



# **NATURAL RESOURCE GOVERNANCE AND HUMAN RIGHTS AND HUMAN SECURITY IMPLICATION**





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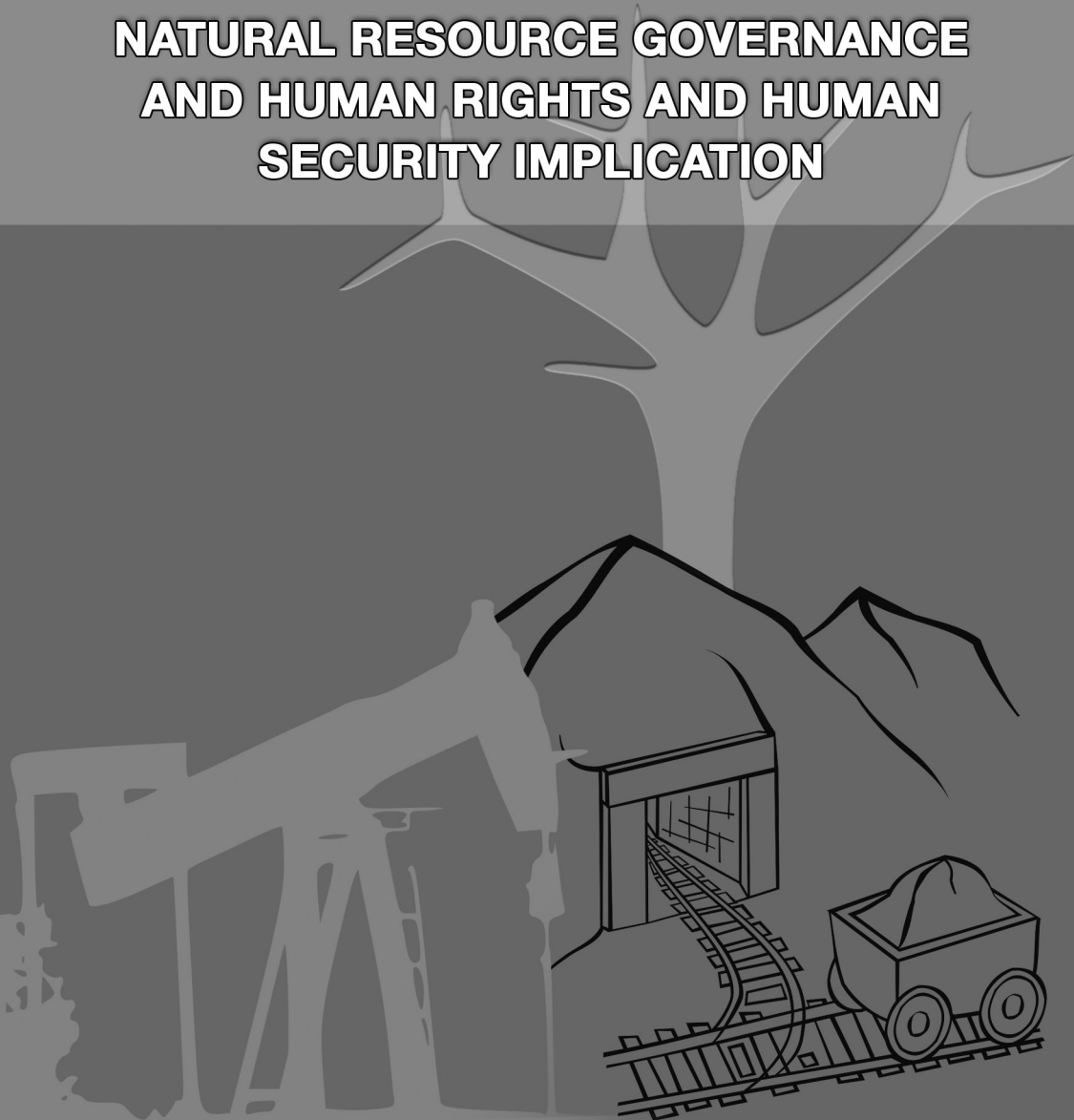
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# **NATURAL RESOURCE GOVERNANCE AND HUMAN RIGHTS AND HUMAN SECURITY IMPLICATION**





*Gorée Institute would like to thank all those who have  
contributed to the realization of this study.*

## A WORD FROM THE EXECUTIVE DIRECTOR

The Gorée Institute is a Pan African Civil Society Organization dedicated to the promotion of peaceful, self-reliant, and open societies in Africa through the elaboration of new paradigms, the strengthening of networks, of institutions and of people, the optimization of the continent's "creative" human and cultural potential and its financial resources. The programs of the institute are the instruments through which we put into practice our organizational vision and mission. The indispensability and interdependence of the axis of research, reflection and intervention inform our programs and activities. It is from this philosophy that the study on the natural resource governance with peace, human rights and human security implication was conceptualized.

As a Pan African Civil Society Organization, we cannot remain indifferent but to contribute in breaking the culture of silence surrounding insensitive business behaviour of extractive companies through evidence-based research of this nature. Besides, a significant number of basic policy and institutional issues bordering on natural resource endowment and management requires urgent attention to address peace and security challenges related to extractive operation in West Africa.

So far, we are cautious of the large percentage of academic and policy-oriented studies on the subject in various parts of Africa. We are also cautious of the reality that, relatively little literature on the subject matter, especially one deepening understanding on prevention of natural resource related conflict emerging from the West African context itself; and even less evident-based studies from the civil society perspective in West Africa.

In essence, so many issues have been identified in the study such as the lack of effective compliance monitoring mechanism and weaker legal framework that must be dealt with in line with international legal framework and best practices. We will also like to draw the attention of the role of Civil Society Organization to complement the efforts of state actors in monitoring compliance, by also raising awareness and educating local population on their rights and responsibility as rights holders.



It is evident that despite the tremendous renewable and non-renewable natural resources endowment, economic growth and sustainable development remains unfulfilled and are not being addressed by agreements signed between the mining companies and the government in the targeted countries. The result also shows that mining companies' compliance and ethical mining responsibility still remain very questionable owing to the lack of enforcement of mining regulations by Governments. This has result in pain, misery and abject poverty among residence of mining communities. Furthermore, there is a widespread distrust in the Governments by local residents not only because of being deprived of their livelihoods, but owing negative perception that Government take weaker negotiating position with foreign investors which has serious repercussion on social and economic welfare of communities coexisting with mining companies.

In view of the problems identified in the study, we will ensure that a rights-based advocacy program emerge out of the research findings to help explore the issues contributing to minimizing threats to human rights and human security in communities where extractive companies operates. In particular, we shall explore the negative implications of direct and indirect impact of foreign direct investment in communities mostly affected by poor natural resource governance in the targeted countries. Such proposed right-based advocacy initiative will be intended to help influence companies' Corporate Social Responsibility (CSR) policies and sustainable natural resource governance.

Such right-based advocacy program will be implemented through strategic approach that will solicit collaborative engagement with Civil Society Organizations in the respective countries. The findings will target different audiences—policy makers and the general public; and the study results will be disseminate in an appropriate formats to suit the need of Gorée Institute, Governments and Civil Society Organizations across West Africa.

## Acknowledgements

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## Disclaimer

The views expressed in this report are not necessarily those of Gorée Institute but that of the local consultants from the targeted countries. While every attempt was made to ensure that the information published here is accurate, Gorée Institute accept no responsibility for any issues that may arise out of the reliance of any person upon any of the information this report contains. However, Gorée Institute has ensured that all consultants adhere to ethical principles and standard.

# ABBREVIATIONS

## SIERRA LEONE

<b>AML</b>	African Mineral Limited
<b>APC</b>	All People's Congress Party
<b>DELCO</b>	Sierra Leone Development Company
<b>EO</b>	Executive Outcomes
<b>EPA</b>	Environmental Protection Agency
<b>GoSL</b>	Government of Sierra Leone
<b>GRS</b>	Governance Reform Secretariat
<b>HRCSL</b>	Human Rights Commission Sierra Leone
<b>IMF</b>	International Monetary Fund
<b>MAB</b>	Minerals Advisory Board
<b>MFR</b>	Management and Functional Review
<b>MMA</b>	Mines and Minerals Act 2009
<b>NDMC</b>	National Diamond Mining Company
<b>NMA</b>	National Minerals Agency
<b>NPRC</b>	National Provisional Ruling Council
<b>RUF</b>	Revolutionary United Front
<b>SLPP</b>	Sierra Leone People's Party
<b>SPU</b>	Strategic Policy Unit
<b>TRC</b>	Truth and Reconciliation Commission
<b>UNDP</b>	United Nations Development Programme

## COTE D'IVOIRE

<b>CIE</b>	Compagnie ivoirienne de l'électricité (Ivoirian Electricity Company)
<b>CIPREL</b>	Compagnie ivoirienne de production d'électricité (Ivoirian Electricity Production Company)
<b>COMINE</b>	Commission Interministériel des Mines (Inter-ministerial Mine Commission)
<b>ECOWAS</b>	Economic Community of West African States
<b>EECI</b>	Energie Electrique de Cote d'ivoire (Electric Energy of Côte d'Ivoire)
<b>EITI</b>	Extractive Industries Transparency Initiative
<b>FPI</b>	Front populaire ivoirien (Ivoirian Popular Front)
<b>ICC</b>	International Criminal Court
<b>MOREB</b>	Mouvement des Jeunes pour la Renaissance de Bondoukou (Youth Movement for the Renaissance of Bondoukou)
<b>NC-EITI</b>	National Council of the Extractive Industries Transparency Initiative
<b>OPA</b>	Ouagadougou Political Agreement
<b>PETROCI</b>	Société Nationale d'Opérations Pétrolières de la Côte d'Ivoire (National Company of Petroleum Operations of Côte d'Ivoire)
<b>RDR</b>	Rassemblement des Républicains (Grouping of Republicans)
<b>SANDRAMINE</b>	Compagnie minière du Haut Sassandra (Mining Company of the High Sassandra)
<b>SAP</b>	Structural Adjustment Programme
<b>SAREMCI</b>	Société anonyme des recherches minières en Côte d'Ivoire (Limited Liability Company of Mining Research in Côte d'Ivoire)
<b>SMI</b>	Société des Mines d'Ity (Ity Mine Company)
<b>SODEFOR</b>	Société de Développement des Forêts (Company for Forest Development)
<b>SODEMI</b>	Société pour le Développement Minier de Côte d'Ivoire (Company for the Mining Development of Côte d'Ivoire)
<b>SODIAMCI</b>	Société diamantifère de Côte d'Ivoire (Diamond Company of Côte d'Ivoire)
<b>SOGEPE</b>	Société de gestion du patrimoine électrique de l'Etat (Managing Company of the Electrical Patrimony of the State)
<b>SOPIE</b>	Société d'opération ivoirienne d'énergie électrique (Company of Ivoirian Electrical Energy)
<b>UEMOA</b>	West African Economic and Monetary Union
<b>UN</b>	United Nations
<b>UNDP</b>	United Nations Development Programme
<b>UNEP</b>	United Nations Environment Programme

## GUINEA

<b>BIC</b>	Bénéfices Industriels et commerciaux
<b>BM</b>	Banque Mondiale
<b>CNUCED</b>	Conférence des Nations Unies sur le Commerce et le Développement
<b>CPDM</b>	Centre de Promotion et de Développement Miniers
<b>DSRP</b>	Document de Stratégie pour la Réduction de la Pauvreté
<b>ELEP</b>	Enquêtes Légères pour l'Evaluation de la Pauvreté
<b>FDL</b>	Fonds de Développement Local
<b>FMI</b>	Fonds Monétaire International
<b>GNF</b>	Guinée News Francs
<b>IDE</b>	Investissement Direct Etranger
<b>IDH</b>	Indice de Développement Humain
<b>IFI</b>	Institutions Financières Internationales
<b>INS</b>	Institut National de la Statistique
<b>ITIE</b>	Initiative pour la Transparence dans les Industries Extractives
<b>MW</b>	Méga Watt
<b>OCDE</b>	Organisation de Coopération et Développement Economiques
<b>OMC</b>	Organisation Mondiale pour le Commerce
<b>ONUDI</b>	Organisation des Nations Unies pour le Développement Industriel
<b>PIB</b>	Produit Intérieur Brut
<b>PME</b>	Petites et Moyennes Entreprises
<b>PNAE</b>	Plan National d'Action pour l'Environnement
<b>PNUD</b>	Programme des Nations Unies pour le Développement
<b>PNUE</b>	Programme des Nations Unies pour l'Environnement
<b>PPTÉ</b>	Pays Pauvres Très Endettés
<b>RMDH</b>	Rapport Mondial sur le Développement Humain
<b>RSE</b>	Responsabilité Sociale des Entreprises
<b>SAG</b>	Société AngloGold Ashanti de Guinée
<b>SMD</b>	Société Minière de Dinguiraye
<b>SNU</b>	Système des Nations Unies
<b>SOGUIPAM</b>	Société Guinéenne de Patrimoine Minier

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## EXECUTIVE SUMMARY

This report presents the result of a survey commissioned by Gorée Institute to examine the nature and character of natural resource governance as part of it continuous efforts to contribute to conflict prevention effort and peacebuilding in West Africa. The study was particularly conceptualized as a first step to contribute in addressing the culture of silence surrounding poor natural resource governance and its resulting peace, human rights and human security implications. It was also in view of the emphasis place on the significance of research as a contribution to knowledge, and bases for intervention in the form of advocacy that Gorée Institute undertook this research targeting the four Mano River Basin countries namely: Sierra Leone, Guinea-Conakry, Liberia and Cote d'Ivoire. The Institute is of the firm conviction that such culture of silence must be broken through evidence-based research of this nature, whose findings will provide effective remedy to the problem from a civil society perspective.

The study was particularly triggered by the general concern that millions of West Africans are exploited in complete silence owing to unethical business behaviour of extractive companies, and the conspicuous lack of effective Governments' oversight monitoring mechanisms of extractive companies. In reacting to such concern, Gorée Institute through the financial support from the Swedish International Development Agency (SIDA) was able to recruit local consultants at the national level to conduct this study. This has helped to provide a strong analytic foundation to inform policy response and advocacy tools to contribute in preventing natural resource-based conflict and addressing the problem bordering on human rights and human security. The report particularly presents the response to critical questions regarding such perceived injustices perpetrated against particularly local population that are closely coexisting with extractive companies, and presents some vivid reality on the nature of natural resource management at the local level.

The research methods adopted have so far helped to understand some of the factors responsible for poor natural resource governance, and also provided an update on the root of security fragility with bordering on natural resource governance. This report provides that, each of the MRU member countries targeted at one point in time have had a unique historical trajectory, but share a common past of authoritarian regimes with different challenges and responsive measures to managing its natural resources endowment.

Case study approach was adopted to provide a broader picture of conflict insensitive nature of natural resource governance in the respective countries. This goes with the assumption that case study, as a qualitative approach will ultimately lead to thoughtful and pragmatic thinking. This approach has helped to provide substantial information focusing on the research goal and objectives, as well as critical questions to help deal with the problem. With this, one has dug deeper into the research problems to find alternative option to the problem. The approach also provided a transparent and holistic picture of the situation as it happened in the selected respective countries. In-depth literature review and semi-structured interviews were conducted, which were complemented by questionnaires and Focus Group Discussions (FGDs). The consultants were able to reach the deep mining communities in the rural areas of the targeted countries to provide a good geographical coverage in the hope of capturing the largest variety of opinions and experience on the problem.

At the end, remedial measures were presented in the report to prevent and minimize such injustices in mining communities. One has finally come to the realization that effective prevention and to address poor natural resource governance requires comprehensive approaches that will educate mining communities and monitor extractive companies, whilst lobbying and advocating for reform of the extractive sector.

## SUMMARY OF FINDINGS

Some of the findings are summarised as follows:

- **State Structures:** Overall, the result from the four countries shows that key state structures responsible for monitoring mining companies' compliance to mining rules and regulations are weak. Also relevant is the weakness of institutional and technical capacity of governments' oversight institutions responsible for monitoring extractive companies compliance to contracts signed and international norms and principles.
- **The Lack of Disclosure:** The study revealed a lack of disclosure of the concession payments, royalties and bonuses paid by companies to host governments and communities. Such lack of transparency creates incentives for corruption as it creates a fertile ground for greedy government officials who wish to earn more at the tears of the poor host communities of mining companies. This also means denying affected communities critical information which they might better use to hold leaders to account.
- **Conflict Insensitive Negotiation between Mining Companies and Governments:** The study revealed conflict insensitive negotiations between the state, mining companies and host-communities of mining companies. Respondents are suspicious of the government and politician and local authorities owing to the negative perception that they take weaker negotiating position with foreign investors which is deepening poverty and tension between mining companies and local communities.
- **Lack of political will** for determining security deficits in negotiations between governments and extractive companies thereby resulting to security and human rights insensitive agreements. The study result shows distrust in the government by the local population not only because of being deprived of their livelihoods, but also because they are displaced from traditional land without adequate compensation.
- **Professional and Legislative Supervision:** The study also revealed the lack of professional and legislative supervision of mining operation vis-à-vis the contracts. This also justifies the claim that mining companies do not apply due diligence rules in conformity with contract documents.

- **Urban-Rural Migration of Youths:** Installation of extractive companies in remote rural communities triggers massive urban-rural, as well as rural-rural migration of youths seeking jobs in mining environment. This has often degenerated to various forms of disputes and environmental problems. Particularly, this has disrupted traditional relationships between local resident and other groups from other parts of the country and even from other neighbouring countries as in the case of Ivory Coast. Absence of measures to deal with these social and economic challenges has fed into existing inter-group grievances. The result to a spiralling cycle of violence in various mining communities in all the countries targeted. As a result, companies have become an intermittent target for violent anti-government and anti-mining companies protest.
- **Effective Human Rights and Conflict Sensitive Measures:** The study result generally shows the lack of effective human rights and conflict sensitive measures to address conflict insensitive business behaviours of extractive companies..
- **Civil Society Capacity:** The study revealed a weaker civil society's capacity and the absence of complimentary efforts with government and sub-regional organizations with respect to monitoring mining companies' compliance to human rights standard.
- **Compensation:** The study revealed that the question of compensation following damages caused by mining activities of mining companies is poorly formulated. For many people interviewed including some managers targeted from mining companies are of the opinion that this compensation is conducted as a philanthropic gesture to the affected communities rather than out of respect for their human rights.

- **Lack of Citizen Consents:** It emerged that the imposition of foreign business interests without the consent of ordinary citizens, and the unfavourable conditions of work in operation areas occasionally generated conflicts that required the intervention of government security forces that usually protected the interest of investors against those of local workers.
- **Mining Agreements:** Though the targeted countries are endowed with tremendous renewable and non-renewable natural resources for economic growth, sustainable development remains unfulfilled and is not being addressed by mining agreements and Contracts signed between the mining companies, and the governments. Majority of respondents across the targeted countries particularly expressed concern regarding the nature of agreements, which from customary perspective has huge impact on livelihood and food security of rural communities. This is connected to the uncertain socio-political and food security challenges, where risk reduction and keeping options open for mining communities is expected to be a priority concern of the government and extractive companies.
- **Mining Companies' Compliance and Ethical Mining Responsibility:** The study revealed that mining companies' compliance and ethical mining responsibility still remain very questionable owing to the lack of enforcement of mining regulations by the Governments. This has resulted in pain, misery and abject poverty among residence of mining communities. To date, poverty is still in its worst state as ever before the civil war the targeted post-conflict states namely: Sierra Leone, Liberia and Cote d'Ivoire; and the struggle for survival is causing increasing tensions between mining communities, mine workers and companies.



# INTRODUCTION AND BACKGROUND

# INTRODUCTION AND BACKGROUND

**Kalie SILLAH<sup>1</sup>**

The West Africa sub-region represents significant geopolitical opportunities with major renewable and non-renewable natural resource amidst economic risk factors.<sup>2</sup> These risk factors have made the sub-region socio-economically and politically vulnerable to conflicts and political unrest. In retrospect, protracted civil war in Liberia spilled into Sierra Leone; rebellion and military disturbances with impact on political instability in Guinea Bissau; Post-Ouagadougou Peace Accord strangled resulting to persistent delays in conducting election followed by post-election violence in Côte d'Ivoire.

Natural resources have features prominently as one of the issues of main concern, both in the causes of the conflicts, in their prolongation, and in the mechanisms put in place to resolve them.<sup>3/4</sup> As evident in Liberia, Sierra Leone and Cote d'Ivoire,<sup>5</sup> natural resources are being regarded as a prime-moving engine of the underworld economy that fuelled the flames of the conflicts.<sup>6</sup> After a terrible year of natural resource related civil wars, lessons learnt and bad precedents were expected to have helped to shape new thinking towards legislative and policy reforms for human rights and conflict sensitive natural resource management in these countries.

Particularly, the multi-stakeholder-led peacebuilding strategies were expected to help to ensure that negotiations with foreign investors are backed by strong legislative oversight that take past, present and future security concerns into consideration in order to prevent repeating mistakes of the past. However, this study revealed that this has not been the reality in the targeted states.

<sup>1</sup> Kalie SILLAH is the former Program Manager: Peacebuilding and Conflict Prevention of the Gorée Institute who conceptualized the study and supervised the respective consultants. He has provided technical and editorial support to this publication.

<sup>2</sup> T. Dagne: Africa and the War on Terrorism/ Foreign Affairs, Defence, and Trade Division/ Congressional Research Service. The Library of Congress/ Received through the CRS Web/ CRS Report for Congress January 17, 2002

<sup>3</sup> ESCR-NET (2005), Amnesty International (2003, 2005), Frynas (2000), Human Rights Watch (2005) and Kline (2005, ch.4).

<sup>4</sup> Collier, Paul (2003) «Natural Resources, Development and Conflict: Channels of causation and Policy Interventions», World Bank.

<sup>5</sup> Collier, Paul.(2000): 'Doing Well Out of War: An Economic Perspective', in Mats Berdal and David M. Malone, eds, Greed and Grievance: Economic Agendas in Civil Wars, Boulder, CO and London: Lynne Rienner, 91-111.

<sup>6</sup> Le Billon, Philippe. Fuelling War: Natural Resources and Armed Conflict. New York, Routledge, 2006.

As a result, vulnerability is increasing with indicators showing higher probability to slide back to conflicts in the medium or long-term or continue to experience intermittent political unrest owing to peace and security insensitive natural resources governance. The study revealed, very recently, there has been several protest actions by staff of mining companies and communities in all the targeted countries of this research. The locals often led protest action for better land deal thereby criticizing the companies' lack of transparency, improper consultation, and information regarding potential resettlement and benefits.

As evident in the case with major civil conflicts like Liberia, Sierra Leone and Cote d'Ivoire,<sup>7</sup> diamonds was regarded as a prime moving engine of the underworld economy with principal influence<sup>8</sup> thereby characterizing Sierra Leone and Liberia as source of 'blood diamonds'. This has been a major justification for the creation of the Kimberley Certification Schemes (KPCS), an international control system created to regulate the flow of diamonds through legitimate government and international regulatory process of diamond into global diamond market. The Central African Republic (CAR), Democratic Republic of the Congo (DRC), Sudan, South Sudan and Somalia each demonstrate certain aspects of recent or current conflict linked with natural resources. In Mali, the present significance of uranium extraction is less clear, but it has been interrelated with conflict between the Tuareg community and the government in the past.<sup>9</sup>

The positive indicator is that there has been reduction of civil wars that engulfed the African continent in the aftermath of the Cold War. However, almost all post-conflict in Africa or countries experiencing difficult political transition like Guinea-Conakry are situated at a critical intersection in transition to stabilization, and to investment-driven economy.

