

- How do issues sort across time: immediate, near, medium, and long-term?
- Are mineral-related revenues financing criminal or insurgency activities?
- What are the political flash points (actual and latent)?
- What are USAID's comparative/strategic advantages and limitations (e.g., legitimacy, know-how, resources)?

***Are there mechanisms to assess environmental and social impacts, develop mitigation and compensation plans, monitor and enforce compliance, and disseminate relevant information to affected communities?***

**Photo opposite page: Diggers, known as camamgistas, working a diamond mine.**

# MONITORING & EVALUATION

**A handful of diamonds.**

The following monitoring and evaluation framework is a work in progress and meant to serve only as a model. We plan to update and revise this framework as our understanding evolves and would appreciate your comments. The framework and indicators have been culled from various monitoring plans, reviewed by a panel of experts, and commented on by USAID mission staff. These indicators are by no means exhaustive and are meant to be illustrative. Activities and indicators will vary by context. The goal of this framework is to address the effectiveness of minerals & conflict programs in meeting their twin goals of being effective both as mineral governance programs and also as conflict programs. For further information on Monitoring & Evaluation please refer to *http://www.dec.org/partners/evalweb/*. If you have any questions about this framework please contact either Jaidev Singh or Elizabeth Martin in the Office of Conflict Management and Mitigation.

## USAID/CMM ILLUSTRATIVE INDICATORS

**GOAL:** **MITIGATE CONFLICT RELATED TO MINERAL RESOURCES**

**SUB GOAL:** **IMPROVED MANAGEMENT OF MINERAL COMMODITIES FOR BROAD-BASED ECONOMIC GROWTH AND STABILITY**

**OBJECTIVE 1:** **INCREASED LIVELIHOOD OPPORTUNITIES FOR ARTISANAL AND MINING COMMUNITIES**

- % revenue generated reinvested in community for new business development
- % migrant workers staying in community over time *(evidence of livelihood stability)*

**IR 1.1 EMPLOYMENT OPTIONS FOR MEN AND WOMEN DIVERSIFIED**

- formal and informal job diversification (# of types of jobs for men and women)

**1.1.1 Access to credit opportunities for individuals, co-ops and small businesses increased**

- % ASM co-ops/ethnic groups/ women approved for small loans

**1.1.2 Individuals, co-ops and small businesses marketable skills increased**

- % miners/mining operations utilizing new technologies
- employment rate (ASM communities, disag. by gender)

**1.1.3 Community-based alternative, collateral and value-added industries developed**

- % community's' economy diversified from base industry
- % of mining commodities refined locally
- #/% alternative/collateral industries annual increase

**IR 1. 2 ENVIRONMENT TO PROMOTE A DIVERSIFIED ECONOMY ESTABLISHED AND ENHANCED**

- illegal trade of mineral commodities decreased
- trade data and prices publicly available

**1.2.1 System for more equitable access to land improved**

- new/updated land tenure/reclamation laws enacted consistent with long-term economic growth
- % shift of land claims/titles (private ownership) over time
- land tenure registers completed and publicly available

**1.2.2 Safe and healthy work spaces mandated and increasingly achieved**

- % of vulnerable population working in safe work spaces
- health worksite regulations developed and enforced
- develop benchmarks for regulation promulgation process
- % miner mortality

**1.2.3 Business and trade barriers reduced**

- # new businesses registered in a year (including agribusiness)
- develop benchmarks and targets for simplification of trade rules
- ratio of local market commodity price to international price (fair price)

***The illustrative indicators should be viewed as general models which must be adapted to a country's specific context.***

## USAID/CMM ILLUSTRATIVE INDICATORS

### OBJECTIVE 2: STRENGTHENED CAPACITY TO GOVERN MINERAL TRADE AND ENVIRONMENT

- % change in spending in private sector
- average time to process land claims/titles
- # of cases brought to court and settled in a reasonable time (land, labor, human rights violations)
- % ASM citizens who say they have access to court systems (formal/informal) to resolve disputes

**IR 2.1 GOVERNMENT MECHANISMS TO PROTECT LAND AND HUMAN RIGHTS ESTABLISHED/STRENGTHENED**

- % citizens reached by civic and political action programs to protect rights
- % ASM communities/workers showing confidence in their local government
- regional standards developed with neighboring countries (land use)

**2.1.1 Environmental laws to preserve mining land use established**

- minimum environmental standards established through participatory processes
- natural resource authority decentralized to local authorities representative of and accountable to ASM communities
- #/% mining activities or conflicts occurring in a "no-go" environmental zone