Therefore, attracting Foreign Direct Investment (FDI) has occupied a central position in the strategies of economic renewal being advocated by policy makers at the national, regional and international levels.<sup>10</sup>

<sup>7</sup> Collier, Paul. 2000. 'Doing Well Out of War: An Economic Perspective', in Mats Berdal and David M. Malone, eds, *Greed and Grievance: Economic Agendas in Civil Wars*, Boulder, CO and London: Lynne Rienner, 91–111.

<sup>8</sup> Ian Smillie, Lansana Gberie and Ralph Hazleton, *The Heart of the Matter: Sierra Leone, Diamonds and Human Security*, Ottawa: Partnership Africa Canada, (2000).

<sup>9</sup> Anouar B (2012, p. 5) *The Paranoid Neighbour: Algeria and the Conflict in Mali*; The Carnargie Paper, October 2012

<sup>10</sup> Myriam Vander Stichele; EPA negotiations do not promote the right investment; SOMO Briefing paper September 2006

There has also been an unquestionable belief that attracting Foreign Direct Investment (FDI) is a key to bridging the resource gap of low-income countries and avoiding further build-up of debt while directly tackling the causes of poverty.<sup>11</sup> This came up prominently during the negotiations on Economic Partnership Agreements (EPAs) between African, Caribbean and Pacific countries (ACP) and the European Union (EU), where the EU underscored the significance of Africa to attract more foreign investment and that investment liberalization should therefore be part of these EPAs.<sup>12</sup> This reflects the shift by many donors from aid to foreign investment to bringing new capital into developing economies. In the words of the chief EU negotiator in EPAs, development “cannot happen without investment” and investment will bring “additional jobs” which leads to economic growth.<sup>13</sup> Despite the efforts of African governments to comply with this policy advice, the record of the past two decades with respect to reducing poverty and attracting Foreign Direct Investment (FDI) has been disappointing.<sup>14</sup>

The promise of benefit from hosting foreign direct investment is justified on a number of promises, assumptions and expectations. The promise of improving on investment climate is expected to accelerate economic growth and thereby reducing poverty.<sup>15</sup> As the Sierra Leonean, Liberian, Ivorian and Guinean case studies of this research have demonstrates, there are flexible terms and conditions for foreign investors in recent deals justified under the win-win philosophy of accelerated economic growths; as well as employment creation. However, this is not helping to resolve the problem.

As a Pan-African Civil Society Organisation, Gorée Institute cannot remain silent on the continuous threats pose as a result of poor natural resource governance with serious human rights and conflict insensitive business behaviour of extractive companies in the targeted countries.

<sup>11</sup> United Nation: Economic Development In Africa; Rethinking The Role of Foreign Direct Investment; United Nations Conference on Trade And Development; New York and Geneva, 2005

<sup>12</sup> Myriam Vander Stichele; EPA negotiations do not promote the right investment; SOMO Briefing paper September 2006

<sup>13</sup> Statements made by Karl Falkenberg, Deputy director General fo Trade at the Commission, at the European Parliament, Brussels, on 11 July 2006.

<sup>14</sup> United Nation: Economic Development In Africa; Rethinking The Role of Foreign Direct Investment; United Nations Conference on Trade And Development; New York and Geneva, 2005

<sup>15</sup> NACE; Sierra Leone at the crossroads: Seizing the chance to benefit from mining; National Advocacy Coalition On Extractives (NACE) [www.nacesl.org](http://www.nacesl.org); March 2009

It is from this backdrop that this study was conceptualised to generate knowledge on the link between natural resources and conflict; documentation of conflict insensitive mining practices, identification of risk factors and tools for risk reduction. It also crystallise understanding on the role that natural resources and environmental factors have played and continue to do so in the targeted West Africa states.

## PEACE AND SECURITY INSENSITIVE NEGOTIATION BETWEEN GOVERNMENT AND EXTRACTIVE COMPANIES

The economic model of African countries favours Foreign Direct Investment (FDI) and exploitation of their natural resources. Particularly, post-conflict governments or countries that have recently experienced difficult political transition like Guinea have introduced several new laws and reformed old ones to encourage influx of foreign direct investments in the extractive sectors. Despite this positive stride by most of these states, they still could not address some of the risk factors associated with their natural resources endowment which has urged one to ask the questions:

To what extent negotiations between governments' foreign companies to gain access to natural resources in African societies are supporting sustainable economic development and contributing to peace, security and political stability?

Though this study is not set to devise concrete alternative solution needed to promote conflict-sensitive or human rights-sensitive negotiation between governments and extractive companies to contribute in improving ethical business behaviour of mining companies, this section of the report is thus set to answer these question from which suggestions and recommendations emerged to serve as a useful guide towards effective peace and security sensitive natural resource governance in the targeted countries.

Realistically, the research result shows that, legislative and policy flexibility is resulting to new scramble for the accelerated exploitation by foreign mining companies with less benefit to the local population. The results in Liberian also particularly revealed the drive to nurture investors' confidence without proper negotiation or bargaining power by governments is intensifying exploitations and vulnerability with lesser mind-set on the future consequences of many concretized deals in these societies. Already, the repercussions are evident in the targeted Mano River Basin Countries in the form of land dispossession, eviction and displacement, food insecurity and deepening poverty amongst mining communities thereby leading to increasing tension between extractive companies, host communities and local employees of extractive companies.

Of course, the legal and regulatory framework governing the relationship between the governments and investors in the extractive industries are expected to be the bedrock of the long-term investor-governments' relationship. However, the heightened competition to share the shrinking non-renewable natural resource by foreign extractive companies, amidst conspiracy of silence by governments and international community continue to cast a shadow of doubt over their respect for regulation and compliance with International Human Rights norms, with respect to cooperate social and environment responsibility. Such legal and regulatory frameworks are expected to include several pieces of domestic legislation and international Treaties and Convention. These are expected to include contract that could cover myriad issues: fiscal terms, community rights and benefits, health, safety, and environmental obligations, as well as disclosure of information, among many others. It also expected to provide a monitoring and strong oversight mechanism to deal with these challenges.

As seen in the past decades, many foreign companies that are active in extracting resources from African states have taken advantage of conflict settings or political instability to maximize benefits. There have also been evident-based cases where foreign companies played an active role in the political sphere governing the conflict and its resolution. One of such examples has been the operations of Shell in Nigeria.<sup>16</sup> Other examples include foreign companies in the eastern DRC that contribute to a perpetuation of the conflict and an undermining of the state. Elsewhere, examples can be taken by MNCs that were last reported operating in Côte d'Ivoire in the gold mining sector. These corporations included South Africa's Randgold, Australia's Equigold and Britain's Cluff Mining. Randgold had mining activities at Tongon (believed to hold the largest oil reserves in Côte d'Ivoire) with the blessing of the regional leadership, Equigold was active at Bonikro in the south, targeting an output of 130 000 to 150 000 ounces a year, while Cluff Mining was aiming to produce 40 000 ounces of gold a year at Angovia (Africa Confidential, 2006:9).<sup>17</sup>

<sup>16</sup> Alao, A. & Olonisakin, F. (2000) Economic Fragility and Political Fluidity: Explaining natural Resources and Conflicts. *International Peacekeeping*, 7(4), pp. 23 – 36.

<sup>17</sup> Africa Confidential. (2006) Côte d'Ivoire: Diamonds, Gold and Guns. *Africa Confidential*, 47(21), p. 9.

The problems highlighted in the respective case studies of this research have helped to realize that, one of the core gaps in the prevention of natural resources induced conflict is not the lack of the intellectual understanding of the linkages between conflict indicators, early warning and responsive options, rather, one could argue based on the findings of this study, as well as literature reviewed that it is the operational weaknesses in conflict insensitive and legislative oversight in bargaining, between governments and extractive companies, which mostly result to security and human rights insensitive mining agreements between governments and extractive companies.

Similarly, despite the numerous academic research linking poor natural resources governance and conflicts, little attention is paid to the nature and character of government-foreign companies' negotiation to establish peace and human security conditions necessary for peace monitoring and compliance monitoring purpose during the bargaining process; neither are there any standard principles and procedure put in place by government for determining the conflict sensitive nature and character of bargaining.

The above thus justifies the argument that governments are not being sensitive to structural conflict indicators when making new deals with foreign direct investors. This study has added value and to a greater extent reinforce, the increasing academic contributions to these debates backed by frequency of dialogue and round-table discussions taking place between various stakeholders reflecting a growing concern that negotiations leading to foreign investment in many societies are falling short of peace, security and human rights challenges.

After a terrible year of natural resource related civil war, lessons learnt and bad precedents are expected to have been learnt. At least the peacebuilding strategies were expected to have created sustainable system in place to ensure that negotiations with foreign investors are backed by strong legislative oversight that takes human rights and human security dynamics into consideration to prevent repeating the same mistakes. This has not been the reality in most resource rich societies in African thereby increasing the vulnerability of countries with indicators showing higher probability to slide back to conflicts in the long-term or experience serious civil unrest.



For the targeted countries in the Mano River Basin, one could argue based on practical experience that poor negotiation with foreign investors and irresponsible mining activities poses greater long term risks than the short-term economic gains often justified on the negotiating table with foreign companies. Some of the structural conflicts indicators in these countries include rent seeking practices and uneven distribution of natural resources, which were indicators among the hidden issues that accelerated the conflict in the first place. These are not seems to be the topmost priority in the governments' foreign investors' bargaining.

In essence, this study result shows that there has been several protest actions by staff of mining companies and communities in countries that have already experienced years of civil war including Guinea that recently went through difficult political transition. The locals often led protest action for better land deal thereby criticizing the companies' lack of transparency, proper consultation, and information regarding potential resettlement and benefits.<sup>18</sup>

As Paul Collier sets the context, there are so far many indicators to affirm the claim that many countries have not learned from the past. Today, there are many conflict indicators including uneven distribution of the natural resources and denial of basic human rights of people; few pro-poor public-private partnerships; poor skills and limited resources in government departments; limited encouragement of open dialogue between government and civil society; and little if any transparency and accountability on mining issues. The paradox also created is where; communities affected by mining operation do not know their rights or have access to legal advocates to question the practice of mining operation in compliance with the laws. Therefore, this is where environmental impacts and human rights violations take place, often going unrecorded and neither unchallenged. One should take into consideration that the persistent of such recurring structural indicators have caused civil war in the past, which thereby justify the overarching need to find academic and policy solution to avoid slipping back to civil war or political unrest.

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<sup>18</sup> Malen Land Owners Association (MALOA), "Grievances of Land Owners in Malen Chiefdom," letter to the district officer, Malen Chiefdom, Pujehun District, Sierra Leone, October 2, 2011.

It also emerged in this study that, governments tend to promote foreign direct investment with paying attention to pre-conflict factors from a strict peacebuilding strategy. That is to say, without paying critical attention to some of the underlying post-conflict challenges which is not helping to guarantee long-term stability, particularly in countries that have experienced natural resource base conflicts in Africa.<sup>19</sup> Whereas, challenges such as frequent protest actions, corporate social responsibility, corruptions, the effect of resettlement and other related problems that should be understood in order to help prevent future natural resource base conflicts are ignored.

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<sup>19</sup> Isima, J. (2004), Cash payment in Disarmament, Demobilisation and Reintegration Programmes in Africa. *Journal of Peace Research*, Vol 2, Number 3. pp.2.

# THEORETICAL ARGUMENTS AND ANALYSIS

Though each of the country case studies discussed natural resource governance from various theoretical and evidence-based viewpoints, this section provides a brief theoretical analysis and arguments to deepen understanding of particularly resource curse theory and its implication within the West African context.

Though there have been no single causes that can be selectively linked to conflicts that spread across the African Continent in the aftermath of the Cold War, natural resources have features prominently as issues of main concern, both in the causes of the conflicts, in their prolongation, and in the mechanisms put in place to resolve them.<sup>20</sup> Today, many academic literature and policy documents are now paying considerable attention to conflicts over natural resources.<sup>21</sup>

In view of the above analysis, several theoretical arguments have been postulated by scholars around the World on natural resource governance including the 'greed versus grievance' theory. However, the most responsive to several African experiences is the 'resource curse' theory postulated by Paul Collier. Afterwards, several scholars have reinforced the 'resource curse' debates whilst others holds its antithesis. Paul Collier concluded that a country that has primary commodity exports around 25% of GDP has a 33% risk of conflict, but when exports are 5% of GDP the chances of conflict drops to 6%.<sup>22</sup> That is to say, if a country is poor in economic decline, and is dependent upon natural resource exports, then it faces a substantial risk of sliding to conflict sooner or later.

<sup>20</sup> ESCR-NET (2005), Amnesty International (2003, 2005), Frynas (2000), Human Rights Watch (2005) and Kline (2005, ch.4).

<sup>21</sup> ESCR-NET (2005), Amnesty International (2003, 2005), Frynas (2000), Human Rights Watch (2005) and Kline (2005, ch.4).

<sup>22</sup> Natural resources and violent conflict: options and actions. Bannon, Ian and Collier, Paul (eds), (2003) World Bank

Now, inasmuch as most post-conflict societies in Africa dependent on natural resource for socio-political and economic survival, one could affirm Paul Collier's theoretical arguments and predictions to maintain that some countries risk recurrence of civil war or political unrest owing to indicators pointing out that governments in Africa continues to repeat the same mistakes that causes the civil war in the first place.

The evidence is that, there are many typical case studies of natural resource curse experience and chronic underdevelopment that affects most countries in Sub-Saharan Africa thereby justifying Paul Collier and Richard Authy's scholarly claim regarding resource curse.<sup>23</sup> For instance, Sierra Leone is a typical case study of natural resource curse experience and chronic underdevelopment that affects most countries in Sub-Saharan Africa. Despite the natural endowment in non-renewable natural resources such as gold, diamonds, iron ore, bauxite and rutile; and renewable resources including an estimate of 5.36 million hectares of arable land, five agro-ecologies, 3,500mm – 4,000mm annual rainfall over a period of six months, and temperatures ranging from 23c – 33c, <sup>24</sup>which collectively formed the core business opportunities for sustainable economic growth, the country still remains one of the poorest in the world.

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<sup>23</sup> The term resource curse thesis was first used by Richard Auty in 1993 to describe how countries rich in natural resources were unable to use that wealth to boost their economies and how, counter-intuitively, these countries had lower economic growth than countries without an abundance of natural resources.

<sup>24</sup> Government of the Republic of Sierra Leone, 2005, (<http://www.sierra-leone.org/govt.html>).

# THE SCOPE AND LIMITATIONS OF THE STUDY

This study was conceptualised to deepen understanding of the nexus between natural resources, human rights, human security and conflict to determine adequate responses to the problem from a civil society perspectives. The local consultants were able to critically analyse the link between exploitation of resources, insecurity and human rights violation and abuse in general context; and analysed the implication of exploitation and management of natural resources from a governance viewpoint. The study also devises measures to address new security issues particularly in Guinea, which has different peace and security challenges from the its three neighbours.

This study did not assess general performance or effectiveness of the extractive industry as individual institutions; rather, it assesses their effectiveness vis-à-vis the human security and conflict insensitive nature of their operation and mining agreements, owing to the lack of human rights insensitive business behaviour of extractive companies and poor oversight mechanism of governments. It was on that premises that it was made possible for the researchers of the respective countries in West Africa to target government departments, institutions and local population in mining communities for both primary and secondary data. Likewise, the researchers were refrained from bias view or stereotype against the government's representatives or its institutions and the extractive companies.

The study has taken into consideration that despite the numerous scholars linking poor natural resources governance and conflict, only little attention is being paid to the nature and character of government-foreign companies' negotiations to establish peace and human security deficits in concretised agreements. This is in line with Bush and Opp (1999) who pointed at paradoxical fact that conflict can serve as a catalyst for positive economic and social development, such as the removal of exploitative political institutions, as can be seen in the resistance struggles against apartheid regimes in Southern Africa.<sup>25</sup> Like other scholars and policy makers who have downplayed the security deficit in negotiations, there are hardly academic studies gearing towards finding alternative solution to deal with these challenges.

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<sup>25</sup> Bush, K.D., & Opp, R.J. (1999). Peace and Conflict Impact Assessment. In Buckles, D. (Ed.).

## THE STRUCTURE OF THE REPORT

The researchers were provided guidelines on how to undertake the study but were also given the flexibility to present their respective reports in line with human rights and human security challenges of each country. However, it was made obligatory for each researcher to ensure that key research questions leads to in-depth analysis to reveal human rights as well as peace and human security challenges. With that in mind, each country case explains the methods adopted to respond to the research questions, while comparatively assessed experience emanating from other countries. Each country case explores the history of natural resource exploitation to justify the argument that weaker natural resource management system inherited from post-independence government has resulted to conflicts and the worst forms of human rights violations.

The introductory section of the report provides in-depth knowledge on the nature of natural resource governance in the targeted countries in West Africa in an effort to justify the needs for the respective case studies from civil society perspectives. It brings forward contemporary problems highlighted by various scholarly contributions in the area of natural resource governance with particular attention to some of the contemporary intellectual debates on the nature and character of natural resource management.

The countries cases provide a review of literature incorporating various debates and lessons learnt about natural resource management in general but with attention placed to the country situation. It also broadly reviewed academic literature dealing with civil wars, conflict resolution, and post-conflict reconstruction from both theory and practice; while also exploring some of the past and current international approaches to natural resource governance and their impacts in the contemporary period.

Furthermore, all of the case studies explored the conflict interlinking the trend of historical transition to pre-conflict difficulties, as well as the various arguments related to the root causes of natural resource related conflicts and their implication to the contemporary post conflict situation of the country. So far, each of the country report explores options to address the critical challenges and gaps in the management of natural resources in the form of recommendations and suggestions.

[www.goreeinstitut.org](http://www.goreeinstitut.org)

# NATURAL RESOURCES GOVERNANCE IN SIERRA LEONE

# NATURAL RESOURCES GOVERNANCE IN SIERRA LEONE

**Dr. Ibrahim Bangura**

## 1. INTRODUCTION

The end of the civil war in 2002 has witnessed a rapid transformation of Sierra Leone's natural resource industries. This transformation, ironically, in recent years has been fuelled largely by a minerals sector, which many have argued was the main culprit in the decade-long civil war (Ndumbe & Cole, 2005; Smillie, et al., 2000; Hirsch, 2001). Economically, the country is now on the verge of witnessing massive growth. In 2012, Sierra Leone's economy grew by 15% and is expected to triple in the next three years. In 2010, revenue collected from the mining industry accounted for 60% of national exports (worth \$199.5 million), for which the government received a total of \$32 million dollars.

<sup>1</sup>The expansion of the mining industry in recent years has been remarkable. From a paltry four companies in 2002, the country now boasts of six major mining companies.<sup>2</sup> Key among them is the two leading giants in the iron ore sector, the African Minerals Ltd and London Mining Company. With iron ore production set to reach world record levels, this fledgling sector of Sierra Leone's economy no doubt has put a country once described as a 'failed state',<sup>3</sup> on the map as a major player in the minerals trade with significant exports to China and the West.

The post-conflict reconstruction phase has seen significant efforts and resources invested in the reformation of governance institutions. Key amongst the targeted institutions is the Ministry of Mines and Minerals with a new National Minerals Agency created to regulate the sector. Democratic institutions like the judiciary and parliament have also been subjected to institutional reforms. Elections have been held three consecutive times since the end of the war and an African rarity of a smooth regime change in 2007 also added to the list of post-war achievements.

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<sup>1</sup> 2012 report by the National Minerals Agency (NMA)

<sup>2</sup> Ibid

<sup>3</sup> 2012 report by the National Minerals Agency (NMA)



The rapid growth in the mineral sector has witnessed a dramatic shift in focus from diamonds to other export-oriented minerals like iron, bauxite, petroleum and rutile. An expansion, which has witnessed a large chunk of arable land, identified as having various mineral potentials. As such, in the last five years, over 250 licenses have been awarded for various geological activities ranging from exploration to small, medium and large-scale mining.<sup>4</sup>

However, beneath the impressive economic statistics and the contribution of the mineral sector to the economy, the country still faces a depressing socio-economic situation. Seventy per cent of Sierra Leone's five million populations are still considered to be poor with 26% considered to be unable to afford a dollar a day.<sup>5</sup> This chronic state of poverty is, for many, exacerbated by a lamentable state of healthcare provision whose increasing failure means preventable diseases like typhoid; cholera and malaria take their toll on an already impoverished population.<sup>6</sup> According to a United Nations Development Programme (UNDP) report,

*Only 59% of the population – 74% of the urban population and 46% of the rural – has safe drinking water. Over half of rural households use contaminated water. Similarly, 70% households use inadequate sewage disposal, spreading disease. Some progress is taking place, especially through local councils. For example, 80% of the inhabitants of Moyamba District in the South were without safe drinking water: a council project in 2005 brought piped water (2007).<sup>7</sup>*

Not surprisingly, Sierra Leone's life expectancy has consistently stagnated at 48.1 a decade after the civil war, while the recent Human Development Index ranks the country at 177 out of 187 countries.<sup>8</sup> The contradictions of Sierra Leone's mineral potentials and the state of wellbeing of its citizens, throw up many questions about the challenges for good governance especially in the management of its natural resources.

<sup>4</sup> NMA

<sup>5</sup> Statistics Sierra Leone (2006) 2004 Integrated Household Survey.

<sup>6</sup> The 2014 outbreak of Ebola in the Mano River Basin further exposed the despicable state of the health care system in Sierra Leone.

<sup>7</sup> UNDP (2007) Sierra Leone Human Development Report.

<sup>8</sup> UNDP (2013) Human Development Index.

With agriculture being the main source of livelihood (for over 75% of the population), and youth unemployment at 60%<sup>9</sup>, the status of land to both the livelihood of the majority of the population and a source of identity and citizenship in deeply rural and ethnically socialised communities in Sierra Leone, the nexus between natural resource governance and political and economic stability and development cannot be overstated.

This report provides useful insights into contemporary challenges of natural resources in Sierra Leone and the implications for its fledging post-war peace, human rights and human security. It uses a historical lens to appreciate the present challenge for natural resource governance and their implications for peace, human rights and human security.

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<sup>9</sup> World Bank <http://www.worldbank.org/en/country/sierraleone/overview> (accessed on the 17th of October 2013)

## 2. BACKGROUND

Sierra Leone's 'love affair' with natural resources occupies a historically significant part of its modern history. From the attraction of its natural harbour which led the British to Freetown, to the discovery of diamonds in the 1930s that witnessed the expansion of direct British control in the hinterland, Sierra Leone's rich mineral deposits form a critical part of its geography, the identity of its people and more importantly explains its chequered post-colonial politics. In the 1920s, the British colonial administration shifted its economic policy from a focus on agriculture produce to minerals as a means of generating sufficient revenue. Following the discovery of large deposits of iron ore and other minerals like diamond, gold, platinum and chrome, the British contracted the Sierra Leone Development Company (DELCO) to mine the more viable iron ore deposits in Lunsar (in the north-west of Sierra Leone). This followed the discovery of diamonds in Kono for which a subsidiary of the De Beers, the Sierra Leone Selections Trust received a 99 years lease to mine diamond in the whole country, although this was later restricted to Kono district in 1955 (Fyle, 2006: xxxvii-xxxix).

Both companies immediately commenced operation and by the 1950s were making a significant impact on the coffers of the colonial administration, then divided into the protectorate and colony. Iron ore and diamonds accounted for 59% and 32% respectively of Sierra Leone's export value, while DELCO alone employed 2834 Sierra Leoneans (Fanthorpe & Gabelle, 2013:18). By the late 1950s, revenue from minerals revenue was providing a major source of foreign export earnings, allowing the colonial government to engage in the type of developmental activities that tempered local agitations for self-rule. The introduction and expansion of «paved road, pipe-borne water and electricity, modern hospitals, western education, a banking system and similar accoutrement's of a Western capitalist economy» (Fyle, 2006:xxxviii), strengthened British imperialist agenda and perhaps also explains Sierra Leone's slow and steady march to independence.