**2.1.2 Human rights laws conform to international standards**

- human rights index (freedom from torture, punishment, discrimination, etc)
- international human rights instruments become national law
- # of HR violations filed against government security forces, firms

**2.2.3 Fair and responsible behavior by firms promoted**

- client satisfaction index
- # firms with dispute resolution offices
- firms' environmental and human rights policies in place and disseminated
- % child labor

**IR 2.3 STRENGTHENED MONITORING AND ENFORCEMENT CAPABILITIES[1]**

- # ombudsmen or independent courts operating for ASM communities
- # of CSOs/NGOs with specialized expertise and capacity to monitor, analyze and publicize mineral trade violations
- administrative capacity of ethics and anti-corruption office equal to the task
- availability of adequate resources for staffing of auditor/inspector general office, human rights or anti-corruption office

**IR 2.4 IMPROVED TRANSPARENCY[1]**

- " % of international and local human rights groups that produce and distribute uncensored reports
- #/% ASM citizens receiving information on legal rights, land rights, trade data and prices
- creation or strengthening of an anti-corruption entity
- transparency campaign like "Publish What You Pay" implemented (existence of an open budget process)

1. Cross cutting involevement: Government, firms and community, including civil society and community-based organizations.

# USAID/CMM ILLUSTRATIVE INDICATORS

## OBJECTIVE 3: CONFLICT-CONDITIONS IN MINING COMMUNITIES MITIGATED

- % ASM citizens satisfied with local services
- crime rates

### IR 3.1 CONFLICT ROOT CAUSES ADDRESSED

- expenditures tracked to select outputs
- increased rural representation in public decisions that affect their lives and well-being

#### 3.1.1 Basic education, social and health services expanded

- % population receiving basic services (index of school enrollment, health services, water, etc)
- % ASM literacy, numeracy rates (adults)
- morbidity rates for mining-related health indicators (HIV/AIDS, TB, malaria, etc)

#### 3.1.2 Firms entry/exit shocks mitigated

- % migrant workforce
- % hectares land reclaimed (general rule: 15 ha reclaimed/1 ha mined)
- mining investment agreements between firms and communities

#### 3.1.3 Improved local Natural Resource Management

- # communities adapting improved NRM technologies
- #/% ASM communities with active extension training and support
- NRM market incentives available

#### 3.1.4 Local revenue/tax generated reinvested in community

- % local infrastructure improved
- % migration into the community

### IR 3.2 CONFLICT PREVENTION MEASURES INCREASED

- increased networks, coalitions (involving CSOs) involved in peace initiatives
- community perceptions about security, violence and crime (index)

#### 3.2.1 Warring parties and spoilers positively engaged in peace process

- more inclusive multiparty participation in community events/peace activities
- NGOs/CSOs initiating forums, roundtables or intensifying ongoing peace processes
- government and firms' funds provided to facilitate peace process

#### 3.2.2 CSO/CBO, government and firms peace capacities built

- # issue specific multi-party dialogue sessions in ASM communities
- % of training participants with skills score above 80%
- increase in nonviolent actions exhibited by ASM/Firms/government (e.g. protests, forums organized, dialogues undertaken, etc.)