Towards the end of colonial rule in the late 1950s, some form of liberalization was introduced in the mineral sector. Private licenses were granted to indigenous Sierra Leoneans and other residents like the Lebanese to engage in artisanal and small-scale mining. The minerals industry soon attracted the energies of young men and women from the far corners of the country. The iron ore town of Lunsar soon witnessed a boom in its population as people from around the country flocked into it. This imposed serious strains on socio-economic relations. Jarrett explained that:

*Such is now the demand for land that it is no longer possible for an inhabitant to secure land to farm unless he is a native of the area, and preferably a Temne. The bush fallow period of ten years which, as we have already noticed, is highly desirable to permit soil regeneration, is no longer known around Lunsar, where anyone plot is now cultivated probably one year in four. (1956:157)*

The colonial era was by far a period of effective natural resource management. Increased revenue and investment supported a planned economy. Yet the social effects of natural resource governance had far lasting impact on not just the physical geography of the country including its environment, but laid the foundation for a deep psychological dalliance with minerals. This pooling effect of the mines saw agricultural output decrease as agrarian labour now seek the mines of Kono, while mining companies became the employers of choice. The urge to embrace a modern source of livelihood intensified and gave rise to the development of the 'get-rich-quick' culture while the social bonds of community and social capital gave way to a rapacious capitalist culture of accumulation and its accompanying social insecurity.

As illicit mining gained traction for those indigenes unable to afford the cost of license fee and seek better prices for their gems, a new black market emerged putting pressure on the state security apparatus to provide some modicum of security for those areas deemed "protected areas" leased to large companies, but also to stem the flow of criminality resulting from the influx of people from every corner of the country and the sub-region. Government's response to some of the violent clashes between artisanal miners and large companies was the renegotiation of some lease agreements especially in Kono and legalize widespread artisanal mining (Fanthorpe & Gabelle, 2013:20).

Despite the discovery and mining of new minerals like bauxite and rutile in the Deep South, the less mechanized nature of diamond mining transformed its status into a mainstay of the economy and the popular imagination. At independence, with diamond production contributing “60 per cent of Sierra Leone’s minerals export earnings...86.7 percent of export earning” (Fyle, 2006: xxxviii), it was not surprising that it gained the attention of the new post-colonial leaders. This situation presented serious challenges for the new leaders. On the one hand, the proliferation of alluvial miners posed challenges for social control and security. With an “estimated 75,000 illicit miners in Kono District, leading to smuggling on a vast scale, and causing a general breakdown of law and order” some companies were forced to hire foreign private security companies to protect their assets and lease areas (Smillie et al., 2000: 4 & 43). On the other hand, political survival of the political elites depended on their ability to influence whatever political networks were emerging both formally and informal through the mines. Faced with the threat of lawlessness and social breakdown, the SLPP government of Milton Margai pursued a policy of strengthening chiefly authority in the chiefdoms, but it soon turned out that the excesses of chiefly authority (Fanthorpe & Gabelle, 2013: 20) especially towards youths was haemorrhaging political support for his government in Kono. These local disenchantments soon translated into organized political forces under the umbrella of the Kono Progressive Movement, which advocated for greater rights for indigenous Konos. Although its existence was short-lived following its shock victories in the 1962 elections, it nonetheless underscore the challenge which the governance of natural resources posed to both political stability and social transformation.

Rather than approach the situation of the mines and natural resources through policy and macro-economic development, political leaders (government and opposition) saw an opportunity to continue to pander to populations in mining areas. Soon, it became apparent that the test of managing mineral resources was a tall order for the post-colonial political elites. Before independence in 1961, labour in the mines and other labour-intensive sectors like the rail industry became organised and muscular in influence. Among them, the Artisan and Allied Workers Union and Transport and General Workers Union, called a strike in 1955 over failed demands for better pay spiraled into riots that initially consumed Freetown, and later escalated in the provinces (Fyle, 2006: 61-2).<sup>10</sup>

<sup>10</sup> Some of these disturbances, while short-lived, irregular and spontaneous, nonetheless became a permanent future of politics up to date.

Political control of the minerals industry became a key strategy of maintaining political power and influence, which was later to shape state-society relations and central-local interactions. The licensing, taxation, financing and marketing of diamonds became a key source of the new patronage politics in post-colonial Sierra Leone. But significantly, it was the nature in which this diamond politics laid the firm foundation for the criminalization of the state, privatization of state resources and the eventual collapse of the state that has huge historical import for contemporary understanding of natural resource governance in Sierra Leone.

## **2.1. METHODOLOGY**

This research has employed both qualitative and quantitative methods of data collections. Qualitative methods include the following: desk research of relevant literature on natural resource governance including a review of literature on Sierra Leone's natural resource governance. This aspect informed analysis in section 2 on the historical legacy of natural resource governance in Sierra Leone. Interviews and focus group discussions were conducted with key informants in the research setting of Tonkolili District. Alongside empirical observations, the qualitative data collection methods provided the research with more in-depth understanding on the nature of natural resource governance and the wider implications for human rights and human security (please see case study below for details). In addition, the research also analysed quantitative data provided by key stakeholders within the landscape of natural resource governance in Sierra Leone.

## **2.2. LITERATURE REVIEW**

The literature is quite lucid on the linkage between natural resource and underdevelopment and conflict. The now widely known 'resource curse' thesis argues that the abundance of natural resources can be a disincentive to economic diversification and political reforms, with the potential to translate political disenchantment into armed conflict over the control of such resources. Sachs & Warner (1997) demonstrate that with natural resources growth was slower in many countries like Nigeria when compared to exporters of manufactured goods and services. They attribute this correlation, on the one hand, to the fact that natural resource dependent economies create a lot of rent-seeking opportunities, and cause the emergence of the Dutch disease (Sachs & Warner, 1997). While the evidence in countries

like Norway and recently the Gulf States where natural resource wealth has propelled economic growth and guaranteed human security and development often questions this correlation, the difference often is cited in the nature of governance.

Often, natural resource dependence creates disincentives for effective governance and democratic development especially in countries with a legacy of dictatorship and weak institutions. Reno points out that, most often “as the productive sectors of economies shrank, regimes that were denied tax revenues seized opportunities to exploit natural resources, especially diamonds, timber, and other easily transported goods, and used them as alternative avenues of patronage” (2011:31). Beyond the economic growth thesis of natural resource management, others point to its influence on political development and attempt to explain why despite the increasing evidence of the negative impact of the continent’s overreliance on natural resources; it has been largely unable to create more diverse economies. Part of the reasons for this has been a historical neglect of the development of a skilled workforce, but more significantly, natural resources production resist institutional malaise and governance failure. The nature of natural resource wealth encourages the generation of revenue irrespective of the type and nature of the political regime. In some cases, it can delay or ‘subvert’ the development of democratic good governance. Collier & Gunning argue that “Natural resource rent democracies are more likely to suffer from patronage politics because the maximum patronage resources available to the government increase” (2008:220).

Such patronage politics emboldens the development of a culture of corruption as “economies with substantial natural resource rents are the target of looting” (Collier & Gunning, 2008:217), and can contribute to trapping states in a cycle of poverty, conflict and underdevelopment (Collier, 2007). This thesis privileges the nexus between natural resource governance and conflict which have helped to shape popular thinking to development in recent times. It provided the main philosophical basis for the World Bank’s 2011 World Development Report, which made the case between development, national security and human security (World Bank, 2011).

Clearly, the literature on natural resource management throws up issues for governance and effective policy development. While wealth from natural resource exploitation can have positive impact on growth, its influence can have negative consequences for economic growth, social cohesion and political stability. An emerging body of literature now appears to privilege a nexus between natural resource governance and conflict.

*Based on empirical patterns globally over the period 1965–99... the risk of civil war has been systematically related to a few economic conditions, such as dependence upon primary commodity exports and low national income. Conversely, and astonishingly, objective measures of social grievance, such as inequality, a lack of democracy, and ethnic and religious divisions, have had no systematic effect on risk. I argue that this is because civil wars occur where rebel organizations are financially viable (Collier 2001: 143)*

Collier and others conveniently deploy the thesis of greed to explain the civil war in Sierra Leone and Africa generally. For them, political grievances often trumpeted by political scientists' material less to the motives of rebel groups than the economic rewards. Smillie et al. (2000) maintains that "diamonds provided a magnetic motivation in prolonging the conflict in Sierra Leone as various factions including external actors sought to control its lucrative trade." Using the example of the Democratic Republic of Congo, Collier, et al. argues:

*A particularly remarkable recent development is for rebel groups to raise finance by selling the advance rights to the extraction of minerals that they currently do not control, but which they propose to control by purchasing armaments financed through the sale of the extraction rights. Kabila, subsequently president of the Democratic Republic of Congo, reportedly raised several million dollars from Zimbabwean commercial interests in return for extraction contracts before launching his successful assault on Kinshasa... Similarly Denis Sassou-Nguesso, subsequently president of the Republic of Congo, reportedly sold extraction rights to help finance his military bid for power. (2003: 77)*

While this debate on 'greed versus grievance' has sometimes polarized debates and distracted analysis towards the drivers of conflict, others have been quite clear in articulating a direct correlation between the tendencies of natural resource wealth to fuel conflict (Fearon, 2005). Minerals like diamonds



are easily transported across the globe, and the promise of control over large deposits of other minerals like iron can provide opportunities for armed groups to escalate and transform previously political conflict to protracted economic endeavours. Such conflict, where they exist can be internecine, brutal and complicated as the decade-long conflict in Sierra Leone.

Unsurprisingly, the current boom in natural resource in Sierra Leone raises serious question over the extent to which it remains vulnerable to Collier's 'resource trap', the Dutch disease, 'resource curse' theses, but more significantly whether it is able to guarantee peace, human rights and human security of its citizens. Clearly, burgeoning unemployment among a restive youth populations, lack of confidence in public officials due to increasing levels of corruption, mass poverty and the lack of transparency and accountability in governance together reveal enormous risks. There is no question that the country stands to profit enormously from its mineral wealth as witnessed by recent massive foreign investments in diamonds, bauxite, iron ore, petroleum etc. The expected revenue boom worries a lot of Sierra Leoneans. Perhaps understandably burdened by a turbulent history, but also the realization that the country does not have the luxury anymore of a second chance to get things right. It cannot afford to ignore the potential impact of natural resources in addressing its failing public services, education, youths, healthcare and the environment. The issue of natural resource governance remains central to Sierra Leone's ability to sustain its economic development but importantly political stability necessary to midwife future economic transformation based on equitable wealth redistribution.

## **2.3. DIAMONDS AND POLITICS IN POST-COLONIAL SIERRA LEONE**

Between the 1970 and 1980s, the marriage between politics and diamonds had been fully cemented. Having assumed power on a socialist platform in 1967 that galvanized support mainly from marginal groups and labour unions (Conteh-Morgan & Dixon-Fyle, 1999: 69), Stevens pursued a populist policy that encouraged artisanal mining on a scale verging on criminality, while also promoting private businessmen in the diamond industry. By this time, following a massive modernization drive, the iron ore company DELCO faced financial difficulties as global price gyrated and the 1970s oil crisis worsened. It became apparent that it could no longer afford to even repay the £2.25 million loan from the Government of Sierra Leone (GoSL) (Fanthorpe & Gabelle, 2003: 18).

Sensing that DELCO's decreasing revenue potential could spell trouble economically and politically, rather than revive other sectors of the economy, Stevens survival instincts and dictatorial tendency took the better of him. In 1970, the government created the National Diamond Mining Company (NDMC), which it jointly owned and operated with the Sierra Leone Selection Trust (SLST).

NDMC proved pivotal in underwriting Stevens' patrimonial project. Stevens secured his position by establishing a personal network of loyalists through whom he channelled the benefits of mineral wealth rents. At the centre of this ever-expanding network of loyalists was his henchman, Jamil Sahid Mohammed who by all stretch of reality functioned as both a patron of the All Peoples Congress (APC) party and Stevens' personal finance minister with influence comparable to cabinet-level appointees. Jimmy Kandehe illustrate that:

*Siaka Stevens...turned over the entire diamond and fishing industry to Jamil Sahid Mohammed, his Afro-Lebanese crony and business partner, who also at the time operated his own bank in addition to marketing, insurance and light manufacturing ventures. Under Stevens, Mohammed attended cabinet meetings (although he was not a minister or official member of the government), occasionally vetoed ministerial appointments, reversed ministerial decisions and routinely violated government foreign exchange regulations (1999:251).*

What emerged out of this obscure relationship between Stevens and Jamil, was the development and control of markets and institutions outside the state apparatus funded by proceeds from diamond exports and corruption. Reno (1995), has aptly described these informal networks of patronage and institutions as a "shadow state", which possessed greater influence than state institutions. For instance, Stevens created the Gestapo-style Special Security Division (SSD), whose organisation, creed and modus operandi verged closely on lawlessness. In the mines of Kono, frequent violations of human rights including unlawful imprisonment and killings allegedly sanctioned by Stevens' henchmen (including local chiefs) became the definition of order. Like its predecessor under the SLPP, which rewarded its chiefly patrons with rents from mineral resources, Stevens refashioned his own patronage system through the allocation of lucrative diamond plots to friends and loyalists, who in turn bought local loyalty for Stevens through violence, bribery and corruption (see Tangri, 1978).<sup>11</sup> This strategy, while largely effective, did not

<sup>11</sup> Diamond was not just the only source of modernity that the elite plundered. Land grabbing and redistribution along political lines accompanied the leasing of lucrative areas in the provinces to political loyalist. To date, the Western area of Freetown is littered with large estates of the old ruling political elite.

always prove smooth sailing. Fanthorpe points out that “attempts by the APC regime to impose paramount chiefship candidates...a strategy of controlling networks of access to mineral and other resources, often met with fierce and protracted local resistance” (Fanthorpe, 2001: 385). Such was the banality of violence that alienated rural communities and reinforced a distant and predatory image of the state that was supposed to protect its citizens.

In tandem with the privatisation of public resources by the political elites, local bureaucratic elites also positioned themselves in the now free for all kleptocratic regime. It became common place for administrative officials to pay huge bribes to be posted in mineral rich areas like Kono.

*To be appointed district officer in the diamond-mining town of Kono, a civil servant had to pay an initial bribe of Le 10,000 (the equivalent of ten thousand U.S dollars at the time) and monthly payments of Le 8,000 to keep the job. Appointment and retention of provincial and district administrators in non-mining areas were based on the same corrupt, neo-feudalist formula, with appointment bribes of Le 7,000 and monthly retention payments of Le 3,000. Assistant district officers paid Le 5,000 and Le 2,000 to be appointed and retained respectively (Kandeh, 1999: 352).*

For those in strategic agencies like the Sierra Leone Marketing Board, responsible for the marketing of local produce in the international market, it became a self-serving predatory service as farmers were fleeced of the real value of their produce (Riddell, 1985: 534-5).

As Stevens and his henchmen became rich and politically secured, state revenue plummeted while state institutions went on a roller coaster of decay. A former cabinet minister in the Stevens government, Abdul Karim Koroma later recalled that by the 1980s the policy of privatisation of public resources and focus on natural resource wealth proved catastrophic for the regime (Koroma, 1996: 95). Policy measures taken to improve the management of mineral revenue proved desperate and counterproductive. Stevens populists platforms, which had emboldened criminal elements in the mining industry graduated beyond state control that smuggling effectively denied the government much-needed revenues. By the 1980s, diamond exports had fallen markedly from 2million carats in 1970 to 595,000 carats in 1988 despite peaking in 1968 at 30 million carats with over \$200 million dollars in foreign exchange reserves (Smillie, et al., 2000:45).

The consequence was the imposition of the now widely discredited Structural Adjustment Policies, which only worsened the socio-economic situation of Sierra Leoneans already living on margins after decades of economic marginalisation and political plunder of state resource by the few (Zack-Williams, 1992).

That the APC regime, now led by the intellectually-bankrupt former army General, Joseph Saidu Momoh, faced serious economic woes, was to many an unsurprising fate of their strategic policy failures. The state failed to reinvest revenue from mineral resources in, diversification, institutional building and social policies, instead of the expensive pet projects like the hosting of the Organisation of African Unity (OAU)<sup>12</sup> that in reality proved to be white elephants. Coupled with a lavish display of wealth by a political elite gripped by the crisis of modernity, it was only a matter of time for the house of cards to come crashing down. Dwindling reserves, weak government institutions and limited basic services like health and education now largely dysfunctional outside the five-kilometre tracts of the capital city, further accelerated the collapse of a post-colonial state with small footprints of authority that has come to predominantly rely on natural resource wealth to shore up its authority. By the late 1980s, a looming bankruptcy meant the state could hardly afford to pay its massive public sector workforce, forcing a flight of middle class professionals (Hirsch, 2001:30), while the control of the mines became increasingly left to the vagaries of chiefly authority and criminal networks.

Suffocated by greed, corruption, maladministration, massive poverty and destitution, Sierra Leone on the 23<sup>rd</sup> of March 1991 plunged into a violent civil war that was to last for more than a decade. The Revolutionary United Front (RUF) supported by Charles Taylor of Liberia and Muammar Gaddafi of Libya were able to easily recruit especially young people who were frustrated with the system (Bangura, I and Specht, I. 2012).

## **2.4. POLITICAL INSTABILITY AND THE DIAMOND TRIANGLE**

The APC's 27-year rule was abruptly brought to an end in 1992 by a group of young army officers under the umbrella of the National Provisional Ruling Council (NPRC). The coup had been motivated by widespread political disenchantment caused by the regime's disastrous economic policies and its failure to stop the raging civil war in the eastern part of Sierra Leone

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<sup>12</sup> The OAU was hosted by Stevens in 1980.

(see Zack-Williams & Riley, 1993). However, if the preponderance of natural resource wealth played a significant part in underwriting a patrimonial politics that institutionalized corruption and negated popular aspirations for democracy, the unfolding dramatic political era of military rule and civil war only reinforced the role of natural resources by exacerbating the socio-economic woes of the vast majority of Sierra Leoneans.

Having inherited a failing economy with depleted coffers and faced with international economic sanctions, the inexperienced cohort of military upstarts were forced to turn to the diamond mines in Kono and Tongo Fields to both fund its war against the RUF and deliver economic development required buying them the necessary political clout they wanted. Both the NPRC government and the RUF came to view the mineral industry as the means to defeating the other in the battlefield. The NPRC made new concessions and signed lease agreements with foreign companies in exchanges for arms. This policy soon paid dividend as within a year of coming to power, the NPRC successfully dislodged the RUF from the mining areas. This won the NPRC popular local support, while allowing new mining companies to exploit their concession. But the RUF proved a stubborn enemy. By 1995, with the backing of Charles Taylor, who provided Liberian and Burkinabe mercenaries, Sierra Leone witnessed a rejuvenated RUF making a push to the capital having decimated the Sierra Rutile bauxite mines in the south and ravaged the diamond fields in Kono and Tongo in the East.

Popular support for the NPRC began to wane as a result of mass displacement of the population and widespread economic hardship caused by the advance of the RUF. Some companies began to close their operations as they could no longer secure their staff and assets (see Smillie, et al., 2000). Faced with an RUF onslaught alongside an increasingly organized civil society calling for a return to civil rule, the NPRC contracted the Executive Outcomes (EO), a mercenary group of soldiers from South Africa with experience in guerrilla warfare. "With 200 imported soldiers, air support, and sophisticated communications equipment, the EO pushed the RUF back from Freetown within a week, and within another month had cleared the major diamond areas of Kono as well" Smillie, et al., 2000:7). The EO's professionalism and fighting prowess was immediately felt as the RUF started suffering massive casualties. With the mines of Kono retaken, the EO was compensated with lucrative concessions under the business name of Branch Energy for their role in reviving the political fortunes of the NPRC (Smillie, et. al., 2000:7).

It is important to note at this juncture that the intervention of external actors in the conflict, while at best provided some modicum of security, at worse explains the diabolical relationship between mineral wealth and political corruption. Such was the privatization of national security in which the expansive participation of international mercenary groups transformed a "low-intensity conflict" into globalized exploitation of natural resources (Francis, 1999). Consequently, as Sierra Leone became the theatre of conflict, it neighbours became the primary beneficiaries. For instance, Ndumbe demonstrates that:

*Between 1994 and 1998, Liberia's average diamond mining capacity was 100,000 to 150,000 carats of diamond. But, according to the records of Hoge Raad Voor Diamant (HRVD) in Antwerp, Belgium, Liberia, during the same period, exported more than 31 million carats of diamonds to Belgium, with an annual average of more the 6 million carats a year. The export records of Côte d'Ivoire indicate that it exported an average of more than 1.5 million carats to Belgium even though its small diamond mines were closed in the mid-1980s. On the other hand, the government of Sierra Leone reported its diamond exports in 1998 at a mere 8,500 carats, although HRVD registered its import figures at 770,000 during the same period" (2001:98).*

As the war raged on up until 2002 when it officially ended, an estimated 60000 plus civilians had been killed, hundreds of thousand displaced while similar numbers had been raped, amputated and traumatized by a brutal war manufactured by a decadent political culture (see Human Rights Watch, 1998). While Sierra Leone's mineral wealth previously contributed to economic growth, evidently, the marriage between politics and minerals has had a nebulous impact on not just political stability but the socio-economic wellbeing of the people of Sierra Leone. The fact is, the lack of effective governance of Sierra Leone's mineral wealth has meant the external actors have been the main beneficiaries through smuggling, corruption and foreign control.

The post-war assessment of the causes of the war and Sierra Leone's turbulent political history, blamed the culture of "greed, corruption and nepotism of political elites, who plundered the nation's assets, including its mineral riches...[that] robbed the nation of its dignity and reduced most people to a state of poverty" (TRC, 2004: 27). The war has undoubtedly set the country and citizens many decades back. Rebuilding Sierra Leone, clearly require the full

vents of the energy and creativity of its resilient population. The governance of its mineral wealth would play a major part in this reconstruction and the protection of human right and development of democratic governance. The question is, to what extent have the lessons of the past improved the governance and management of natural resources in contemporary Sierra Leone? What does the present institutional and regulatory system of natural resource reveal about the protection of human rights and human security in Sierra Leone?

## **2.5. THE LEGAL AND REGULATORY REGIME OF NATURAL RESOURCE GOVERNANCE**

The extractive industry in Sierra Leone is governed by a number of legislations and actors who play a significant role through the chain of activities including licensing and export. At the end of the civil war, the industry benefited from massive institutional transformation and capacity building. To start with, a major attempt was made in the early post-war period to harmonize often-outdated colonial legislations and rebuild institutions to reflect modern standards of environmental protection and enhancing better governance of the sector. In 2005, a Management and Functional Review (MFR) conducted by the government's Governance Reform Secretariat (GRS), noted:

*The MFR team found that the statutory framework based on the Mines and Minerals Act 1996 within which the MMR operates was seriously wanting in a number of key areas including investment, health, safety, environmental and social development issues. There is in addition no link between the law, statutory responsibility, and competency in the Act, so the law cannot define responsibility, and the ministry cannot certify its officers as fit to enforce or apply the law. These problems with the law have given rise to the MMR's practice of adjusting policies and the Mining Code to meet new contexts and requirements. This has resulted in gaps between the law and the regulatory provisions (Williams, et al., 2005:5).*

Clearly a legacy of decades of poor governance had taken its toll on the governance of this sector. The Ministry of Mines and Minerals Resources mirrored a colonial directorate of mines operating outdated policies and legislations. Governance needed to catch up with modern trends especially in the mineral sectors, which took more than a fair share of battering during the war. Central to the recommendations of the GRS report was a total overhaul of the regulatory and legislative landscape of extractives. Four years later, the Mines and Minerals Act 2009 was passed by Parliament as an overarching legislative framework for this industry. The Act provides a detailed outline of the powers, authority, responsibility and relationships of the regulatory landscape, and processes including for licenses and revenue generation.