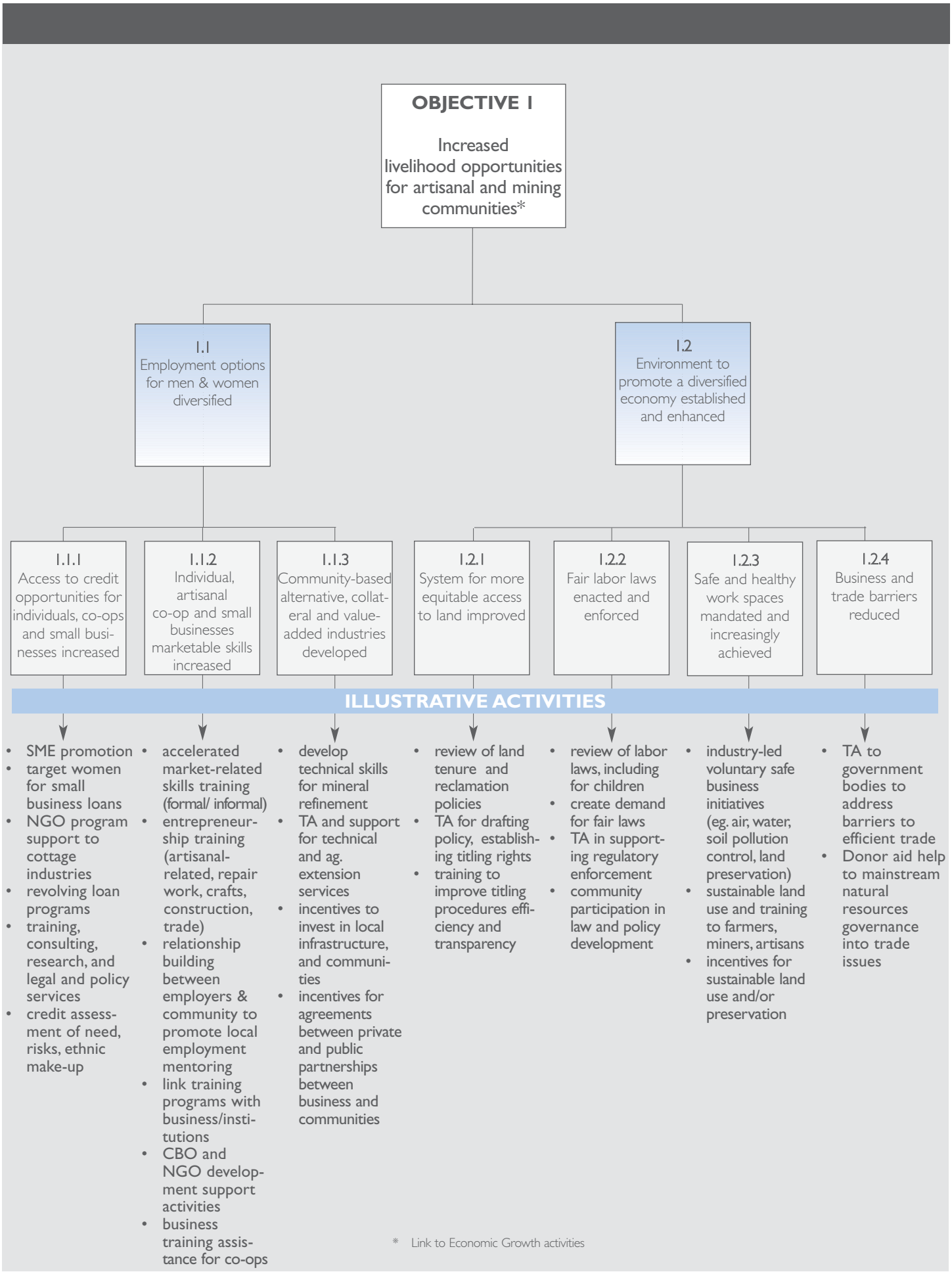
#### 3.2.3 Role of media in peace-making improved

- balance in reporting (# positive articles/negative articles)
- quality of media investigation and reporting into violations, corruption and black market trade

**GOAL:**

**SUB GOAL:**

| OBJECTIVE 1 | | OBJECTIVE 2 | | | OBJECTIVE 3 | |
|---|---|---|---|---|---|---|
| Increased livelihood opportunities for artisanal and mining communities* | | Strengthened capacity to govern mineral trade and environment** | | | Conflict conditions in mining communities mitigated | |
| 1.1 Employment options for men & women diversified | 1.2 Environment to promote a diversified economy established and enhanced | 2.1 Government mechanisms to protect land and human rights established/ strengthened | 2.2 Cross -Cutting*** Strengthened monitoring and enforcement capabilities | 2.3 Cross- Cutting*** Improved transparency | 3.1 Conflict root causes addressed | 3.2 Conflict prevention measures increased |
| 1.1.2 Individual, artis | | | | | | |