Foremost among many issues addressed by this Act is the ownership of all minerals, which it vests in the state and the responsible minister. This is significant, not least because of the complexity of the land tenure system in Sierra Leone. Land outside the Western area is governed by tribal constitution through native authorities known as chiefdoms, while the Western area operates a free hold system. While there are obvious implications for this over the extent to which communities would have a say in the leasing and exploitation of communal land, the Law reinforced the states hegemonic position on land.

Other issues addressed by the Law include the administration of the Act, the responsibility for which is placed on the shoulders of the Minister. However, the law recognizes the crucial technical role of the Director of Mines especially in the implementation of the act. The 119 page long law also addresses the issues of the acquisition of minerals and surface rights, the introduction of a cadastre system of logging records, cancellation of mineral rights, the issuing of reconnaissance and exploration licenses, artisanal, small and large mining licenses, the regulation of radioactive minerals, dredging of minerals, protection of the environment, health and safety, the obligation of community development and taxation.



## 2.6. INSTITUTIONAL FRAMEWORK

The responsibility for regulating, supervising and administering natural resources in Sierra Leone is shared among a complex array of institutions. Among the most prominent of players in Sierra Leone's post-war dispensation is the Office of the President. The President maintains enormous influence over the regulation and supervision of the industry through the Strategic Policy Unit (SPU). The SPU coordinates the powerful Task Force on Mining Licenses and Agreement, which advises the President on investment and other issues within this sector. Its recommendations are believed to be instrumental in shaping the direction of policy and the nature of lease agreements. A petroleum unit has also been established in the Office of the President to manage oil deposits recently discovered in various parts of the country.

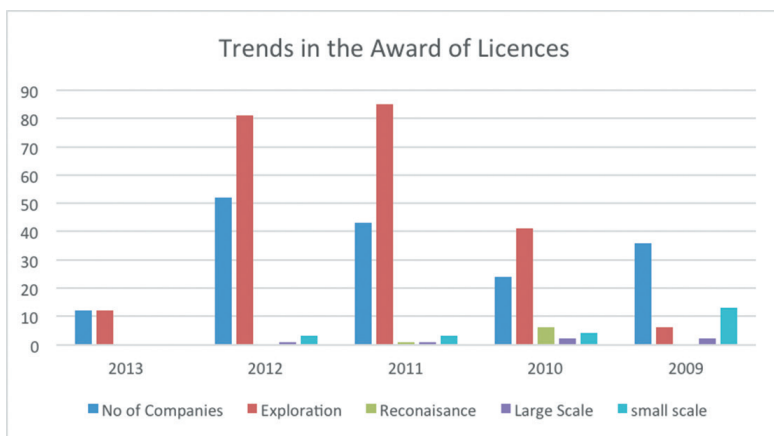
In addition to the Minister of Mines and Mineral Resources, which has cabinet responsibility for the minerals industry, the institutional landscape of the minerals industry included the newly established National Minerals Agency and the Environmental Protection Agency (EPA). Both institutions provide specialized technical functions. The NMA, which was established by the National Minerals Agency 2012 is responsible for promoting "development of the minerals sector by effectively and efficiently managing the administration and regulation of mineral rights and trading in Sierra Leone, to provide technical and other support to the mineral sector including geological survey and data collection activities".<sup>13</sup> Similarly, responsibility for the protection of the environment now falls within the sole purview of the Environmental Protection Agency under the Office of the President. Other players include the Minerals Advisory Board (MAB) whose responsibility under the 1996 decree includes providing advice to the Minister on matters relating to minerals including assessing major agreements relating to minerals, recommending policy changes and monitoring the implementation of policy and the collection of data on mineral related issues. Under the Mines and Minerals Act 2009, the MAB's membership has been expanded to include other actors like civil society, while its advisory role now also includes granting, renewing, suspending, transferring and cancelling of licenses and certifying mineral rights applications.

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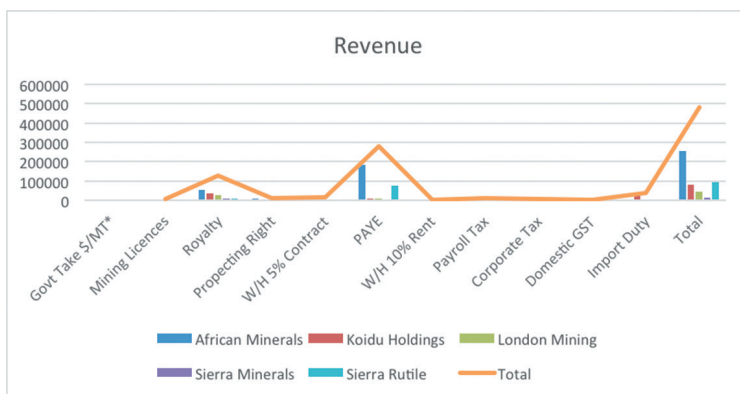
<sup>13</sup> National Minerals Agency Act 2012, 11 (1)

## A. The Impact of Reforms on Revenue

There is an emerging body of evidence that a combination of post-war political and economic stability and reform measures in the minerals industry have had some positive impact on the economy. Data from the National Minerals Agency (shown below) indicates that since 2009, there has been a steady rise in the number of companies awarded licenses for various geological activities across various parts of the country.



The high volume of exploration licenses demonstrate the increasing interest in the country's mineral wealth, but equally important is the growing number of small scale mining licenses awarded. Although the period of this data precludes major mining agreements signed, it nonetheless suggests a revival of an industry ravaged by the civil war. The industry's major players generated revenue for the Government of Sierra Leone to a total of Le 481,373 billion between 2011 and the first quarter of 2013. It is important to note that concessions on corporate tax and import duties provided in various agreements make it harder for government to raise sufficient revenue from such means. Royalties and taxes remain flat-lined.



**Source: National Minerals Agency 2013**

However, while data for most mineral exports have been difficult to lay hands on, diamond exports show some promise for major revenue generation. Since the end of the war, the value of export has witnessed a somewhat steady growth peaking in 2005 before dropping steeply in 2009.



**Source: National Minerals Agency 2013**

Overall, 2012 performance remains significant with the production of over 541,165 carats valued at 541,165. Remarkably, over a billion dollars' worth of diamond have been exported out of the country between 2002 and 2012.

## B. Gaps in the Post-War Reform of the Natural Resource Sector

From an examination of the institutional landscape, it is obvious that functional overlaps exist and potential for institutional conflict remains within the minerals industry. There are several grey areas within the legislative landscape regarding overlapping functions between different institutions. For instance, with responsibility over community development and environment protection scattered across various institutions, Fanthorpe and Gabelle in their recent analysis illustrate that:

*"The MMMR is making...claims in respect of environmental protection...on the basis of the MMA of 2009, while the EPA is making rival claims on the basis of the EPA Act of 2008. The challenge is getting the parties to agree to a revision and consolidation of existing legislation, which would have to start with the MMA of 2009" (2013: 36)*

While the "raison d'être" of these post-war reforms have been to enhance the revenue potential of Sierra Leone's extractive industry, but more importantly support government's agenda for social redistribution and economic reconstruction, there are serious challenges with the current institutional arrangement. In particular, the President's overwhelming influence on the sector telegraphs the pre-war era and risks politicization. Not only does the President appoint the Minister of Mines, but all the Board members of the NMA, EPA and the Task Force hold their office by his wish. It is obvious that these layers of political influence in the minerals industry create massive opportunities for rent seeking and distortion of markets.

The spectre of poor governance and the politicization of natural resource wealth of the 1970s and 80s loom largely over the lack of autonomy of the new agencies and that professionalism may give way to political considerations. For instance, the advice on licenses agreements are believed to often be informed not by the professional advice of the NMA or EPA but on the recommendation of the office of the President. This complex layer of regulation at best reflects the short-sightedness of institutional reform, and at worse a recycling of the old patronage politics of the 1970. Mines Monitoring Officials recruited by the Ministry of Mines and Mineral Resources are widely believed to be "political appointees and local party activists,

rewarded with jobs that are not subject to the entry criteria of the mainstream civil service" (Fanthorpe & Gabelle, 2013: 36). In recent times, this situation has prompted civil society to question the extent of inconsistency and lack of transparency in the award of license agreements.

Also worrying is the tendency for increased revenues from mineral wealth to have negative influence on elite political behaviour. Allegations are widespread in Sierra Leone on the prominent role of mineral wealth in the last general elections. Mining companies have been variously accused of secretly bankrolling the incumbent, while the government has made no secret of its close association with mining company moguls.<sup>14</sup> Such a situation threatens to transform Sierra Leone's nascent democracy into a fight of the wealthy and not the choice of the people. Donors have been expressing concerns (albeit in sotto voce) about the way and manner in which certain officials are beginning to rebuff their suggestions for effective governance of natural resource. Recently, the International Monetary Fund (IMF) has demanded that the government publishes data on revenue; this is besides the fact that their previous suggestion to tie mineral revenue to deficit reduction has been disregarded.

Particularly repugnant to civil society organizations are the frequency with which major mining agreements are passed by parliament without sufficient debate under the "emergency procedure" demanded by State House. The shadowy and closed door nature of these agreements have failed to guarantee inclusive community participation to the extent that some civil society organizations have accused government of creating a time-bomb tension between communities and mining companies especially within the context of growing artisanal mining activities around the country. Other issues of note are the failure of legislation to clearly address the issue of land lease, and guarantee social and economic rights of communities. The Mine and Minerals Act 2009 vests the Minister with extensive powers that lacks any features of consultation or redress, while land lease negotiations are still conducted by unscrupulous local chiefs, often with little or no communal participations.

<sup>14</sup> The New People <http://www.thenewpeople.com/national-news/item/2203-shady-deals-shady-campaign-funds-private-jets-helicopter-flights%E2%80%9393a-corrupt-president-seeks-re-election> (accessed on the 20th of October 2013)

## 2.7. CORPORATE SOCIAL RESPONSIBILITY, HUMAN RIGHTS AND HUMAN SECURITY

The post-colonial literature is largely silent on the concept of Corporate Social Responsibility, Human Rights and Human Security. This is largely due to the fact that these concepts have only recently gained ascendancy within the natural resource discourse. As such, the post-war reforms have sought to capture this trend, not least because of the legacy of isolation of local communities from the benefits of mineral wealth, but in recognition of the potential impact of mining activities on the environment and livelihoods of communities. In particular, the Mines and Minerals Act 2009 approaches the issue through both the lens of environmental protections (which the EPA also does) and community development. The Act sets out a detail process of applying for a mining license. For instance, it requires evidence of 'identification' and prior 'consultation with interested and affected parties'. The Mines and Minerals Act also makes it a requirement for companies applying for licenses to show the "effects of the mining operations on the environment and on the local population and proposals for mitigation, compensation and resettlement measures". This together with other provisions for regular environmental management reports and proposal for the 'reclamation and rehabilitation' of land affected by mining demonstrate a significant departure in the governance of natural resources from the pre-war decades.

Post-war legislation has also privileged the need for the redistribution and investment of mining wealth, especially in affected communities. The Mines and Minerals Act 2009 (part five) explicitly requires:

*The holder of the small-scale or large-scale mining license shall expend in every year that the community development agreement is in force no less than one percent of one percent of the gross revenue amount earned by the mining operations in the previous year to implement the agreement, and such amount and a breakdown of expenditures shall be reported to the Minister annually as may be prescribed (MMA, 2009:139:4).*

The management of such a fund rests with the respective local communities, and not necessarily local chiefs who take a huge percentage of revenue from surface rents from mining companies. On the surface, most companies are in compliance with the above requirements. But the recent spate of violent clashes and violations of human rights have called into question the extent to which compliance is secured in practice and not on paper. The case

study below provides some insights into the failures of regulation to ensure corporate social responsibility and the protection and promotion of human rights and human security.

### **A. Case Study: Tonkolili and the African Minerals Ltd investment**

Tonkolili District is one of the largest districts in Sierra Leone. It is situated at the centre of the country covering a total landmass of about 2704 square miles. Until recently, this partly remote locality with a sizeable population of 375,363 inhabitants was famous for hosting one of the elite public schools in the country, the Magburaka Boys School (attended by some of the current political elite including the President and the Minister of Education). Like most localities, most of its inhabitants rely on agriculture as a source livelihood. The old Magbass sugar plantation, which employed many of Tonkolili's inhabitants in the 1970s to 90s, had been ravaged by war, although it has recently been revived by an injection of foreign capital investments.

Tonkolili is also home to almost eight ethnic groups bordering seven localities. It also hosts a network of major rivers in Sierra Leone including the Rokel and Pampana Rivers. The district, like others has had its share of poverty caused by decades of over-centralization and civil war. Nevertheless, a post-war decentralization programme has increased the autonomy of the district's council in development planning and implementation. Despite renewed attempt to revive the district's socio-economic situation, it still faces serious challenges. The District Council's own Development Plan indicates that only two hospitals exists for the entire population, while a catalogue of health challenges conspire to render the district as one of the poorest in the country with some of the lowest life-expectancy:

*Physical distance to health care facilities, inadequate drugs and other medical supplies and delay in the supply of free health care drugs in most of the areas...represent a major barrier to accessing health care. There is high incidence of preventable illnesses in the district; malaria accounts for 51%, acute respiratory infection 31% and diarrhoea 19% incidence rate...There is huge shortage of qualified health personnel with only three midwives currently servicing the entire district who are based at the district headquarter. Over 70% of all deliveries are attended by untrained Traditional Birth Attendants (TBAs) in part due to the lack of qualified personnel and access to health facilities. Inadequate ambulance service is a serious restraint on emergency deliveries and a challenge to the health care system in the district" (Tonkolili District Council, 2013:62).*

With HIV/AIDs and tuberculosis on the increase, the District's health challenges compete for attention alongside the problems with its education system. With one of the highest illiteracy rates of about "75% of the population unable to read and write", shortage of classrooms, qualified teachers and teaching materials, and overcrowding in schools cohere to produce a high dropout rate of youths and unskilled labour force (Tonkolili District Council, 2013). These challenges, grim as they are, may not be unique to the district alone and are not extraneous from the legacy of poor governance and rural neglect (see Mbawa, 2013). However, it demonstrates the challenge in the hands of local authorities in translating meagre devolved and locally generated resources into better and improved economic development for the people of Tonkolili.

Nonetheless, on August 2010, Tonkolili was placed on the limelight of international significance when the government of Sierra Leone signed a major mining agreement with the Tonkolili Iron Ore (SL) Ltd; a subsidiary of the Bermuda registered African Minerals Ltd. The agreement gave the Tonkolili Iron Ore (SL), amongst others exclusive rights to a 25 years lease that includes the right to undertake mining operations, export and market.<sup>15</sup> Although the district has also attracted major investments for instance the Bio-Fuel company Addax Petroleum, a planned rubber factory and the old hydroelectric plant (now undergoing major reconstruction), this value of this agreement dwarfs any other investment in the district's history. According to AML's website, the Tonkolili deposit is one of the 'largest' in the world<sup>16</sup> valued at hundreds of billions of dollars. Within a year, the company attracted further investment from countries like China, which saw it commence the first shipment of iron ore for export following a completion of the short rail track from Tonkolili to Pepel. The revenue potential of this investment is massive for government, but the question is what it contains for the people of Tonkolili.

## **B. The aftermath of the Bumbuna Shootings and the implications for Livelihood, Human Rights and Human Security**

Following a profitable start to its operations in 2011, the African Minerals Ltd company ran into its first major incident with striking workers and later the community in the town of Bumbuna, the headquarter town of the host chiefdom, Kalansogoia of about 1700 inhabitants. The incident, which took place between 15-18 April 2012 involved workers who had gone on strike demanding improved terms and conditions. Although AML claims in

<sup>15</sup> Mining Lease Agreement between the Government of Sierra Leone and African Minerals Ltd

<sup>16</sup> African-minerals.com



its annual report of 2011 to be the single largest employer in Sierra Leone with 7,425 employees of which 82% are Sierra Leoneans, the workers complained among others of poor working conditions, low wages and racism. Following unsuccessful attempts by government officials to reach a negotiated settlement, a trigger-happy band of Sierra Leone Police officers on site went on a shooting spree targeting even areas where there were no protesters including the main market place (see Amnesty International, 2012). Several dozen arrests were made including a local journalists, while 11 people were wounded and an AML employee killed (Amnesty International, 2012:3).

However, in tandem with the protest were also underlying community tensions about the nature and process of the agreement between AML and the GoSL, in addition to local agitations about the AML operations which had been persistently ignored by both the government and the AML. Independent assessments from the Sierra Leone Human Rights Commission, Amnesty International and local civil society groups were damning of government and AML's handling of the situation. In its detail and comprehensive public inquiry into the violence, the Human Rights Commission of Sierra Leone (HRCSL) blamed the primary causes of conflict in part on "a history of broken promises on the part of the management of AML and longstanding unaddressed grievances led the workers to protest out of frustration" HRCSL (HRCSL, 2012).

The Commission also reported a litany of human rights violations by the Police. Among these, the HRCSL noted that:

The police used disproportionate force used "disproportionate force", including use of "live ammunition, resulting in the death of one Musu Conteh" whilst others had been injured through "beating and other forms of manhandling".

"The violence on the 17th and 18th of April, 2012 led to the temporary displacement of some people to other villages and towns outside Bumbuna"

"The Police subjected the women of Bumbuna to Sexual and Gender Based Violence (SGBV) in the form of verbal abuse, physical and psychological violence".

"The police subjected members of the Bumbuna community to arbitrary arrest and detention".

Amnesty International reinforced this evidence with their conclusion which states:

*That the police used arbitrary or abusive force, in breach of international standards guiding the use of force and firearms, by law enforcement officers, and resulting in a violation of the right to life. Furthermore, the organization is concerned that the close relationship between the SLP and AML raises serious questions about the ability of the police in Bumbuna to independently maintain public order and enforce the rule of law in an impartial manner (AI, 2012:4).*

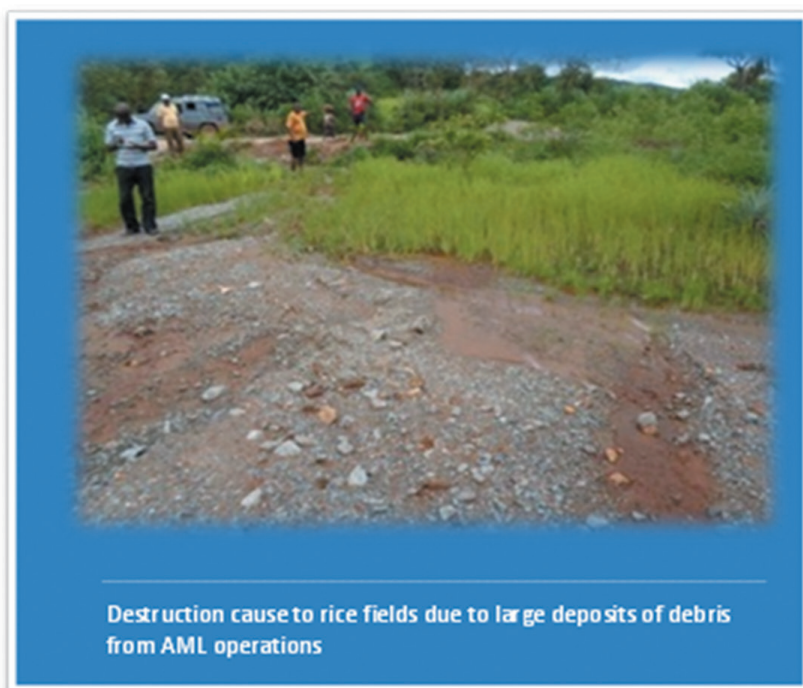
The Police had clearly overstretched the limits of their authority and in particular violated the “rules of engagement” governing the use of live ammunitions. Despite these stark conclusions of human rights violations, the HRCSL failed to demand the prosecution of those police officers the report named to be responsible for the violence as many had called for in the press and other political quarters.<sup>17</sup> Also, the Government’s dubious role in the conflict had been watered down in the final analysis of the report.

Whatever the failings that triggered and exacerbated the conflict, a concern for the people of Tonkolili was a look into the future in terms of their relationship with AML and government’s role in ensuring and guaranteeing respect for human rights and their security. Following extensive interviews, empirical observations and focus group discussions, this research has made some interesting findings regarding the post-Bumbuna shooting situation. It has primarily focused on assessing the extent to which AML has taken steps to improve its relations and corporate social responsibility in the communities it operate.

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<sup>17</sup> See: <http://allafrica.com/stories/201208100187.html> (accessed on the 21st of October 2013)

To date, the research found that while AML has taken steps to improve the terms and condition of its workers, and to some extent those of the community, relations remain generally poor with simmering tensions over its operations. Foremost among key grievances noted by participants in focus group discussions conducted by this research is the continuing negative impact of AMLs operations on their livelihoods. In 2011, the government approved the relocation of three communities (Ferengbeya, Wndugu and Foria) that fall within the iron ore belt. The relocation package put together by AML and the Government is a monthly family allowance of Le 150,000 (\$35) and a bag of rice.<sup>18</sup>



<sup>18</sup> A 50 kilo bag of rice usually cost between 100,000 to 180,000 Leones.

The arrangement did not take into consideration family size, some of which range between ten to 35 people. As such, for most family the allowance is basically enough to last a week or two when stretched. One family head, Alusine, told this research that he is “unable to look after his family...and even though I have 3 wives and 15 kids, I get the same amount as the other smaller families”. To make matters worse, AML has not considered alternative sources of livelihood for the relocated communities. The allocated land remains acutely inadequate to allow the relocated communities to continue their cash crop and subsistence farming activities.

Other surrounding communities visited also catalogued a series of complaints over the operations of AML. In Kagbema village, some farmers reported frequent landslides. One civil society organisation (identity withheld as requested) stated that they recorded “between 2012 and 2013 more than 36 landslides have taken place causing serious destruction to farming.” The local government official<sup>19</sup>, acknowledged that there has been a huge drop in food productions, although he said, for “political reasons” he could not confirm that this is due to the operations of AML. In another village, Kamangay, four kilometres from Bumbuna, it was revealed that dirt and other mud deposits from AML operations dumped around destroyed swamps, the most suitable vegetation for growing rice. While there is clear evidence of breach of environmental regulations, it begs the question to what extent the EPA protects communities from the damaging effects of mining on the environment. One health worker<sup>20</sup> noted that frequent river pollution and poor disposal of chemicals in the surrounding areas may explain the high incidence of cholera.

Following the skirmishes in April 2012, some attempts have been made to address the district electricity problems of the district. Like all other districts, Tonkolili was provided some solar street lighting system. Despite providing a greater share of the country’s power supply from its Bumbuna Hydro Electricity facility, the District does not get a drop of current. While some poles have been distributed across the district, the long delay in providing the district with part of the electricity it generates has left many in the community to regard these latest efforts, as pretentious and a smokescreen. However, while most people can put up with the lack of electricity, the lack of water as a result of the relocation has left many people grieving over the terms accepted by government on their behalf about the relocation. The reservoir, which used to serve as the main source of drinking water for the community

<sup>19</sup> Interview conducted on the 2nd of October 2013 in Bumbuna, identity withheld as requested.

<sup>20</sup> Interview conducted on the 1st of October 2013 in Bumbuna, identity withheld as requested.

was relocated and now unable to provide water to the streams supplying the villages. AML's response to the shortage was, at first the construction of bore holes, which quickly dried up due to poor construction. Currently, a daily supply of water is provided in large tanks with inhabitants expected to fill up their jerry cans.

This water (as shown in the photo) remains woefully inadequate. Worse of all, is the dependence which it creates on these supplies which at times do not come on time.

The social effects of the relocations and the presence of AML generally in the district and other surrounding areas are often submerged in discussions in the media about corporate social responsibility, but some civil society activists pointed that there is an emerging pattern of social breakdown. As more of the men and youth are without a proper source of livelihood, they are turning to drunkenness and idleness. "Wife battery is on the rise", remarked, Abdul<sup>21</sup> a civil society activist with over twelve years' experience. Consequently, some women are seeking divorce, while their young daughters chase the lucrative prostitution market in the major towns of Makeni and Magburaka.

AML's centralized recruitment strategy, which is often undertaken in Freetown, the capital, has further isolated the communities as more and more young men from Tonkolili looking for job opportunities are turned away for lack of qualification, despite several attempts by the community remonstrating that employment in the company is one means of maintaining go relations with the community. One youth leader remarked that "if they cannot even recruit us for low paid jobs like cleaners and drivers how can we benefit from minerals from our ancestral land."<sup>22</sup> While the employment potential of the people of Tonkolili disadvantages them in comparison to other regions with strong educational systems as a result of decades of educational neglect and cultural encumbrances towards education, there has been very little attempt by AML to appreciate these challenges and address them in a sustainable way.

The relocation, which predominantly affects the Koranko ethnic group and took place within the same chiefdom, appears to undermine the historical peace and tranquillity enjoyed by the Koranko and Limbas. Both ethnic groups have different cultural practices especially with regards the practice of secret societies.

<sup>21</sup> Interview conducted on the 4th of October 2013 in Makeni.

<sup>22</sup> Interview conducted on the 2nd of October in Kagbera.

Some of the elders complain that with the relocation, they have not able to undertake secret society initiation due to a lack of designated sacred bushes. Secret society practice by most ethnic groups in Sierra Leone are one the means of cultural socialisation, and in the absence of a strong hegemonic cultural drive by the central state, they have functioned as a means of maintaining social order, hierarchy and ethno-cultural expressions. The sense of loss of these cultural practices, desecration of culturally sacred sites and the fact that ethnic Korankos have to undertake difficult negotiations for land to bury their dead has incensed many and caused smouldering tensions within these relocated communities already frustrated with incessant intimidation tactics from government and its agents.

Other source of wider discontent relates to the state of the road network in the Tonkolili District. While most participants in this research acknowledge that the state of the road network have always being punishing in what is one of the most challenging geographical terrain, they are unanimous in pointing out that the preponderance of heavy duty minerals vehicles by AML have worsened the conditions of the road. The large number of tires used by these vehicles (the research also observed) produces massive amounts of dust that constantly pollute the air in these communities causing health problems such as breathing. Market women also complain that their foodstuff and other items of trade get easily destroyed and worn out from dust to regular air pollution.



At the end of 2014, a struggle ensued between the Chinese and other shareholders in the company which led to a temporary shut-down of activities in the mining sites with over 4000 left in a state of uncertainty and job insecurity. While there are mixed stories as to what led to the disagreement with the Chinese withholding their funds, it became evident that there are significant discrepancies over the management systems and structures of the company. However this pans out, it would have seriously affected the welfare (economic, social and psycho-social) and security of the staff that have been laid off. This is compounded with the inability of the government to protect its citizens in the face of such challenges. Thus, it is apparent that the interest of the 'common man' becomes less than secondary when mining contracts are signed.

### 3. CONCLUSION AND RECOMMENDATIONS

It is fair to say that Sierra Leone's historical relationship with its natural resource endowment, at best has brought little benefit to its citizens, and at worse war and economic degradation. This historical legacy, which has understandably informed the direction of post-war reforms, while yet to fully kick-in in terms of revenue, the inherent risks in the governance and management of the related industries pose serious challenges for Sierra Leone's socio-economic and political future. The inherent challenges with legislation and institutional reforms to address the legacy of the pre-war era of natural resource governance, has led to simmering tensions and in some cases violent clashes that have resulted in the abuse of human rights and an atmosphere of insecurity. These tensions (which are common in other communities not addressed in this research) speak to a failure of political leadership and less so of the institutional conflicts and weaknesses.

Politically speaking, the overbearing influence that the political elites including the President and some of his senior ministers have over the natural resource industry (from the awarding of licenses and export of these resources) creates significant opportunities for rent-seeking and corruption that undermine the effective functioning of markets. Reducing the complex layers of institutions would be the first place to start. However, there is therefore a need for a more autonomous and non-political management of the natural resource industry, which should allow politicians to focus on the more important role of policy making, revenue allocations and poverty reduction. This should also allow the regulators to be much more effective in enforcing regulations without any political arm-twisting. Effective regulation would guarantee socio-cultural, economic and human rights of local communities through enhanced capacity to monitor and implement government policies. Even where the management of natural resources may be improved and divorced from political influence, government will need to enhance its rural investment in basic social services such as electricity, water, roads and education. The lack of these services adds to local resentments against mining companies whose profit margins could transform some of these communities into paradise. While such investments would temper down local agitations against mining companies, it is important that they address growing inequality between impoverished mining communities stuck in abject poverty and those of the rest of the country that have much improved services.



Political actors should go beyond building autonomous institutions and delivering development to rural communities. It must also institutionalize transparent processes that enhance civil society and community participation and engagement in the governance of the natural resource industry. The evidence adduced in this research suggests that participation remain problematic. The increased level of secrecy associated with major mining agreements that shut the door on community representation only create a recipe for local misunderstanding and make such agreements the target of local agitations and conflict. Communities and civil society organisations, it must be recognized are key stakeholders, who should be able to influence policy perspectives and the management of natural resources. However, while the participation of communities and civil society is critical to the smooth exploitation of natural resources, such participation must at all times remain representative, transparent and should minimize the risks of elite capture and the marginalization of important sections of the community such as minorities, women and youth. Civil society groups can be effective in privileging human right and human security perspectives to the exploitation of natural resources. Having their voice on the policy table is fundamental to ensuring that not only are communities well informed about policies and other issues but would be able to create mechanisms for a responsive system of governance. Clearly, the evidence in this research has shown that the paucity of information exchange between communities and policy makers contribute to creating an atmosphere of suspicion, contestation and conflict. Institutionalizing a redress mechanism on the impact of mining on communities would be key to mitigating the potentials for conflict. This should go in tandem with tangible improvements in the relations between mining communities and companies.

Mining companies should improve their corporate social responsibility and respect for human rights and the livelihoods of affected communities. The policy of government to turn a blind eye on community demands in favour of investments has been unhelpful in creating a peaceful relationship between mining companies and communities. Government must ensure that companies minimize the socio-economic and environmental impact of their operations as required by law, but more importantly should deepen their local engagement and incorporate the participation of the communities.

It should be ensured that employment policies of mining companies directly benefit locals from the mining areas. Sierra Leone should learn from examples like the Niger Delta crisis. Where there is little capacity among the locals, the companies should invest in training young people so that they could be able to compete for and seek employment opportunities in the mining companies.

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# **NATURAL RESOURCES GOVERNANCE IN COTE D'IVOIRE**

# NATURAL RESOURCES GOVERNANCE IN COTE D'IVOIRE

**Senou Bamba**

## 1. INTRODUCTION

Côte d'Ivoire experienced serious economic challenges during the 1980s as a result of the failure of the Structural Adjustment Program (SAP). Agriculture, otherwise known as the building block of the Ivoirian economic was in constant decline. This downturn economic trend resulted to the reorientation of the political economy of Côte d'Ivoire and a diversification of the country's economic activities. Its leaders re-directed attention towards natural resources governance to rescue the economy, which the country possesses in abundant. This includes: Timber, iron, diamonds, manganese, gold, to which hydrocarbon and electricity can be added.

Côte d'Ivoire started exploiting its natural resources with timber. Timber extracted over many years was no longer considered profitable as it has once been. This is because the Ivoirian forest has been in gradual degradation thereby extending towards the savannah. From 16 million hectares of forest in the 1960s, Côte d'Ivoire now has just three million hectares of forest remaining. Mining is therefore expected to complement forest extraction to boost the economy.

Prospection undertaken by SODEMI since the country's independence has allow for highlighting the numerous indices of tonnages upon which mining concessions belonging to SODEMI and several mining companies operating in Côte d'Ivoire are located. SODEMI's mission has been to promote the government's geological exploration programs and the mineral resources. It areas of operation has extended to extraction of mineral substances (with the exception to hydrocarbons); subject to authorization from the government. All of these companies prospect for gold, nickel, manganese and iron etc.

Côte d'Ivoire was then committed to making the mining sector a second alternative to its economic development. The country developed new action plans towards the promotion of the mining sector for national and international market.

Part of this plan includes the development of new mining laws and regulations to provide incentives; and numerous concessions to mining companies. SODEMI and several other mining companies (Australian, South African, American, English, Canadian and French) acquired permits and authorizations for prospection in many areas. These efforts approved by the Ivorian government were expected to contribute to making mining one hub of economic development.

Since mining is an intense activity requiring significant changes, it worth paying critical attention to social, cultural and economic activities as well as the impact of extractive operations on local populations in terms of social re-organization, spatial transformation, re-adaptation of social facilities, and modification of the ecosystem with mutations in the flora and fauna. These fundamental changes have serious human rights and human security implications.

It was from this backdrop that the study was conceptualized and undertaken to determine the nature of natural resource governance and its implication to peace, human rights and human security in the Ivorian context. With this, one has come to the realization that natural resources for local communities in extractive zones are expected to deliver hope in terms of development through employment creation for local residents. However, the competition for profit by many (the state, foreign multinationals and local extractive companies) have not been beneficial to local populations. The cases of Angovia, Bondoukou and Tongon are cases in the point where local populations are experiencing various forms of human rights abuse and violation, with serious human security implications owing to unethical business behaviour of the international mining companies.

People are impoverished due to the degradation of soil and water, high cost of living, environmental pollution, land occupation and chronic diseases. These are some of the difficulties experienced by local population in extractive zones.

Mining companies have terms of reference stated in mining agreements that stipulate the obligation to develop the area through community development and social projects such as school construction, creation of health centres and employment of indigenous people from the region where extractive companies are established.

One must note however that the companies are far from keeping their promises alive. A company known as Randgold Resources at the Tongon site seems to have set itself apart through the realisation of some development projects. This was not as in the case of the Taurian Company operating at Bondoukou and Youré Mining in Angovia.

This situation has direct consequence resulting to conflicts between local population and the mining companies. Such was the case for Bondoukou where the relationship between Taurian and local population remain heated since the arrival of the company in the region. At the same time, conflicts often occur between local communities and artisanal miners from neighbouring countries. These conflictual situations have already led to several open confrontations resulting to deaths, many wounded and several arrests. One must bear in mind that where population have suffered from bad business behaviour of the extractive industries, and has resulted to deep-rooted poverty and anger, social turbulence often erupts with incalculable consequences.



## 2. BACKGROUND

The Republic of Côte d'Ivoire is situated in the West African sub-region. The country covers an area of 322,462 km<sup>2</sup>, bordering Mali and Burkina Faso in the North, Liberia and Guinea to the West, Ghana in the East and the Atlantic Ocean (the Gulf of Guinea) to the South. Côte d'Ivoire has approximately 23,202,000 inhabitants as of 2012. Yamoussoukro is the political and administrative capital and Abidjan is the economic capital. The official language is French and its currency is the CFA (Communauté Française d'Afrique) Franc. The country is a member state of the West African Economic and Monetary Union (UEMOA) and ECOWAS (the Economic Community of West African States).

Côte d'Ivoire was discovered by the Portuguese, which became a French colony in 1893. On 7 August 1960, Côte d'Ivoire gained its independence under the leadership of the trade unionist Félix Houphouët-Boigny who then became its first President. He led the country for thirty-three years until his death on 7 December 1993.

Côte d'Ivoire was well-known as a land of peace and refuge to foreigners for many years, before plunging into political violence in 1990, as multi-party democracy was introduced. The country then subsequently went through periods of social and political turbulence. The problems worsened following the death of President Félix Houphouët-Boigny in 1993. This led to serious power struggle between the main political actors. The Presidential election of 1995 did not change the situation, which was boycotted by cross section of opposition parties that were united under the Republican Front (FPI and RDR).

The first coup d'état took place in 1999 that resulted to a spiral of violence. The adoption of a new Constitution in August 2000 and the organization of a Presidential election in October 2000 brought Laurent Gbagbo to power that did little to ease social and political tensions in the country throughout his tenor of office. This also resulted to another coup d'état on 19 September 2002. The country was divided between the rebel's strongholds of the north, and the government controlled of the rest of the country. After several Peace Agreements, the actors reconvened on 4 March 2007 to deal with the crisis through Ouagadougou Political Agreement (OPA) signed in Burkina Faso.

This agreement paved the way for the organization of general elections that led to a violent conflict whose official numbers documented was 3000 deaths, thousands internally and externally displaced persons, many wounded thereby resulting to a massive violation and abuse of human rights. The difficult socio-political tension impacted on economic trajectory of a country already going through difficult period. Meanwhile, the Ivorian economy in the 1960s was essentially based on coffee and cacao production. The country was then classified as the leading world producer of coffee and cacao, making it a flagship in West Africa. However, the economic crisis of 1980s and failure of the Structural Adjustment Program (SAP) necessitated the reorientation of the political economy. The former President Houphouët-Boigny encouraged Ivorians to return to farming. This rush back to farming provoked land-based disputes that intensified over the years and worsened with successive spiral of crises in spite of the land law unanimously voted in 1998 by all Parliamentarians.

In addition to agriculture, the foundation of the Ivorian economy, other natural resources, particularly timber, oil, gold, diamonds, manganese, iron, and nickel appeared. The declining Ivorian economy necessitated the shift in this direction.

Contrary to popular belief, timber, the most harvested resource played a major role to the Ivorian economy. In essence, logging began in the country between 1880 and 1890, by British traders who were seeking to exploit new varieties of wood to replace mahogany of the Antilles.<sup>1</sup> The main type of timber was traded until the beginning of the 1920s when mahogany was being in strong demand on the international market. Numerous other varieties were then exploited for export, including: makore (*leghemella Africana*), sipo (*Entandrophragma utile*), sapelli (*Entandrophragmacylindricum*), tiama (*Entandrophragmaanglense*), niangon (*Tarrietiasutilis*), samba or abachi (*Triplochitonscleroxylon*), bété (*Mansoniaaltissima*), l'assamela (*Pericopsiselata*), dibetou (*Lovoatrichilioïdes*), ilomba (*Pycnanthusanglensis*), bosse (*Guareacedrata*), fromager or kapokier (*Ceibapentandra*), and the odoum (*Milicia excels*).

Close to 70% of timber produced was exported to international markets. In 2004, the total amount of sales of logs exported brought 267,564 million CFA francs<sup>2</sup>. Beyond exports, the country progressively built up a wood industry allowing the sector to develop by proposing finished or semi-finished goods with significant value added to the raw material.

<sup>1</sup> Exotic wood from the Antilles of good quality competes with mahogany but is not as red.

<sup>2</sup> Encyclopedie libre, Economie de Côte d'Ivoire, le bois

Nonetheless, these operations had negative impacts on the forest cover and the environment (national parks, reserves, conservation forests and those proposed for conservation). The operation also affected forests in the rural sector. The massive Ivoirian forest which, in the first years of independence covered the length of the Gulf of Guinea which is more than 500 km, and which is extended between 120 km and 350 km into the interior of the country was threatened by abusive logging as of 2008, having played a major role in the economic growth of the country. To resolve this situation, the Ivoirian government embarked on re-forestation program. It also created SODEFOR, a structure responsible for the preservation and management of forestry in around 6,000,000 hectares and of re-forestation of zones impoverished by massive deforestation.

Furthermore, the diamonds production began in Côte d'Ivoire in 1948. The Tortiya deposit covered 188 hectares with a reserve estimated at 830,000 karats.<sup>3</sup> The operation was entrusted to SAREMCI. In the first year of its operation, 36,000 karats was produced and saw its production gradually increasing to a maximum of 260,000 karats in 1972. The subsequent decline led to the closure of the mine in 1975. This also resulted to the closure of the company itself in 1976 despite several attempts by the Watson Company to resuscitate activities that failed, thereby leading to its final closure in 1977. Like countries such as Sierra Leone, the Democratic Republic of the Congo (DRC) and Angola, diamonds is not benefiting Ivoirians.<sup>4</sup> Besides the Worodougou region, in Seguela, there is no diamond mine in Côte d'Ivoire. The Tortiya deposit at the period was the principal mining resource of the country.

Other operations in the Seguela region were taking place alongside diamond mining, which was being regarded as the most significant in Côte d'Ivoire. SANDRAMINE commenced operation in 1949, whilst SODIAMCI began its operation in 1956. The second initiative whose annual production never went beyond 25,000 karats ended in 1971 with the closing of SODIAMCI. Today, individuals mostly sell diamonds on the black market only acquired it from artisanal mining. This situation explains the embargo on diamonds by the UN, which struck the country since 2005. During the civil war, rebel commanders were actively engaged in diamond mining.

<sup>3</sup> Gabriel Rougerie, *L'Encyclopédie générale de la Côte d'Ivoire : l'État et l'économie*, Abidjan, Paris, Nouvelles éditions africaines, 1978

<sup>4</sup> La Côte d'Ivoire en chiffres, Abidjan, dialogue production, 2007

Gold mining through traditional techniques by local people in Côte d'Ivoire commenced well before the country's independence. This becomes the second mining resource from subsoil containing many other minerals such as iron, nickel, manganese, tantalite, bauxite, copper, gas, uranium, cobalt, tungsten, tin, ilmenite and ornamental stone. Gold mining was previously dominated by SMI for many years in Côte d'Ivoire. The company managed the only existing deposit in the Ity village in the Zouan Hounien.

Today, other mines are in operation, such as the gold mine in Bonikro that is exploited by the LGL Equigold mining company and the Tongon, and managed by Randgold Resources. The latter is considered to be the largest gold mine in Côte d'Ivoire with a reserve of four million ounces (close to 120 tonnes of gold). There is also a gold mine in Angovia, whose operations were interrupted by Cogema due to the recent political crisis. Furthermore, the company Etruscan Côte d'Ivoire, a branch of the Canadian company, Etruscan Resources Inc that has been managing gold mine in Agbaou since 2010 saw its activities being interrupted due to the post-electoral crisis.

However, there are four (4) other deposits that are under artisanal operation by cooperative organizations in Issia, Angovia, Agbaou and Kokumbo. In spite of this, the country remains a rather marginal gold producer, with annual output estimated at 1.5 tonnes, very far behind the 26 tonnes of Ghana and the 38 tonnes of South Africa.<sup>5</sup>

There has been a significant degree of interest towards Iron Ore in recent years. Projects concerning iron deposits in Mount Gao and Mount Nimba attracted the Indian company Tata Steel and Mount Klahoyo, and a British company Valleymist. Tata Steel wanted to invest the astronomical sum of 1 billion dollars (458.5 billion CFA francs) in Ivoirian iron but has not yet arrived at the operational phase.

Other minerals mined in Côte d'Ivoire are manganese, nickel, and copper among others. Manganese is mined at a lower scale by SODEMI and is also exploited in Bondoukou by the Taurian Company whose tonnage is much higher than that of SODEMI with 150,000 tonnes in 2010.<sup>6</sup> The additive of steel comes from the Mokta mine in Lauzoua (Grand Lahou), 180 km from Abidjan. Furthermore, Côte d'Ivoire nickel reserves are significant.

<sup>5</sup> [www.afrique-planete.com](http://www.afrique-planete.com)

<sup>6</sup> Résumé Rapports de conciliation 2008, 2009 et 2010, National Council EITI, Côte d'Ivoire.

However, its exploitation is not yet at its maximum. For the time being, the Canadian company, Sama Nickel, is a joint-venture with SODEMI developing copper and nickel reserves as well as platinum group metals from Samapleu in the Biankouma region in the Western region of Côte d'Ivoire. Besides the Canadian company, Sama nickel, TAU Group is also aiming at the lateritic nickel deposits in Sipilou and Founbesso, also in the West of Côte d'Ivoire. Among other minerals that are under-exploited are bauxite, tungsten, tantalite, and cobalt, tin and ornamental stone.

Oil and gas sector was developed in recent years. Prior to this discovery in the 1970s, the country covered its national consumption in refined petroleum products through importation, though the country possessed exploitable crude oil and gas discovered by the Esso-Shell group. In the wake of this discovery, concessions were granted to several other major oil companies by the Ivoirian government, though it remains the owner of deposits discovered and participates with diverse groups through the national company PETROCI. In 2005, at 3.9 million tonnes, the hydrocarbon sub-sector translated its dynamism by an overall increase in the industrial sector. Oil production reached a level of 60,000 barrels a day at the end of March 2006, thus helping to easily cover the daily consumption rate. Gas production reached 1.7423 billion m<sup>3</sup><sup>7</sup>. The same year, the exports of petroleum products rose by 22.6%, thereby amounting to 3.2421 billion tonnes.<sup>8</sup> With new discoveries off the coast of Jacqueville, the sector is developing gradually.

Electric energy is essentially hydraulic in nature. Though electricity produced by Côte d'Ivoire also became thermal, it is mostly produced by hydroelectric dams including; Ayamé d'Ivoire, Ayamé 2, Kossou, Taabo, Buyo and Fayé. While the total hydroelectric potential of Côte d'Ivoire is estimated at 12,400 GWh, the available equipment only produce 2,550 GWh or 20.56 of capacity.<sup>9</sup> The National thermal energy production of the thermal power stations of Vridi Gas, CIPREL and Azito also contribute to the national consumption rate.

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<sup>7</sup> La Côte d'Ivoire en chiffres, 2007, p. 105

<sup>8</sup> Ibid

<sup>9</sup> La Côte d'Ivoire en chiffres, 2007, p. 102-104

Electricity produced by Côte d'Ivoire in 2005 reached 571.17 GWh including 1.3978 GWh exported to Ghana (more than 50% of exports), Burkina Faso, Mali and Benin. The management of electricity production and distribution was conducted by the state structure EECI. Since the privatization of this management, the state only intervenes in the electrical energy sector through two main structures: SOGEPE that manages the sector's holdings and SOPIE, the exclusive manager of the electrical energy sector.

Considering the abundant natural resources in Côte d'Ivoire, the Executive (His Excellency the President) and legislative (the Parliament) have contributed to this development. Voting laws to pave the way for proper management of the sector has been one of the building blocks towards the improvement of the Ivorian economy. Also by issuing laws that support the legal texts already in force explains that the regulatory framework is developed not only for the local level but also in light of international best practices.

The Legislative texts and Presidential Decrees regulating mining were developed with the aim of building a competitive and viable mining sector. The principal texts include the Law n°95-553 of 18 July 1995 on the Mining Code, which is the main legal framework governing the mining sector. Although this law is out-dated to some extent, it still remains in effect. Nonetheless, the Ivorian state is well aware of the mal-adaptation of this law with respect to current realities. This therefore justifies the need to reform the code to ensure it conformity with the current realities. Decree n°96-634 of 9 August 1996 determines the modes of application of the Mining Code which comes as a complement to it, thereby bringing clarifications towards the implementation of the rules prescribed by the Code. Decree n°96-600 of 9 August 1996 sets royalties, proportional taxes and fixed rights relative to the activities regulated by the Mining Code.