OBJECTIVE 1
Increased livelihood opportunities for artisanal and mining communities*
1.1 Employment options for men & women diversified
1.2 Environment to promote a diversified economy established and enhanced
1.1.1 Access to credit opportunities for individuals, co-ops and small businesses increased
1.1.2 Individual, artisanal co-op and small businesses marketable skills increased
1.1.3 Community-based alternative, collateral and value-added industries developed
1.2.1 System for more equitable access to land improved
1.2.2 Fair labor laws enacted and enforced
1.2.3 Safe and healthy work spaces mandated and increasingly achieved
1.2.4 Business and trade barriers reduced
ILLUSTRATIVE ACTIVITIES
• SME promotion
• target women for small business loans
• NGO program support to cottage industries
• revolving loan programs
• training, consulting, research, and legal and policy services
• credit assessment of need, risks, ethnic make-up
• accelerated market-related skills training (formal/ informal)
• entrepreneurship training (artisanal-related, repair work, crafts, construction, trade)
• relationship building between employers & community to promote local employment mentoring
• link training programs with business/institutions
• CBO and NGO development support activities
• business training assistance for co-ops
• develop technical skills for mineral refinement
• TA and support for technical and ag. extension services
• incentives to invest in local infrastructure, and communities
• incentives for agreements between private and public partnerships between business and communities
• review of land tenure and reclamation policies
• TA for drafting policy, establishing titling rights
• training to improve titling procedures efficiency and transparency
• review of labor laws, including for children
• create demand for fair laws
• TA in supporting regulatory enforcement
• community participation in law and policy development
• industry-led voluntary safe business initiatives (eg. air, water, soil pollution control, land preservation)
• sustainable land use and training to farmers, miners, artisans
• incentives for sustainable land use and/or preservation
• TA to government bodies to address barriers to efficient trade
• Donor aid help to mainstream natural resources governance into trade issues
* Link to Economic Growth activities

## OBJECTIVE 2

Strengthened capacity to govern mineral trade and environment**

### 2.1
Government mechanisms to protect land and human rights established/strengthened

### 2.2
Cross -Cutting** Strengthened monitoring and enforcement capabilities

### 2.3
Cross - Cutting** Improved transparency

### 2.1.1
Environmental laws to preserve mining land use established

### 2.1.2
Human rights laws conform to international standards

### 2.13
Fair and responsible behavior by firms promoted

## ILLUSTRATIVE ACTIVITIES

- TA to Government on company trade and investment agreements
- support policy dialogue
- training to build capacity for timely titling, registry claims and management
- gender assessments, raise awareness of gender issues
- support to environmental sensitive practices
- TA on pro-poor trade and foreign investment policies

- assist in instituting the Kimberley Process or similar processes
- TA on regulatory reform
- support civil society demand for voluntary international human rights standards by firms, government
- TA to draft legislation, regulations on human rights, child labor laws
- Civil society awareness raising and advocacy building

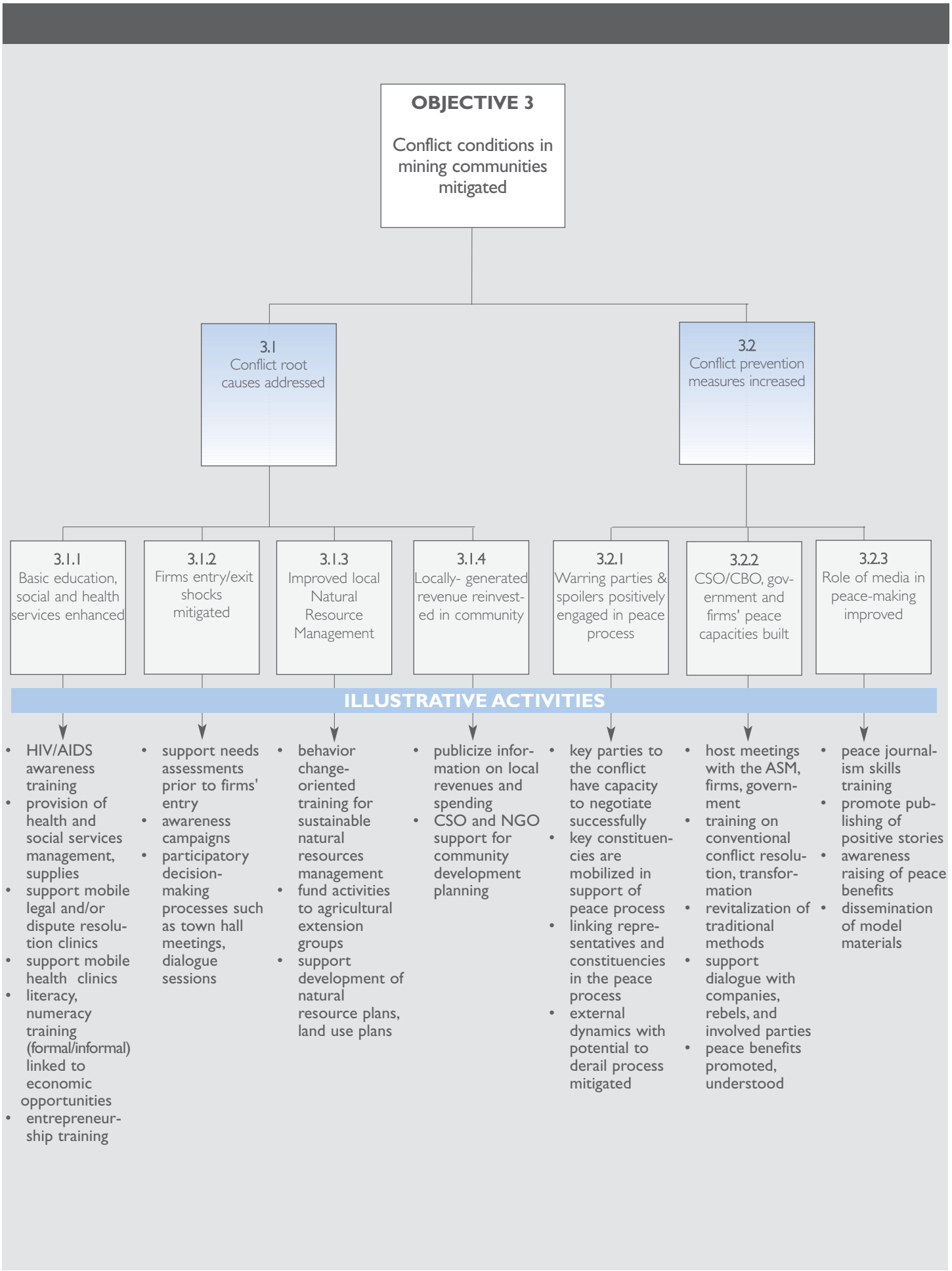
- A to legalize artisanal and small-scale miners (ASM)
- TA on drafting legislation and regulations
- promote Extractive Industries Transparency Initiative (EITI) or similar initiatives
- assistance in developing fair pricing
- Trade Policy assessment