The regulatory framework of the hydrocarbon sector is made up of Law n°96-669 of 29 August 1996 related to the Petroleum Code, and the Mining Code. Whereas Decree n°92-469 of 30 July 1992 deals with fraud with respect to petroleum products, violations of technical prescriptions and security related matters, it also deals with lack of compliance in the hydrocarbon sector. Likewise, Decree n°96-733 of 19 September 1996 on the general modalities deals with Petroleum Code; which also set the means of implementing the rules prescribed in the Mining Code.

Besides the fact that each sector has its own regulatory framework, certain legislative rules are interrelated. Other complementary texts include: the Law n°95-620 of 3 August 1995 on the Investment Code and its associated regulatory texts; the Law n°96-766 of 3 October 1996 on the Environmental Code and its associated regulatory texts; the General Tax and Customs Code whose rules arise from industrial investment could be generally applied to investors wanting to invest in Côte d'Ivoire.

The forestry sector has not been left behind. The sector is regulated by Law n° 65-425 of 20 December 1965 establishing the Forest Code. This code defines not only the forests, but also other areas of protection and reforestation. Likewise, this includes the different categories of rights applicable to the forest domain. This concerns the legal text applicable to the conservation of the forests and reserves, as well as the implementation of customs duties and the delivery of forestry concessions, that are also regulated by the Investment Code. To these, different texts can be added including several international conventions such as the Stockholm Convention on Persistent Organic Pollutants.

In the management of natural resources, one can consider Côte d'Ivoire as a wealthy country, whose principal actors include the state and extractive companies. Civil Society Organizations nonetheless participates in certain points to manage conflict, and are often able to resolve some conflict arising within communities in the mining areas. At the same time, Civil Society also leads awareness raising activities in different localities to sensitize the communities about the negative implications of the exploitation of natural resources in their areas. However, Civil Society intervention in the mining sector is very limited, taking into account the primordial role they are expected to play. Their role consists principally of helping the population in their lobbying efforts with mining companies and the state; taking part in the monitoring committees established in different mining areas; making mining companies adhere to their Cooperate Social Responsibility; lobbying governments to better manage resources and a fairer distribution of resource; and to monitor mining operations in different zones and localities; to promote and protect the rights of local communities.

### **3. RESEARCH METHODOLOGY**

To deepen understanding of the problems linked to mining, research methods on the question helped to obtain data from ministers and compliance monitoring bodies, stakeholders, communities affected as well as landowners. This helped to understand the attitudes of governments and mining companies as well as the management of the mining sector. The approaches adopted are discussed below:

#### **3.1. Desk Review**

Our secondary research included an in-depth literature review. This review grouped secondary documents related to natural resources, mining operations, different conflicts as well as human security implications. This also generally includes responses to questions and reports from state structures involved in exploitation and the management of natural resources. Newspaper and magazine articles describing these facts were also reviewed.

#### **3.2. Formulation of the problem**

The secondary research helped to establish the following problems to be studied:

1. The management of natural resources in Côte d'Ivoire;
2. The structural causes of conflicts in mining communities;
3. The consequences of exploitation of natural resources with peace and human security implications;
4. The impact of exploitation of natural resources on the environment and its role in conflicts;
5. The lack of effective Civil Society involvement in the extractive industry

#### **3.3. Development of Study Tools**

Field interview guide was developed and interviews conducted. This method led to the completion of questionnaires to obtain the maximum amount of information from target populations.



### 3.4. Preparatory phase

This phase consisted of preparing research tools and materials including work plan before embarking on field visit. As a prelude to the writing of the report, meetings were conducted with oversight structures (the Direction of mines, the EITI council, SODEMI), administrative authorities and local politicians (prefect, sub-prefect and mayor) of the zones where surveys were conducted.

### 3.5. Data Collection

This study acquired a large range of opinions in order to make the optimal representative views. To this end, it was important or even necessary to contact oversight structures, local administrative authorities involved in the management of natural resources and mining operations particularly, local communities and mining companies.

### 3.6. Oversight Structures

Information collection began with structures based in Abidjan, including the management of the Mining department in charge of mining operations in the Ministry of Mines and Energy, SODEMI and National Council of EITI (NC-EITI). These three bodies are key actors involved in mining operations in Cote d'Ivoire. They maintain at the same time relations with extractive companies and local populations in mining areas. It was necessary to consult them to be able to access the available databases of research reports on the subject.

#### 3.6.1. LOCAL ADMINISTRATIVE AUTHORITIES AND POLITICIANS

A preliminary meeting held with administrative authorities of the mining areas has been significant. It was a question of informing them about the nature of the study under way to be able to have easy access to the targeted respondents in the study location. On the other hand, it is also for security reasons owing to the sensitive nature of the study.

### **3.6.2. PRELIMINARY MEETINGS WITH LOCAL COMMUNITIES**

Local communities are an important or even central element of the study. They are the primary concerned of mining operations since they are directly affected with both positive and negative implication of mining activities. Meetings with local communities involve gathering their testimonies on the consequences of the establishment of the mining companies in their areas, which has serious impact on their daily lives and activities.

### **3.6.3. MEETINGS WITH MINING COMPANIES**

As they are key actors, it was also important to discuss with the management of the mining companies in the different areas. This helped to have a better understanding of their Corporate Social Responsibility to the local communities.

## **3.7. Surveys**

Before undertaking the field visits, one was able to develop an interview guide to help organize interviews with the targeted communities. This guide contained useful information about the targeted respondents and their impressions about the existence of mining companies in their respective areas. At this phase of the study, two approaches were used in the field. The first include dealing with gatekeepers, which involve meeting all stakeholders including local administrative authorities, religious and traditional chiefs, women's and youth organizations as well as the management of mining company. The second involve conducting one-on-one interviews and focus groups to help answer the questions stated in the interview guide. In the process, one was able to listen to many local populations.

Interviews conducted with oversight bodies were not conducted using interview guide. Semi-structured interview techniques and direct oral narrative were used which were recorded with a Dictaphone to make a better quality transcription, which was analysed and interpreted.

## **3.8. Report Writing**

During evolution of fieldwork, one was able to produce and submit preliminary draft reports to the Gorée Institute, for supervisory comments and suggestion before proceeding to the next stage. The combination of the partial reports then helped to produce the final report.

## 4. DEFINITION OF KEY TERMS, OBJECTIVES AND STUDY AREAS

### 4.1. Natural Resources

Generally speaking, a natural resource is a substance, organism or object present in nature and which, in most cases, subject to meet human, animal or plant consumption (for energy, food, leisure or pleasure etc.). This can be either: a primary mineral resource (fresh water, aggregate stones, metallic minerals etc.), living organic material (meat, fish, wheat, etc.), fossil organic material (oil, carbon, natural gas, lignite peat etc.), an energy source (solar energy, wind power), or, by extension, an eco-systemic service (the production of oxygen supplied by photosynthesis).

The concept natural resource has been in evolution since the 1970s. It was first considered as useful biomass<sup>10</sup> and primary materials, then form of energy useful to man and, in particular, agriculture, fishing, then industry (firewood, animal draught power, windmills and water then fossil fuels) and finally nuclear energy. In addition, natural resources can be classified into two categories, renewable and non-renewable resources.

### 4.2. Renewable resources

A renewable resource designates natural resources that can be rebuilt over a short period of time in terms of a human-scale time frame. The reserves must be renewed as quickly as they are consumed. This is the case for animals that are raised or vegetables cultivated (biomass), groundwater whose level remains stable, wind and solar energy. Concerning living natural resources (game, fish, but also humus and primary forests), they are not considered renewable unless the rate of regeneration is superior or equal to the rate of exploitation through hunting or fishing. A renewable resource is the opposite of a non-renewable resource.

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<sup>10</sup> The biomass is the entirety of organic matter of either vegetable or animal origin.

### 4.3. Non-renewable resources

A natural resource is qualified as non-renewable or exhaustible when the rate of destruction is above its speed of creation. Thus, soil created over centuries or several millennia following chemical, physical and biological conditions is currently destroyed in some regions in just few decades or a few years. There has also been an accelerated destruction of species as a result of non-renewable use of resources. Current projections show that oil that has taken millions of years to form will be completely exhausted in the 21<sup>st</sup> century. However, oil is not the only non-renewable resource. Other resources risk to be used up before oil at the prevailing rate of consumption including: gold, silver, copper, nickel and diamonds among others.

### 4.4. Human Security

In contrast to the traditional notion of security, which is based exclusively on the territorial protection of the state, the concept 'human security' is based on the protection of individuals and the community. This concept was created on the basis of an observation by nations. After the Cold War, the world witness civil wars, forced displacement, arbitrary state actions, poverty and famine that constitutes direct threats to the security of the individual. Previously, one had a general idea of security that only partially reflects the threats of which individuals are confronted. The concept 'human security' was formulated in the 1990s to take a deeper reflection on some of the threats and to also make the protection of individuals and the community the main concern.

The definition of human security takes into account, on the one hand, of the liberty to be from fear, as it is said: "freedom from fear."<sup>11</sup> A strict definition of the concept aims to protect individuals against threats such as armed conflicts, the arbitrary and forced displacements as well as political and criminal violence. On the other hand, in a larger sense, human security includes protection need, called "freedom from want". This approach concerns, in particular, the protection of individuals from poverty, famine, illness and environmental catastrophes.

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<sup>11</sup> La sécurité humaine en théorie et en pratique : Application du Concept de Sécurité Humaine et Fonds des Nations Unies pour la Sécurité Humaine, Unité sur la Sécurité Humaine, Bureau de la Coordination des Affaires Humanitaires, Nations Unies

Contrary to territorial and military security, human security is therefore not a defensive concept but rather an integrating concept, as UNEP has noted. Human security includes:

1. Economic security (guaranteed minimum revenue)
2. Food security (material and economic access to food)
3. Health security (to have easy access to healthcare)
4. Environmental security (access to drinking water, pure air and non-degraded land)
5. Personal security (protection against physical violence and threats)
6. Community security (guarantee of cultural integrity)
7. Political security (the protection of fundamental freedoms and human rights).

However, this innovative concept, according to UNDP, could be confronted with certain planetary threats:

1. Uncontrolled demographic growth,
2. Inequality in economic perspectives,
3. Excessive international migration,
4. Environmental degradation,
5. Drug trafficking, and
6. International terrorism.

## 4.5. Governance

Governance is the art or manner of governing. It includes the manner in which we manage or direct the state, an administration, and a company.<sup>12</sup> It is also the process of taking into account and applying decisions. Governance can be used in several contexts: entrepreneurial, international, national and local. Governance today necessitates the attention of all citizens. Nonetheless, there is the possibility of distinguishing governance. There are two sides, good governance and bad governance.

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<sup>12</sup> Robert JOUMART, rapport INRETS N° 0910, November 2009

## 4.6. Good Governance

The term “good governance” is a notion that appeared in the human development field. Good governance presents eight major characteristics; it encourages participation, consensus, accountability, transparency, responsiveness, effectiveness and efficiency, equity, inclusiveness and the rule of law.<sup>13</sup> Good governance seeks to minimise corruption, take minority perspectives into account as well as the expression of the voices of the most vulnerable members of society for decision-making. At the same time, good governance must answer the current and future needs of society. Also, good governance is perceived in public opinion as an ideal that is difficult to achieve completely. Very few countries and societies are even close. Nonetheless, to guarantee human development, actions must be undertaken to move towards this ideal with the objective of making it a reality.

## 4.7. Bad or Poor governance

With minds set on the definition of good governance, bad or poor governance corresponds to its simplest sense as poor technocratic governance of economic, financial, human and natural resources. Poor governance symbolizes the lack of vision and perspective, an irrational allocation of public finance, but also questionable choices of public investment projects whose corollary infers incompetence. Poor governance, in addition, includes the non-respect for these characteristics either totally or partially. Symptoms include an increase in corruption, poor management of national resources, civil unrest, violence and civil and political conflicts, exclusion and political patronage. Diverse institutions and organizations develop international indicators allowing to cover many aspects of governance and to establish rankings by country.

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<sup>13</sup> Bonne gouvernance et croissance économique ; présentation Philippe EGOUME Représentant du FMI en Côte d'Ivoire

## 4.8. Conflict

The word “conflict” comes from the Latin *confligere* that means to hurt or injure, to come up against or to hit. A conflict is defined as an antagonism, an opposition in sentiments or opinion between people. The notion of conflict can be found in diverse matters. To a certain extent, conflict is a confrontation between two or more individual or collective will that manifest hostile intentions and a will of aggression one towards another, because of a right to be rediscovered or maintained. Conflicts have several periods including a latent period, a declared period and an open period.

One can speak of a period of latency when the conflict is simmering. Disagreements and oppositions are in a phase of development taking form little by little in the minds of antagonists. At this stage, it is possible to develop management techniques to determine the causes of these suspicions and to resolve them at their roots. When nothing is done, one arrives at a stage of declaration. In this case, people become aware of the antagonisms between others. The community is informed of the existing distortions between these peoples. Again, it is possible to lead to a resolution of the conflict since the causes are determined and the pretensions of different parties are known. The most complex phase is that of open conflict. When one arrives at this phase, the conflict becomes more violent. The antagonists act in terms of confrontations that are no longer simply verbal, but physical and are characterized by violence. Here, the positions harden and each party remains set in its positions. Conflict resolution becomes even more difficult.

In this respect, conflict resolution must lead to a consensus building gearing towards the satisfaction of all parties involve. One cannot encourage one party to the detriment of another if one wants the conflict to be resolved. The win-win solution needs to be taken into account with all necessary measures put in place to avoid a win-lose situation.

## 5. OBJECTIVES OF THE STUDY

### 5.1. General Objective

This study seeks to contribute to general knowledge and to create a basis for intervention in the management and prevention of natural resource-based conflicts with human rights and human security impacts.

### 5.2. Specific Objectives

The specific objectives can be summarized as follows:

1. Produce knowledge on the links between natural resources and conflicts, with the documentation of models of best practices, identification of risk factors and tools for risk reduction and the establishment of mechanisms to share the knowledge created;
2. Deepen understanding of the role that natural resources and environmental factors play in conflicts in West Africa, using the civil society perspective; and
3. Contribute to the creation of space for civil society engagement and dialogue in the domain of natural resources and the environment using conflict management approaches.



## 6. PRESENTATION OF THE ZONES INCLUDED IN THE STUDY

### 6.1. Angovia

Angovia is located halfway between Yamoussoukro and Bouaflé cities. It is a village populated by roughly one thousand inhabitants, located 30 kilometres from Bouaflé. Angovia has a greenstone belt deposit. This locality has a gold deposit mines by Yaoure Mining SA with permit n°33 of Decree 2008-258 dating from 18 September 2008 over an area of 50 km<sup>2</sup>.

### 6.2. Bondoukou

Bondoukou is a North-eastern city in Côte d'Ivoire. It is the main administrative capital of Gontougo region bordering Ghana. It has more than 78,000 inhabitants as of 2013. The city is known for its many mosques, which reflect its nickname "city of a thousand mosques". It is also known for its significant ethnic diversity including the native population of Abrons. Since 2006, the Bondoukou Manganese, formerly called Taurian, has mined manganese with the exploration permit n°38 of Decree 2010-269 from 23 September 2010 over 150 km<sup>2</sup>. In addition, Bondoukou Manganese, Taurian Manganese and Ferro Alloy jointly introduced a request for exploration of manganese in the village of Tagadia 78.7 km from Bondoukou.

### 6.3. Tongon

Tongon is a village in the administrative headquarter M'bengué of Niéllé District. This is an area dominated by the Sénoufo ethnic group. Just a year after the melting of its first bar of gold, President Alassane Ouattara inaugurated the gold mine of Tongon on 24 October 2011. Three months later, the operation was already profitable. For its first year, the mine produced 250,000 ounces of gold. Randgold Resources, belonging to South African group, is the largest gold mine in West Africa with an investment of 200 billion CFA francs made at the height of the crisis and a production capacity of 7 to 8 tonnes per year and a reserve of 90 tonnes.

Companies	Authorisation	Permit N°	Mineral Substances	Localities	Renewal	Area (Km <sup>2</sup> )	Expiration Date	Observations
BONDOKOU MANGANESE SA	2010-269 of 23/09/2010	PE 38	Manganese	Bondoukou		150	22/09/2017	
CBC (Continental Beverage Company)			Mineral water	Bonoua				Favourable opinion from COMINE 19/08/2008
ETRUSCAN RESOURCES			Gold	Agbaou				Favourable opinion from COMINE 07/09/201
EQUIGOLD MINES CI SA	2007-05 of 17/01/2007	PE 32	Gold	Bonikro (Divo)		37.12	17/01/2015	
OCCIDENTAL GOLD	2012-808 of 08/08/2012	PE 39	Gold	Tengrela		446	07/08/2018	
SADEM	42/MME/DM of 02 Aug 2002	PE 27	Mineral water	Abidjan		385	01/08/2022	
SWI	197 /MINES/DM of 14/10/1989	PE 26	Gold	Ity (Zouan-Hounten)	3rd renewal 005/MME/DM du 26/03/2008	25	14/11/2013	
SODEMI	2010-270 of 23/09/2010	PE 36	Manganese	Grand-Lahou		100	23/09/2017	
TAURIAN MANGANESE & FERRO Alloy			Manganese	Tagadi (Bondoukou)				Request under consideration
TONGON SA	2010-193 of 01/07/2010	PE 34	Gold	Korhogo/Ferké		750	01/07/2021	
YAQUIRE MINING SA	2008-258 of 18/09/2008	PE 33	Gold	Angovia (Bouafilé)		50	13/09/2013	

## 7. MINING SECTORS

### 7.1. Management of Natural Resources: Procedures for The Granting of Permits

Prospection and mining license are delivered through agreements between the mining companies and political leaders without community involvement. During the field visits, one was able to record opinion from one manager of a mining company who stated that the difficulties include first, the delivery of prospection permits for companies that want to accumulate more profits. He also emphasized that, at the international level, gold had fallen in price. Cash costs rise rapidly, which reduced the price of gold. At the same time, the amount contained in the mineral extracted had considerably dropped due to the low quantity of new deposits. Overall, in spite of the rise in exploration costs, the production potential in new gold deposits is dropping.

### 7.2. Procedure for Attribution of License

For any request of license or an extension of an authorization for mining equipment, the company submits a file to the Director General of Mines and Geology, Secretary of COMINE, who then proceeds to an in-depth technical study of the file and present a report to the President of the Commission, who would then inform the members of the Commission by writing and summon them to decide on the request.

During our research, it became clear that the decisions of the Commission are made by a simple majority of members present, and sanctioned by an official report which is made public later in 45 days after the recording of the request in due form. For requests of mining license, it emerged in the research that the company must submit a proposal to the Director General of Mines and Geology in order to obtain a written approval attesting that the file is complete and in compliance. The latter then checks on the positioning of the zone requested and visits the location. Once the written approval is obtained, the company records the file with the CEPICI who then provides a receipt attesting to the reception of the file and the date from which the short delay of instruction and demand will begin. The CEPICI transmits the file that will be presented to the Director General of Mines and Geology who will then proceed to a technical instruction to present a report to the President of COMINE. The president will then inform members of the Commission by writing and summons them to decide upon the request.

In the case of requests for prospection permit, the company submits a file to the Director General of Mines and Geology to affirm that the file requested is complete and in conformity. The Director General of Mines and Geology will then visits the field and present a report to the president of COMINE. The president will now informs the members of the Commission and summon them to decide upon the request.

### **7.3. Request for a Mining License and/or Prospection Permit**

The Ivoirian Mining Code made provision for the granting of prospection permits. By decree from the Council of Ministers under the proposal from the Minister in charge of Mines, the granting of permits for prospection is conducted by any physical or moral person having presented a request in conformity with the law and texts taken for its application (Article 10).

The permit provides the exclusive right to search for mineral substances and to dispose products extracted during the prospection, and within a perimeter of the areas, on its surface and its depth. The prospection permit gives the applicant the exclusive right to mine after discovery. The permit to prospect is valid for three (3) years as of the date the permit is granted. It is renewable two (2) times for successive periods of two (2) years. After seven (7) years, an exceptional and unique supplementary renewal period is nonetheless granted for a period not to exceed three (3) years. The applicant must establish:

1. The justification of technical and financial capacities in terms of the prospection of the deposit;
2. An environmental impact assessment with a programme of environmental management and a plan of rehabilitation of the site; and
3. A copy of mining titles that will be derived from the exploitation permit.

### **7.4. Request for the renewal of an Prospection Permit**

Any renewal request for mining permit is addressed to the Minister in charge of Mines under the Director of Mines at least six (6) months prior to the end of the period of validity underway and no earlier than the end of the first year of validity of the said prospection permit.

This request can be rejected if the condition is not fulfilled. Likewise, renewal of the validity of the permit for certain substances or a request for the extension for new substances can be fulfilled by submitting the below stated documents:

1. A letter requesting a renewal;
2. A receipt for the payment of customs and taxes in effect;
3. A general report attesting to the maintenance of activity during the past period;
4. A detailed report of the work conducted and the permits, with the support of all plans and exploitation documents relative to each of the substances enumerated in the instituting Act;
5. A copy of the regulatory act having granted or renewed the title;
6. A copy of report of the study on economic and financial feasibility of the project with the financial package and statements of cash flow, depreciation and return on investment;
7. A justification of technical and financial capacities in terms of the implementation of the operations for the mining of the deposit.

## **7.5. Artisanal and Semi-Industrial Extraction**

In contrast to major firms whose operations are conducted in a large scale and in an industrial manner, artisanal mining are conducted by individuals or of a group on a smaller scale. During this research, one was able to observe that artisanal and semi-industrial mining license is granted by an order from the Minister in charge of Mines after consultation with the competent administrative authorities including the urban or rural administrative authorities. The license is delivered to physical persons of Ivoirian origin; groups with a cooperative vocation (Groupements à Vocation Coopérative or GVC), and to cooperatives with exclusively Ivoirian participation and small and medium enterprises (SME) and companies with Ivoirian rights whose capital and majority is Ivoirian.

The physical or moral persons must present, in conformity with the Mining Code, a request meeting the demands of the mining regulations and a project in accordance with local labour and its oversight by personnel from the Ministry of Trade.

In light of the above stated requirement, we were able to observe in the field that artisanal mining was often the prerogative of non-native populations, principally made up of Malians, Guineans and others nationals from Burkina Faso that are most actively involved in large numbers. The latter also employ workers from their own countries rather than those from the locality in question as stipulated in the Mining Code. It can also be noted that a large number of them are working illegally. During our work in Angovia, the populations expressed having very turbulent relationships with the foreign gold miners.

The artisanal and semi-industrial mining license is granted under defined conditions. This is an exclusive right to artisanal and semi-industrial extraction of the mineral substances. It grants no particular right to its beneficiary for the subsequent granting of a mining agreement. The artisanal and semi-industrial mining license is valid for two years. It is renewable for two-year periods by a decision of the authority that delivered it and in the same form if the beneficiary respected obligations incumbent upon him in virtue of the mining regulation and presented as a request in conformity with the said regulation.

The artisanal and semi-industrial mining license is applicable within a well-defined area and contained in the mining license. The area covered is in the form either of a square or a rectangle, varying in size between 25 and 100 hectares. For the rectangular form, the length must not exceed double the size of the width.

It is in fact, an obligation on the holder of an artisanal and semi-industrial mining license to proceed to the delimitation of this area through the establishment of boundary markers. The beneficiary of an artisanal and semi-industrial mining license cannot, without the express consent of parties, undertake work on cultivable lands nor prevent the normal irrigation of crops.

## **8. Human Security and Natural Resources: Social Responsibility of Mining Companies in Angovia, Bonjoukou and Tongon**

### **8.1. Social Responsibility of Mining Companies**

The study revealed that the question of compensation following damages caused by mining activities of mining companies is poorly managed. Many people interviewed including some managers targeted within the mining companies are of the opinion that compensation is conducted as a philanthropic gesture to the affected communities rather than out of respect for their human rights.

In the localities where research was conducted, people affirmed that they received promises for compensation following the destruction of their crops and economically important trees such as cashew trees (Bondoukou and Tongon), mango trees (Niéllé-Tongon), coffee trees and cacao trees and others without compensation. However, compensation received provoked tensions and deepens divisions in some families, as well as accusations and counter accusations of corruption between landowning families and traditional authorities, as was a case in Bondoukou.

Demands for compensation for damages caused are generally treated lightly and in some ways, rejected by the state and mining companies. This state of affairs even affects the respect for the law in affected communities. Sometimes people decide to take the law into their own hands by leading protest actions against extractive companies.

### **8.2. General impacts of mining activities**

During the course of our study, several impacts linked to the activities of mining companies were observed in the three localities. In other words, during the work to be undertaken in the framework of prospects, recognition, development and extraction, certain negative impacts were observed:

### **8.2.1. IMPACTS ON NATURAL RESOURCES: FLORA AND FAUNA**

1. Destruction of vegetation and flora,
2. Soil erosion,
3. Air and noise pollution,
4. Water pollution, and
5. Disturbance of animal life

### **8.2.2. IMPACTS ON THE HUMAN ENVIRONMENT**

1. Expropriation of land,
2. Temporary occupation of land during work,
3. Destruction of buildings,
4. Loss of economic activities, (agricultural, commercial and artisanal),
5. Loss of revenues and means of existence,
6. Disturbance of peaceful coexistence, human security and health as a result of noise effects of electromagnetic fields and radio-electric disturbances and to the risks of transmission of diseases such as HIV/AIDS.

At the prospection phase, delimitation, clearing and extraction brings about socio-cultural, economic and environmental disturbances. Paths can go across plantations or inhabited sites. The topographers, geologists and all sorts of technicians also contribute to disturbances suffered by local population. The delimitation of spaces, the implantation of installations has serious effect on the relocations of inhabited sites and the destruction of plantations. This often triggers an intense dissemination of information and awareness rising for local populations.

With the destruction of crops and the relocation of populations, there is a loss of revenue and purchasing power:

1. The impoverishment of populations;
2. Dispossession of their land and destruction of their plantations;
3. Risk of insecurity in their living conditions;
4. Resurgence of social problems;
5. Rural populations aspire suddenly to salaried employment.

Environmental problems are seriously affecting the lives of the rural communities. The study revealed that mining activities by extractive companies are the source of serious environmental problems that must be stopped.



Irrespective of the strict international, sub-regional and at the national laws dedicated to the protection of the environment, the study revealed a lack of commitment to overseeing compliance to these laws and their applicability by state institutions responsible for regulating business behaviour of mining companies.

## **8.3. Angovia**

### **8.3.1. SOCIAL IMPACTS OF MINING COMPANIES IN RELATION TO CONFLICTS**

Protest actions linked to natural resources extraction have increased in a spectacular manner in recent years in Côte d'Ivoire. In other words, the exploitation of natural resources, by extractive industries, particularly in specific areas raised enormous attention and unnecessary expectations of local populations.

In Angovia, the native and non-native populations confronted one another on Thursday, 11 July 2013 causing four (4) deaths, several houses and business stores vandalized and pillaged which also led to dozen people wounded. According to the Local Chief of the area, Diby Kouassi Fidele and testimony gathered from local people, the refusal of a gold miners from Burkina Faso to pay a sum of 200 CFA francs being as subscription fees for the construction of a residence and an office for an educational advisor from the national education system resulted to a bloody confrontation. In their statements, the Burkinabe was harassed and battered by the native youth of the village who had barricaded the road leading to the mines. He died after the infliction of several wounds. After his death, the other gold miners from Burkina Faso took the village by storm, conducting acts of vandalism. Others described this conflict as a confrontation between the Baoulé and Burkinabés.

### **8.3.2. SOCIAL IMPACTS ON HEALTH**

According to mining agreement, mining companies should construct health centres for local populations. Often, local authorities demand the companies to refurbish the health centres. They are often asked to purchase medications, medical instruments, and ambulance, impregnated mosquito nets, the construction of annex buildings, the rehabilitation of older buildings, etc.

So far, it emerged from interviews conducted with the local populations that health centres are under-equipped. Populations are also confronted with numerous pulmonary, skin and cardiac diseases as a result of environmental problems caused by mining activities. They caused cyanide and other toxic products used during mining, which pollute the air and water. Cyanide is a potentially mortal product that exists in diverse forms. The inhalation of cyanide can provoke respiratory arrest in humans and cardio-circulatory arrest that could result to cause death in just a few seconds. Inhaled in lower doses and over a long period, provokes the loss of consciousness, headaches, dizziness, confusion and respiratory difficulties that can also lead to paralysis.

### **8.3.3. SOCIAL IMPACTS ON EDUCATION**

The presence of mining companies in Angovia contributes to early school dropout. This was observed in Angovia. This could be attributed to the high cost of living as a result of mining operation in the localities. Many parents prefer to take their children out of primary schools to work for the traditional gold miners or mining companies in order to earn more money to take care of the family. According to some students, they abandon school to either become gold miners themselves or to be employed in the extractive industries. This increases the rate of early school dropout and unemployment after the closing of the companies in the localities, since they do not have the educational level or the necessary qualifications to compete for suitable and well-paid jobs.

### **8.3.4. SOCIAL IMPACTS ON HABITS, CUSTOMS, SOCIAL TRANQUILLITY AND HOUSEHOLDS**

During the interviews conducted in Angovia, it emerged that natural resources extraction creates significant attraction and concentration of populations coming from various parts of the country and from the neighbouring countries. In these conditions, people from diverse cultures with different beliefs and customs share the existing natural resources in spite of these distinctions.

The concentration of people from different background in mining areas has been disturbing. New habits are created with bars and drinking spots, brothels for prostitution, delinquency and high-cost of living. This clearly brings about a moral depravity. According to community stakeholders, the social structure is in decline. Divorce is more common because women leave their husbands for gold miners or employees of the mining companies.

### **8.3.5. ECONOMIC IMPACTS OF MINING COMPANIES**

Since gold extraction began in Angovia, gold miners from various backgrounds have invaded the lands, which put farmers in difficulty. The populations complained that, since the arrival of the gold miners, there are deep holes of several meters that remain dangerous for human and animals.

The lands that are already been in used by mining companies become debased lands that are no longer conducive for agricultural activities. This state of affairs then resulted to impoverishment of the populations. Meanwhile, agriculture remains, for the most part, major means of sustenance of the people. The lands that are cultivable have been considerably reduced according to the population size as a result of mining activities – both modern and artisanal.

### **8.3.6. ENVIRONMENTAL IMPACTS OF MINING COMPANIES IN ANGOVIA**

The environment is polluted according to the populations. Toxic waste coming from the machines as well as the products themselves, such as cyanide, also contribute to the degradation of the atmosphere. The fauna and flora are affected as well, which also goes for the vegetation that serves man and animals at the same time. The soil is degraded and no longer conducive for agriculture and animal breeding, thus resulting to higher cost of living.

### **8.3.7. THE ACCOMPLISHMENTS OF THE YAOURE MINING COMPANY IN THE ANGOVIA LOCALITY**

According to the people interviewed in Angovia, socioeconomic accomplishments remain unfulfilled promise. For three years, this company has begun its extractive activities but has never adhered to its promises to the local populations. One witness recounted the following: “schools need to be refurbished, roads repaved, health centres rehabilitated. Nothing has been done to date.”<sup>14</sup> In 2012, the local populations and employees demanded the departure of Raymond Arim, a Ghanaian and Director of the Mining Company of Angovia in Bouaflé locality. However, in the same year, the company had acquired 16, 000,000 CFA francs.

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<sup>14</sup> Témoignage d'un habitant désirant garder l'anonymat

## **8.4. BONDOKOU**

### **8.4.1. SOCIAL IMPACTS OF MINING COMPANIES**

Manganese mining in Bondoukou takes place specifically in the Similimi villages located on the borders between the Taurian group and in Pougouvagne mine which is located 21 km from Bondoukou. But other villages, Boromba (the first operating site), Séréoudé and Bonem are also involved in manganese mining.

Manganese, the mineral mined in this area is a grey-white metal that resembles iron. Close to 90% of the world production of manganese is used in the steel industry, particularly for the construction of rails. Other uses also include the construction of aluminium, electric batteries and fertilizer.

### **8.4.2. SOCIAL IMPACTS IN TERMS OF CONFLICTS**

In the localities where mining takes place, coexistence between local population and mining companies are not always in excellent form. People interviewed reported of various confrontations between populations and the mining company. People had hoped that economic development in the region would improve when the Indian giant Taurain arrived in the area. However, people were of the opinion that the mining companies had no positive impact on their lives.

Such lack of corporate responsibility urged people to organize themselves with the support of certain local elected officials<sup>15</sup>. This protest movement has been carried out single-handedly by MOREB (Mouvement des Jeunes pour la Renaissance de Bondoukou), the Youth Movement for the Renaissance of Bondoukou. On 3 January 2013, clashes broke out between local populations at the perimeters of the mine and the Taurian Company.

The populations of Boedem, a village situated a few meters from Bondoukou, blocked access to the mining site for Taurian employees, thereby forcing the company to temporarily stop mining operations. They demanded the accomplishment of five (5) projects to their credit, which were stated in the terms of reference.

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<sup>15</sup> Witnesses preferred not to mention their names.

The people expressed deep dissatisfaction owing to noncompliance to commitments by Taurian since they commenced in Bondoukou, as Kobenan Kra Michel, spokesman of the seven villages concerned explained. During this protest action, eleven Taurian employees, wanting to get to their workplace, were sequestered and beaten by the protestors according to one administrative source. Stones were thrown, and three of them seriously injured. The latter were then arrested by the riot police (gendarmérie).

To reduce tensions, meetings were held with local administrative authorities and the different supervisory ministries on 26 July 2010 and 12 January 2013 to resolve the problem. Despite these meetings, tensions still remain high in the field. This conflict has been aggravated with the frequent intervention of the law enforcement officer to maintain law and order.

Today, Bondoukou remains the only city without a monitoring committee. This is due to the disagreements between political actors in the region, each of who wants to control the committee.

### **8.4.3. SOCIAL IMPACTS ON HEALTH**

The populations of these localities and workers reported that they have been exposed to diseases. The mine workers of Taurian work in harsh and old-fashioned manner. They collect stones with their bare hands, without gloves or boots. They do not have masks. Some women who ignore the dangers of proximity and hazard of mining operation go to the mines with their children at their own detriment. This people are exposed to strong toxic gas emissions. A WHO study recommended a health-related limit of professional exposure to 0.3 mg of breathable particles of manganese per cubic meter of air. The absorption of manganese takes place principally through inhalation.

Prolonged exposure to manganese causes lesions on the central nervous system and lungs, very frequently causing respiratory diseases and symptoms such as coughing, sore throats and pneumonia. This situation is also worsened by the inhalation of dust that contaminates the air by machines used for exploitation and by dynamites explosions.

Safety rules are far from being respected by Taurian. The non-respect of these safety rules often causes mortal accidents taking account of the antiquated techniques of mineral extraction that are in place.

#### **8.4.4. SOCIAL IMPACTS ON EDUCATION**

The mining operations have contributed to the reduction rate of school attendance in these areas. Parents and children turn to work in the mines with the difficult living conditions for parents owing to the lack of financial means. Classes are emptied of students and the children work in terrible conditions. Majority of parents interviewed affirmed that they prefer to send their children to work in the mines owing to difficult living conditions and the high cost of living. Educational infrastructures are also outdated. The children from the village attend school in a shack.

#### **8.4.5. SOCIAL IMPACTS ON HABITS, CUSTOMS, SOCIAL TRANQUILLITY AND HOUSEHOLDS**

The manganese mining in the region has considerably affected the lives of the populations. In the mining sites, one observes moral depravity and an increased rate of sexually transmitted diseases (AIDS, STI) with the opening of brothels and the increase degree of prostitution among young girls. At the same time, excessive consumption of bootleg alcohols and the local fabrication of drugs are highly consumed.

#### **8.4.6. ECONOMIC IMPACTS OF MINING COMPANIES**

Residents of Similimi and Pougouvagne are living in a difficult economic situation. Contrary to what the populations believed, manganese mining in these localities has not brought hope to the people. This has resulted to land grabbing by the mining companies that are exploiting an area of 150 km<sup>2</sup>.<sup>16</sup> Taking the case of the Similimi village for instance, the populations are essentially farmers of cashew nuts, the only product that the people depend on for survival. Most of their plantations were destroyed to suit the needs and interest of mining companies.

The Mining Code in such a case provides for compensation in conformity with Article 68 of the Code. The Taurian firm works directly with the local population. As majority of the people being illiterate, they signed contracts without foreknowledge of its implications. In such circumstance, in the name of compensation for plantations destroyed or land occupied, the peasants were paid between 33,250 CFA francs for an area of 3500 m<sup>2</sup> and 80,000 CFA francs for 1,600 m<sup>2</sup> between 50 and 120 Euros for their land.

<sup>16</sup> Bulletin d'information du Conseil Nationale ITIE- Côte d'Ivoire, n°1, Novembre-Décembre 2011-Janvier 2012, pages 26-27

The compensation, still according to interviews, was paid according to the geographic situation of the land and its strategic placement.

At the end of the prospection phase in 2008, Taurian occupied lands belonging to the local populations. This was made possible by a Ministerial Order authorising Taurian to extend its field of operation. This was done in violation of the Ivorian Mining Code that could only be exercised by Executive power (the President of the Republic) who has the power to authorize an extension of a mining site. This illegal extension of the mine from a legal perspective was also catastrophic from a social perspective, thereby provoking a great deal of destruction of land belonging to local small farmers hence poses enormous threats to their sources of revenues and survival.

In these areas, poverty gained ground when the land became uncultivable. The arable land was stripped in their depths by machines, which makes cultivation difficult if not impossible. Populations were therefore forced to turn to work in the mines. A group of female mine workers we met reported that they earn a salary of 24,000 CFA francs (the equivalent of 36.48 euros) per month.

#### **8.4.7. ENVIRONMENTAL IMPACTS OF MINING COMPANIES**

The Similimi and Pougouvagne villages are principally affected by manganese mining. Mining of this mineral has caused numerous environmental problems to the local population. In the Similimi village located at 300m from the mine, the soils are stripped down in their depths by machines.

Furthermore, sources of drinking water in these two villages are not suitable for human and animal consumption. Due to the mining, they have been transformed into mud swamps. Manganese mining has polluted the atmosphere, which is evident in the form of a grey veil into the air. Thick cloud of dust is also evident in the air as a result of the incessant movement of Taurian vehicles in and out of the mining areas. The environment is worsened by the deafening sound of continuous movement of the vehicles and dynamites explosion.

#### **8.4.8. ENVIRONMENTAL IMPACTS OF MINING COMPANIES**

Before mining activities commenced, the terms of reference highlighting projects to be accomplished in favour of local populations were defined. To date, the committee to be responsible for monitoring the execution of this work has still not yet been created. The positive impact of the manganese mining is taking a longer time to realise, though they have been clearly defined in the terms of reference. This implies that Taurian has not yet commence any social actions gearing towards helping the local populations. This also means that social responsibility is far from being respected.

Nonetheless, one can note that, once drilling is completed, the local population could have access to portable drinking water. Other than that, no other action has been conducted in the field. They have rained more promises they have not accomplished. Amidst numerous protest actions by the populations including what happened in January 2013, during which access to mine workers were blocked and mining operation suspended, the leaders of Taurian have promised to conduct some activities including, among others, to install a modern manganese washer to contain waste and to recuperate at least 40% of the mineral. In addition, the enterprise had promised regular watering and a speed limit to reduce dust due to mining activities and traffic on the roads.

Concerning compensation, they are neither fair nor equitable since the owners or occupiers of these lands legitimately receive compensation below the exact value of their land. They are also paid in an instalment. Some villagers were paid 2000 CFA francs per foot of cashew tree destroyed and others 4000 CFA francs, a two-speed policy. In all the areas concerned, where manganese is mine by Taurian, only the Similimi village continues to suffer from disconcerting poverty. The populations have led and continue to lead protest actions to make the Taurian group respect their terms of reference including the accomplishment of socio-economic activities to their benefit.



## **8.5. TONGON**

### **8.5.1. SOCIAL IMPACTS OF MINING COMPANIES**

Several impacts linked to mining company activities were observed in the Tongon mining locality during the study.

### **8.5.2. SOCIAL IMPACTS IN TERMS OF CONFLICTS**

The populations rejoiced when the mining sites was inaugurated in Tongon, by His Excellency the President Alassane Ouattara in July 2011. However, towards the end of the year 2012, the population had started manifesting discontent. Mine workers in the Tongon, subcontractors of a parent company, were on strike as a result of poor treatment of employees according to various testimonies.

### **8.5.3. SOCIAL IMPACTS ON HEALTH**

As stated in the terms of reference of the mining companies, there has been a significant commitment to health issues. Health centres are constructed for local populations whenever needs arise. Local authorities also solicit supports from companies to fund community health centres. Part of this request also includes buying of medications, medical instruments, an ambulance or impregnated mosquito nets. It emerged from the study that health centres constructed by mining companies are at times underequipped.

The deeper operations are undertaken, the further companies recourse to the use of dynamite to explode the mines. The dust that this provokes also causes serious pulmonary diseases that affect the populations. Also, the use of toxic products produced increased the risk of pulmonary diseases and provokes skin and cardiac diseases.

### **8.5.4. SOCIAL IMPACTS ON EDUCATION**

The establishment of mining companies causing population displacement necessitates the construction of school infrastructure. Local authorities often solicit mining companies to construct classrooms in the localities where they are being re-located. For this to take place effectively, one need to confirm that the mining companies could not increase school attendance rates.

Unfortunately, it emerged from an interaction and interviews conducted with various people that the presence of Randgold in the locality attracted more youth, even those that attend schools. They drop out of school to become contracted employees of the company. In other words, mining companies encourages school dropout rates. This phenomenon can be explained by the fact that the cost of living become very high and most parents no longer manage to keep their children in school. Likewise, many parents prefer to take their children out of school to have them hired by mining companies with the aim of earning more money to support the family.

#### **8.5.5. SOCIAL IMPACTS ON HABITS, CUSTOMS, SOCIAL TRANQUILLITY AND HOUSEHOLDS**

The studies result explained that in Niéllé, as in Tongon, in the Tongon SA mine, there are numerous new habits as a result of the creation of more drinking bars (and the corollary of alcohol consumption), I increased number of brothels, delinquency and a high cost of living. The population is complaining that the operators of the mine do not respect their sacred places. In rural localities, the establishment of major mining operations brings about physical dislocation of the communities. The operations force them to relocate to other areas against their will.

#### **8.5.6. IMPACTS ON THE ECONOMY OF TONGON**

Since the inception of the exploitation of the gold mine in Tongon, gold miners have invaded cultivable land and the town, thereby placing farmers and animal breeders in difficulty. The populations complain about environmental hazards and risks to inhabitants and animals, as result of reckless behaviour of gold miners who leaves deep holes of several meters uncovered, which remain dangerous for man and animals.

These lands already used become debased lands that are no longer conducive for agriculture activities. This condition has heightened the level of impoverishment of the populations that are, for the most part, farmers and herders.

### **8.5.7. ENVIRONMENTAL IMPACTS OF MINING COMPANIES IN TONGON**

Similar result emerged in other localities visited, where local population targeted explained that the waste of the Randgold Resources Company regularly pollutes the environment. The dynamite and tremors used degrade the soils, thereby making them unclean for agriculture and the displaced residences.

### **8.5.8. ACCOMPLISHMENTS OF THE RANDGOLD RESOURCES COMPANY IN THE TONGON LOCALITY**

The Tongon gold mine is located at Niéllé, in the northern part of Côte d'Ivoire, which is situated at 55 km to the south of the Mali border. Randgold Resources holds 89% of the Tongon mining company, the Ivorian state 10% and a local company 1%.

Being the largest investment in the mining industry in Côte d'Ivoire with an investment of 400 million dollars, the Tongon Gold Mine have around 160 billion CFA francs for a reserve of gold estimated at 90 tonnes over 10 years.<sup>17</sup>

During the field visit to Niéllé, one met one of the managers responsible for social and community development at the Tongon Gold Mine. This meeting helped to understand the communication strategy of Randgold Resources SA based on communication system through a liaison and a development committee. This committee is made up of three representatives from affected villages (in an area of 25 km) and administrative, political and military authorities. It functions through periodic meetings with one ordinary meeting per month.

This committee has the role of:

1. Creating and maintaining effective communication
2. Resolving conflicts
3. Consulting and choosing local development projects
4. Discussing and choosing local development projects
5. Recording the concerns of the community and engaging objectively and constructively to find solutions and compromises, and
6. Monitoring and evaluating the state of implementation of development projects.

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<sup>17</sup> Rapport SODEMI sur la mine de Tongon en Côte d'Ivoire

According to the social and community development manager, from 2008 until 2012, the mining company accomplished community actions worth around 733,299,566 CFA francs in 8 villages (Katonon, Kofiplé, Korokaha, Katorio, M'Bengué, Sékonkaha, Tongon, Pongbè). In 2013, six projects worth 80,964,081 CFA francs were retained for six villages including Tongon, Pongbe, Sekonkaha and Katorio. Several development initiatives accomplished towards the local population were noted.

In addition, Randgold Resources constructed 200 km of roads, creating 1800 salaried positions in Tongon, spending more than 50 million CFA francs per month and extending benefits to (schools, teacher residences, etc.) within the community. There was also a promise made by the manager to invest more than 30 billion CFA francs for 2013, as much for the factory as for the region and the population.<sup>18</sup>

Arguably, the natural resource endowment and its exploitation seems to be, in general, a "curse" in Côte d'Ivoire, and in particular in the localities where operations take place, particularly where oil, gas and mining operations occur. In Angovia, Bondoukou and Tongon, the study result revealed that gold and manganese mining present serious challenges as well as social, economic and environmental impacts to the governments and host communities of the extraction sites.

Impacts are of diverse orders linked to these natural resources and present true threat to human security.

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<sup>18</sup> Résumé, Rapport de conciliation 2011, National Council EITI, Côte d'Ivoire

## 9. REGULATION OF THE REPUBLIC OF CÔTE D'IVOIRE AND WORLD BANK OPERATIONAL POLICY (OP. 4.12) RELATIVE TO THE OCCUPATION AND DAMAGES CAUSED BY MINING ACTIVITIES

### 9.1. Legal Framework in Ivorian

#### Law n°98-750 on the rural land sector

In Côte d'Ivoire, rural property is regulated by law n°98-750 of 23 December 1998 that was amended by the National Assembly on 9 July 2004. This law establishes the basic land policy relative to the rural property sector, in particular:

1. The recognition of a rural customary land domain and the validation of current management of this sector, and
2. The association of village authorities and rural communities with the management of the rural land sector and, in particular, the observation of customary rights.

It is stated in Article 1 of the Law that: "The rural property sector is made up of all land, whether improved or not, irrespective of the type of improvements made. Rural land is a national asset to which all physical or moral persons can access. The state, territorial communities and physical persons can be owners of this land."<sup>19</sup>

According to the law, the occupation and the full use of land in the national property sector requires the holding of a title (occupancy permit, provisional license subject to the rights of third parties, pure and simple license, definitive license that concerns already registered land according to two methods: long-term leases of 18 to 99 years and license to the full property, land certificate and land title).