- support government capacity on public and environmental health issues using consultative process
- support creation of anticorruption and inspection panels
- training and resources for regional ombudsman
- TA and support to decentralized monitoring and enforcement bodies

- TA on international standards for transparency and accountability (government, industry)
- community level transparency incentives developed
- town hall meetings
- CSO/CBO awareness and advocacy building
- support ISO standards
- training at all levels to enhance communication to public
- incentives to publish trade data
- donor incentives for government, firms to join "Publish What You Pay" like campaigns

** Link to Democracy and Governance activities

*** Includes Government, firms, communities (CSO,CBOs)


OBJECTIVE 3
Conflict conditions in mining communities mitigated
3.1 Conflict root causes addressed
3.2 Conflict prevention measures increased
3.1.1 Basic education, social and health services enhanced
3.1.2 Firms entry/exit shocks mitigated
3.1.3 Improved local Natural Resource Management
3.1.4 Locally- generated revenue reinvest-ed in community
3.2.1 Warring parties & spoilers positively engaged in peace process
3.2.2 CSO/CBO, gov-ernment and firms' peace capacities built
3.2.3 Role of media in peace-making improved
ILLUSTRATIVE ACTIVITIES
• HIV/AIDS awareness training
• provision of health and social services management, supplies
• support mobile legal and/or dispute resolu-tion clinics
• support mobile health clinics
• literacy, numeracy training (formal/informal) linked to economic opportunities
• entrepreneur-ship training
• support needs assessments prior to firms' entry
• awareness campaigns
• participatory decision-making processes such as town hall meetings, dialogue sessions
• behavior change-oriented training for sustainable natural resources management
• fund activities to agricultural extension groups
• support development of natural resource plans, land use plans
• publicize infor-mation on local revenues and spending
• CSO and NGO support for community development planning
• key parties to the conflict have capacity to negotiate successfully
• key constituen-cies are mobilized in support of peace process
• linking repre-sentatives and constituencies in the peace process
• external dynamics with potential to derail process mitigated
• host meetings with the ASM, firms, govern-ment
• training on conventional conflict resolu-tion, transfor-mation
• revitalization of traditional methods
• support dialogue with companies, rebels, and involved parties
• peace benefits promoted, understood
• peace journal-ism skills training
• promote pub-lishing of positive stories
• awareness raising of peace benefits
• dissemination of model materials

# RESOURCES

**Divers sift through gravel taken from the bottom of a lake.**

## USAID CONTRACTING MECHANISMS FOR MINERALS AND CONFLICT PROGRAMMING

### IQCS FOR ANTI-CORRUPTION (DCHA/DG)

Aimed at curbing governmental corruption in political and bureaucratic offices, this activity focuses on unilateral abuses by governmental officials such as embezzlement and nepotism, and abuses linking public and private actors. It includes both administrative corruption and state capture. Governmental integrity support activities under this contract could encompass increasing government and mining company transparency through initiatives, such as the EITI, and civil society advocacy on behalf of transparency and anti-corruption reforms in the natural resources extraction and governance sectors. ***(http://inside.usaid.gov/G/DG/mechs/iqcs/gov5_1203.pdf)***

**Prime Recipients:** ARD, Inc.; Casals & Associates, Inc.; DPK Consulting; Management Systems International; PADCO

**Contact:** Jerry O'Brien ***(jo'brien@usaid.gov)***

## U.S. DEPARTMENT OF THE INTERIOR, INTERNATIONAL TECHNICAL ASSISTANCE PROGRAM (EGAT/NRM)

This activity allows Missions to access the Department of Interior's extensive staff expertise in such areas as minerals management and minerals-related issues through personnel from the U.S. Geological Survey, Bureau of Land Management, Bureau of Reclamation, Minerals Management Service, and Office of Surface Mining. Staff typically engages in longer-term (3 years +) initiatives to build partnerships but is also available for short-term assignments. This mechanism is particularly useful in getting a better understanding of the technical issues related to minerals in developing conflict programs. ***(www.doi.gov/intl/itap)***

**Prime recipient:** U.S. Department of the Interior, Office of International Affairs, International Technical Assistance Program.

**Contact:** Roberta Hilbruner ***(rhilbruner@usaid.gov)***

## GREENCOM: COMMUNICATION AND EDUCATION FOR SUSTAINABLE DEVELOPMENT (EGAT/NRM)

Missions may access this mechanism to undertake rapid initial assessments to develop context-specific, programmatic interventions related to minerals management as well as minerals and conflict such as those outlined in the Survey Instrument. For example, Missions may access this mechanism to assist in developing activities that target effective communication strategies to combat corruption and illegal resource capture related to minerals extraction as well as disseminate information to communities on their legal rights in accordance with existing land and natural resource laws. In addition, GreenCOM may be used to develop participatory processes and local capacity for communities dependent on minerals and other natural resources to be more involved in addressing issues related to minerals management and conflict resolution. ***(http://www.greencom.org/)***

**Prime recipient:** AED

**Subcontractor:** Chemonics International Inc

**Contact:** Roberta Hilbruner ***(rhilbruner@usaid.gov)***

## US GOVERNMENT AND DONOR CONTACTS

The following section provides a partial list of US Government agencies and donor contacts with expertise relevant to minerals and violent conflict. For information on NGOs who implement these types of activities and individual experts, please contact the Jaidev Singh (USAID/CMM) at jasingh@usaid.gov.

**U.S. Agency for International Development**
Dr. Jay Singh
Office of Conflict Management and Mitigation
1300 Pennsylvania Avenue, NW
Washington, D.C. 20523

Phone: 202-712-4206
Email: jasingh@usaid.gov

**U.S. Agency for International Development**
Dan Runde
Global Development Alliance
1300 Pennsylvania Ave, NW
Washington, D.C. 20523

Phone: 202-712-0438
Email: drunde@usaid.gov

**U.S. Agency for International Development**
Scott Bode
Bureau for Economic Growth, Agriculture, and Trade
1300 Pennsylvania Ave, NW
Washington, D.C. 20523

Email: sbode@usaid.gov
Phone: 202-712-5079

**US Department of State**
Christopher N. Camponovo, Senior Advisor
Voluntary Principles on Security and Human Rights
Office of Human Rights and Democracy
Bureau of Democracy, Human Rights, and Labor

Phone: 202-647-1180
Email: camponovocn@state.gov
Website:
http://www.voluntaryprinciples.org

**Department of Foreign Affairs and International Trade**
Vyacheslav Shtyrov, Chairman
Kimberley Process
Gokhran of Russia
14, 1812 str.
121170, Moscow, Russia
Phone: +7 (095) 742-8966
E-mail: kimberley.process@dfaitmaeci.gc.ca
Website: www.kimberleyprocess.com

**Department for International Development**
Simon Ray
Extractive Industries Transparency Initiative
1 Palace Street
London SW1E 5HE
United Kingdom

Phone: +44-20-7023-1696
Website: www.dfid.gov.uk/

**World Bank Group**
Gotthard Walser or Jeffrey Davidson
Communities and Small-Scale Mining (CASM)
Oil, Gas and Mining Reform Division
2121 Pennsylvania Avenue NW
Washington DC, 20433

Phone: 202-473 4234 / 458 8388
Website: www.casmsite.org/

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