Nonetheless, the occupation and exploitation of undeveloped lands with the aim of supporting the needs of lodging and feeding the occupants and family, are not supported with the possession of an administrative title. The custom duties are therefore not recognized.

<sup>19</sup> Law n°98-750 of 23 December 1998 on the rural land sector in Côte d'Ivoire

## 9.2. Expropriation for the Public Interest

The Ivoirian Constitution and the Laws of the country advocate for rights as defined in the Universal Declaration of Human Rights of 1948 and in the African Charter on Human and Peoples' Rights of 1981. It is stated in Article 4 of the Ivoirian Constitution that "a residence is inviolable. Infringements or restrictions can only be brought by the Law"<sup>20</sup> and it is stated that in Article 15: "the right to property is guaranteed to all. No one can be deprived of his property if it is not for the public interest and under the condition of fair and prior compensation."<sup>21</sup>

This text and the diverse laws of Côte d'Ivoire makeup the fundamental obligation of the State in terms of expropriation:

1. The public interest must be legally declared: it is the vocation of the Déclaration d'Utilité Publique (DUP) or the declaration of public interest to legally express this interest;
2. Everything must be done to avoid the expropriation and the expropriation can only be pronounced "if it is only in the public interest";<sup>22</sup>
3. Compensation is one condition of expropriation;
4. It must be fair;
5. It must be stated beforehand.

Expropriation in the public interest is managed in Côte d'Ivoire by Decree of 25 November 1930 stated in Article 1 that: "expropriation for public interest in French West Africa operates through the Authority of Law."<sup>23</sup> This responsibility belongs therefore to the tribunal to pronounce a judgment on the expropriation and not to the Administration alone. The Decree of 25 November 1930 specifies the entirety of the procedure applicable to expropriation in the public interest.

## 9.3. World Bank Operational Policy (OP)

The World Bank has developed a set of operational policies with the aim of protecting the environment and population affected by development projects. Operational policy 4.12 (OP 4.12) applies specifically to the involuntary resettlement of populations.

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<sup>20</sup> Constitution Ivoirienne de 2000

<sup>21</sup> Ibid

<sup>22</sup> Disposition Ivoirienne; décret du 25 Novembre 1930 portant « expropriation pour cause d'utilité publique »

<sup>23</sup> Ibid

The objective of the OP is to avoid or to minimize illegal acquisitions of land where that is feasible by exploring all other alternative paths for viable projects. In addition, OP 4.12 must be conceived as a development programme and used to improve on the living conditions of people affected by the project or at least their restoration to the level of living conditions before the dislocation. OP 4.12 encourages community participation in the planning and conduct of reinsertion and the granting of assistance to the affected populations, independently of the legal status of the property regime.

This policy must be followed as soon as a project financed by the World Bank implies not only a physical resettlement, but also any loss of land or other goods causing (i) resettlement or loss of shelter; (ii) loss of goods or access to goods; and (iii) loss of sources of revenue or means of subsistence, independently of the fact that people affected must be physically displaced. The policy also applies to the involuntary restriction of access to parks that are legally designated to protected areas that can bring about negative effects on displaced persons.

The objective is to guarantee that resettled populations or those having lost access to goods or sources of income receive fair compensation. A plan for resettling must be developed whatever the number of people affected and the severity of impacts.

OP 4.12 demands compensation for people affected by the project in question. When the national legislation does not provide for compensation at a level corresponding to the entire cost of resettlement, the compensation on the basis of this legislation must be completed by additional measures which require eventual gaps filling. In addition, OP 4.12 provides directives on the elements needing to appear in the resettlement plan. The adoption of the resettlement plan is a prior condition to the implementation of the project.

## 10. NATIONAL INSTITUTIONAL FRAMEWORK FOR RESETTLEMENT

The institutional framework is made-up of the entirety of institutions or services directly or indirectly implied in the process of resettlement, which include:

1. The Ministry of Construction, Urbanism and Habitat
2. The Ministry of Economy and Finance
3. The Ministry of Mines and Energy
4. The Ministry of the Environment, Water and Forests
5. The Ministry of Justice and Human Rights
6. The Ministry of Agriculture
7. National, regional and departmental services of Construction and Urbanism
8. National and regional land registration services, and
9. The Ministry of the Interior.

### ***10.1. The Typology of Community Conflicts linked to Mining Companies***

Our research in the localities visited revealed five types of conflicts linked to natural resources. In a number of these conflicts, the land related dispute appears in several ways. The first example concerns disputes between two or more villages in relation to land. There are also land related disputes between two or more families in relation to inherited land. The last example concerns owners and users of the land who fight over compensation, wherein the owner demands a percentage of the compensation, as was in the case of Angovia.

The management methods of the different types of land related disputes includes calling upon administrative authorities or village customary chiefs to adjudicate between the parties.

The second type of conflict mentioned during our research is interpersonal conflict between the landowners and the mining company. This conflict is evident in the fact that the land owners increase the bidding for the land to the payment capacity of the investors. When such a conflict erupts, managing it requires calling upon the lawyers of the conflicting parties in a competent court of law.



The third type of conflict observed is conflict of interest between community leadership namely: leaders, villagers, village leaders and local elected officials. At this level, each one of them wants to position himself as the only and unique spokesperson of the community affected to the mining company. The method of managing such a conflict according to the communities visited requires a public meeting with the entire community and information disseminated. This was evident in Bondoukou.

The fourth type of conflict observed in the field is related to a conflict of interest between two decentralized villages and communities claiming ownership of a particular mine. Such a conflict is managed by arbitration on behalf of competent authorities.

The fifth and last type of conflict is linked to employment. This is evident in three localities where youths seek to be employed in the company in the immediate future. Under these conditions, the stakeholders including the customary authorities, community leaders and those of the companies call upon the administrative authorities and management committees to arbitrate. In spite of the arbitration, however, the question of youth employment remains difficult problem to be resolved because majority of them are not qualified and have a low level of education.

## 11. THE ROLE OF THE KEY ACTORS IN MINING

### 11.1. The Government

The Ivorian state is very involved in mining issues with its primary responsibility to manage and monitor mining companies' compliance to mining agreements and policy. The government remains, to date, the negotiating partner of the mining companies operating in Côte d'Ivoire. The government's actions are executed through diverse structures whose functions are complementary. These structures includes; the Council of Ministers, COMINE, the Directorates of Mines and Geology.

The Council of Ministers is made up of all members of the government and is the supreme decision-making authority for all mining and oil activities in the country. The Council decides on all issues of national interest with respect to mines and oil. The Minister in charge of Mines has the responsibility to grant or remove mining license and other mining contracts. Presidential Decrees endorses decisions made by this body.

COMINE, created by law N°95-553 of 18 July 1995 related to the Mining Code plays a key role of advising the government on mining issues. It is made up of representatives from several ministries and state institutions. It meets whenever deemed necessary upon the request of the Directorate of Mines, who is a Secretary to the Commission. COMINE decides on various subject matter including requests for the attribution of mining license, requests for the approval of tax exemption on the import of mining materials and equipment, mining projects of a certain scope, proposals for modification of mining laws etc.

The Directorate of Mines is an administrative body in the Ministry of Mines and Energy that is responsible for the day-to-day management and application of national policy with respect to mines. The body takes care of the directives concerning files requesting diverse authorisations and mining license and of the control and monitoring of mining prospection and exploitation throughout the national territory.

The Directorate of Geology is the administrative structure of the Ministry of Mines and Energy that has the responsibility for the development and progressive updating of the geological cartography of the country.

Different mechanisms can be added to the NC-EITI. Since May 2008, Côte d'Ivoire has adhered to the EITI and has become a "candidate country" or EITI conform country.<sup>24</sup> This is aimed at improving the governance and transparency of the management of its revenues from the extractive sector to maximize the positive effects of the said sector in order to improve on the standard of living of the populations. The National Council was created by Decree n°2008-25 on 21 February 2008 which is made up of 26 members from the administration, the extractive sector and civil society.

## **11.2. THE MINING COMPANIES**

### **11.2.1. LOCAL COMPANIES**

SODEMI is mainly national and local company with a capital of 600 million CFA francs. It was created on the 3 April 1962 by the Ivorian government to execute government's programmes regarding geological prospection and mineral resources promotion. Through the work of SODEMI, one could highlight the numerous indexes of tonnages upon which mining concessions belonging to the organisation and to several mining companies operating in Côte d'Ivoire are found.

In recent years, SODEMI has had a strategic operation, working alone or in partnership, with other companies. Thus the company is in partnership with a French company, COMINOR to create SMI (Société des mines d'Ity), which holds 44.1% of its shares. This company exploits an open-pit gold mine in the Zouan-Hounien region in the west of the country. The company worked with the larger company including world renowned Tata Steel Côte d'Ivoire which holds 22.5% towards the development of the iron deposit of Mount Gao in the Man region. As part of the new development, the organisation took back the manganese mine from MOKTA in the Lauzoua region (Grand Lahou). SODEMI has also worked with the company, CGM, China Geological and Mining Corporation to create CML (Compagnie Minière du Littoral) where it holds 51%, which brings its annual production capacity to 500,000 tonnes.<sup>25</sup>

In addition, SODEMI leads a mining resource exploitation project on an individual basis. It plans gears towards the creation of manufacturing units for tile floors made of granite, ornamental stone and ceramic. The exploitation of massif stone and clay can feed into two types of industries namely, the building and ornamental stone industry and the ceramic industry.

<sup>24</sup> Résumé Rapports de conciliation 2008, 2009 et 2010, National Council EITI, Côte d'Ivoire

<sup>25</sup> WWW. SODEMI / TATA STEEL en Côte d'Ivoire, 2012

### **11.2.2. FOREIGN COMPANIES**

Many international extractive companies operates in Côte d'Ivoire including: LDL Equigold, SMI, Yaoure Mining, Tongon SA, Biptfop, Cominor, Etruscan Resources, Golden Oriole, Golden Star Exploration, Jofema Mineralm Resources, Mayana SARL, New African Business Corporation, Newmont Overseas Exploration, Occidental Gold, Randgold, Rockstone Gold, SODEMI, SOMICI, Tata Steel, Taurian and TD Continental. Certain enterprises such as LDL Equigold, Yaoure Mining, Tongon SA, SMI, Tata Steel and Taurian are currently in the prospection phase. However, in most cases, an extractive enterprise is simultaneously in an exploitation phase in one area and a prospection phase in another locality, either for the same or another material.

### **11.2.3. COMMUNITY LEADERS**

Mining is a significant activity that has been in evolution in recent years. There has been a considerable impact on the daily lives of the people in close proximity of mining areas. Due to this fact, the Ivoirian state has planned for its citizens to benefit from economic gains from mining activities. It put the mining companies in charge of the requirement to undertake development actions and also, by involving the people through the intervention of different community leaders in the effective management of the mining process. However, during this field visit, one was able to observe that the involvement of community leaders in the process remains at a low level. These leaders have established themselves as defenders and protectors of the rights of the local populations, carrying their claims to the leaders of the mining companies and the state. They are also solicited to resolve conflicts between communities and mining companies or between the indigenous communities and artisanal miners from other countries in the sub-region.

Nonetheless, one should point out that community leaders in the Angovia regions and Tongon are not as active as those in Bondoukou. MOREB, which is the youth movement supported by religious community leaders and the local population has been very active in the region through protest actions against non-compliance to commitments of the Taurian group.

#### **11.2.4. CIVIL SOCIETY**

Civil society's independence makes them active advocate for poor natural resource governance. They are expected to act as an interface between the voiceless (the grassroots community) and the state with the aim of contributing to a better management of natural resources. In order to be effective in exercising this function, they are expected to understand national, regional and international legal framework on human rights protection with respect to natural resource governance.

These legal instruments provide for the protection of the right to land, territories and natural resources in international and regional human rights instruments. This thus provides civil society organisations, particularly NGOs, accessible information on the legal framework relative to indigenous peoples' rights and local communities that are related to their land, territories and natural resources.

These texts also provides useful information on regional and international mechanisms that can be used by NGOs, indigenous peoples and local communities as legal guiding principles to claim their rights, and to also lobby policy makers and mining companies to respect their regional and international legal obligations.

Unfortunately, one observed an absence of civil society in the mining domain. In other words, civil society actions are not satisfactory or significant as expected. However, Bondoukou is an exception to this claim, where this study result revealed that civil society has been supporting MOREB, whose members includes traditional leaders, religious authorities, youth and Women Groups. Irrespective of this observation, civil society actions in these areas still remain limited. Civil society are hardly consulted and associated with leaders and exploration and extractive companies.

It is necessary to educate the local population and to also provide them some amount of information regarding contracts and mining permits, in order to understand the rights and obligations of the companies. Civil Society Organisations have the responsibility to make this information available. However, in the field, we observed that Civil Society Organisations lack training and information about the mining. This explains that Civil Society Organisations are far from being an effective engine for the establishment and proper functioning of the monitoring committees.

## **12. Challenges encountered during the study**

One encountered several difficulties during the research including the following:

### **12.1. Time Constraints**

The time allocated to undertake this research was too short to accomplish more. One would have needed much longer period to provide deeper study by also reaching other mining areas. The short time located affected the preparation of the work, the time to prepare the report and conduct field visits.

### **12.2. Lack of Availability of Hard Data from State Actors as well as Mining Companies**

One must also note that during the desk review, one observed the lack of cooperation from state actors and certain mining companies. It was impossible to have access to the different contracts signed between the states and companies. Local administrative authorities were also not entirely cooperative, believing that responses to these questions are within the strategic domain.

### **12.3. The Condition of the Road Network**

Field visits in the three localities visited during this study were at times difficult to reach. Particularly, rural mining communities in Tongon and Bondoukou, in the deep rural areas, were difficult to reach at times, especially in the rainy season that corresponds with a poor state of the road network.

### 13. CONCLUSION

It emerged from the study that Cote d'Ivoire is endowed with natural resources of immense potential. In spite of the numerous difficulties encountered in the agricultural sector in recent years, Ivoirian leaders shifted attention towards other sectors to boost the economy. The hydrocarbons sector is also of a great future potential.

However, the discovery of mineral wealth has been a source of problem. The host populations of mining companies relatively receive no benefit from the natural resources extraction. Particularly, the relationships between the local populations and the mining companies are very bitter owing to persistent lack of compliance to mining agreement and the lack of respect for the terms and conditions in response to Corporate Social Responsibility. As a result, the communities have become areas of protest action and other social, economic and environmental challenges. Many respondents argue that, the extractive companies tend to take advantage of the ignorance of local population owing to the lack of understanding of the legal texts. When promises are unmet, the people tend to choose to settle grievances by force through protest actions. All of the localities visited had similar experiences.

One should be reminded that the rebellions in the Niger Delta in Nigeria erupted as a result of the effects of popular uprisings that were spearheaded by local clan. Similarly, barricades have been erected by population in Jacqueville, Tongon and Bondoukou aimed at interrupting mining operation, which has resulted to killings in Angovia. One also need to bear in mind that such socially and economically motivate troubles have caused incalculable consequences in the past year which could continue if serious preventive measures are not put in place including reviewing mining agreement, or if possible implementing the recommendations and suggestions placed in this report.

Civil society organizations are very inactive in the mining sector. They also lack training and knowledge. They do not play active role as it should be and does not fulfill its role of awakening the consciousness and informing the public about their respective rights or to better understand the management of natural resources.

In short, the mining sector in Côte d'Ivoire must be reformed. This would unavoidably go by a complete reform of the sector, especially concerning the texts in vigour, principally the Mining Code that sets the legal norms and principles to protect the mining communities. This Code, as it stands today, tends to encourage poor management of these resources that are far from benefiting the people.



## 14. GENERAL RECOMMENDATIONS

In light of the gaps and challenges discussed in this report, Côte d'Ivoire must conduct a deep reflection on how it manages the extractive sector by further involving the local population in the process of acquiring mining license and, to also ensure an ethical practices with respect for corporate social responsibility.

To this end, Civil Society intervention is crucial. It worth pointing out that people becomes increasingly invested in lobbying and advocacy program to enable companies' adherence to their respective Corporate Social Responsibility. This also includes the right to be compensated and to assure human security of mining communities.

In light of what one was able to observe in the field, one cannot complete the study without making recommendations to the different stakeholders involved in this sector. So far, the recommendations stated in this report emerged from interviews with key stakeholder and informal discussions with the target groups in the mining communities, complemented by literature reviews and some observations.

The Mining Code, the document regulating all forms of extractive activities must be reviewed and reformed in order to:

- Develop work safety, public safety and environmental protection;
- Improve grassroots participation by ensuring that the conclusion of contracts signed are made public;
- Revise mining taxation in conformity with international requirements in order to take account of the environmental and social impact of mines;
- Reduce the time taken for the request and granting of mining contracts;
- Proposing texts that take the rights of communities and the participation of populations in the development of contracts and all other documents related to the mining sector into account;
- Lobby the government and parliament for the adoption of a new mining laws and models of best practice;

- Guarantee access to information on behalf of populations and their participation in the development of lease agreement. This includes:
  - Organizing awareness-raising sessions on conditions of land titling or registry and on the land laws;
  - Informing and making populations aware of their interest in land and on the procedures of demarking village territories (Terroirs villageois);
  - Showing the importance of the establishment of natural resource management committees;
  - Establishing natural resource management committees in the areas where mining takes place and where they do not currently exist;
  - Indicating the importance and the role of Civil Society Organizations in the prevention of conflicts linked to mining activities between mining industries and the affected communities.

## **14.1. Specific Recommendations**

### ***14.1.1. TO THE NATIONAL ASSEMBLY***

- Being the institution in charge of making laws, it is essential that the National Assembly adopt a new Mining Code on the proposal of the Minister in charge of Mines that will take the interests of the local populations into co in consideration in compliance with the international norms and principles.

### ***14.1.2. TO THE MINISTRY OF MINES***

- The Ministry of Mines is the oversight ministry that must propose a draft of a new law to the government that will take the rights of local populations into account. This should be forwarded to the government and then to the parliament for adoption.
- For the development of the draft law, the ministry in charge of mines must involve all parties, including Civil Society Organization. They must also oversee and monitor the execution of terms of reference made available to the mining companies. Also, the ministry must involve civil society in the reform of the Mining Code.

- The government must reinforce its powers for better regulation in the mining sector, including the delivery, renewal and revocation of contracts and oversight to conform to operations and with the institutional regulations (operations, health, safety, environment and social regulations). This would assure good governance in the sector, especially in mining activities that are implemented in a sustainable fashion to promote growth and development.

#### **14.1.3. TO THE MINISTRY OF AGRICULTURE**

- This ministry must proceed effectively to the delimitation of borders for protected land, community lands and individual land that must be granted certificates.
- The Ministry must inform and make populations aware of land rights for them to benefit from compensation that is due to them on the basis of their land titles.
- In addition, the ministry must develop a cost reduction policy for the registration of land so that this can be accessible to rural populations.
- The ministry must work in partnership with Civil Society Organisations, to organise awareness-raising sessions on the conditions of land registry and on land laws.

#### **14.1.4. TO MINING COMPANIES**

- Mining companies must respect the contents of mining agreements. They must also apply international norms in terms of mining operations.
- They must respect the recommendations of the World Bank in the area of investments.
- They must also respect their Corporate Social Responsibility.

#### **14.1.5. TO GRASSROOTS COMMUNITIES**

- Community leaders must make populations aware and inform them of their responsibility to prevent conflicts and to lead to harmonious coexistence between communities and mining companies. Raise the awareness of the population on the importance of education to ensure that children are not sent to work in the mines.
- Populations must be organized to establish monitoring committees for better participation in the management of natural resources locally. Community participation contributes to making better decisions, taking into account the interest of population or taking account of exploration and mining operations.
- In other words, people are more inclined to accepting the final result of work done if they are given an appropriate opportunity to be heard.
- Thus, community contributions give decision-makers precious indications about the needs of the community concerned which can help to address negative perceptions around questions linked to exploration and mining operations, as well as to critical questions related to rental contracts and memoranda of understanding between the state and mining companies.
- Community participation contributes to creating an atmosphere of responsibility, encouraging peace and social cohesion in the localities.

#### **14.1.6. TO CIVIL SOCIETY ORGANIZATIONS**

- Civil society organizations must be trained to help grassroots communities to understand legal texts of mining.
- During the course of this research, one was able to observe a lack of competencies in the CSOs in terms of the monitoring of government and mining companies compliance with rental contracts and the regulatory framework of memoranda of understanding. CSOs capacity must be strengthened in the monitoring of human rights as well as mining company activities in Côte d'Ivoire.
- They must create a framework for exchange between populations and mining companies.
- Also, they must reinforce the capacities of local populations and monitoring committees established for conflict management, lobbying and fundamental rights.
- They must undertake a series of awareness and information sharing activities on the modalities of the registration of land and property laws.

- They should also claim ownership of the new draft Mining Code to conduct a comparative study old code and to make steps that move forward or backward visible. Based on this comparative analysis, civil society must then conduct lobbying of actors in the mining industry to improve on the draft of the law before its passage to the Council of Ministers and then the National Assembly.

#### **14.1.7. TO GORÉE INSTITUTE**

- Gorée Institute must pursue its action in the sector by increasing financing with an eye on significant research activities in the extractive sector.
- Gorée Institute must support actions of informing, raising awareness and training local population on the Mining Code, lobbying and managing conflicts in collaboration with the national civil society.
- It must also contribute to strengthening capacities of monitoring committees in the communities concerned by mining operations in collaboration with the Ivorian civil society.

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# NATURAL RESOURCES GOVERNANCE IN LIBERIA

# NATURAL RESOURCES GOVERNANCE IN LIBERIA

**Caroline Bowah**

## 1. EXECUTIVE SUMMARY

In Liberia and the Mano River Basin, the exploitation of mineral resources has historically occasioned serious violations of human rights. As a matter of fact, this concern has consistently featured in reports of project-affected communities and civil society organizations working on mining, forestry and agricultural issues. Many social impacts of mining, forestry and agriculture are covered by international human rights norms, and include forced disappearances, environment degradation, arbitrary detention and torture, loss of land and livelihoods without negotiation and adequate compensation; forced resettlement, desecration of shrines and sacred places, as well as labour rights violations<sup>1</sup>.

It is important to note that a number of post-war reforms in Liberia have improved on the environment policy for the extraction of Liberia's vast natural resources. The passage of the Liberia Extractive Industries Transparency Initiative (LEITI) Act<sup>2</sup> of June 2009, and the Public Procurement and Concession Commission Act, of 2005, for example, signalled the dawn of a new era in the campaign for greater transparency and accountability in the extractive sector; and has led to greater independent monitoring and reporting in the sector.

Notwithstanding improved safeguards in both the LEITI Act and PPCC Acts, a major challenge remains as to whether the enforcement and compliance measures envisaged are adequate enough to address the so-called "resource curse". And despite achievements to date, in terms of legislation, the task of transforming the culture of natural resources administration and governance to a more accountable and democratic one also remains daunting. Liberia's natural resources are still, for the most part, considered a 'curse' to the extent that resource rent are yet to adequately benefit the larger citizenry in concrete socio-economic terms.

Infringements of community rights in the granting of concessions is common and serves to aggravate simmering tensions, as is the violation of rights to free, prior and informed Consent (FPIC). Apart from the frequent desecration

<sup>1</sup> US 2013 Human Rights report on Liberia: [http://photos.state.gov/libraries/liberia/328671/pdfs/human\\_rights\\_2013.pdf](http://photos.state.gov/libraries/liberia/328671/pdfs/human_rights_2013.pdf)

<sup>2</sup> <http://www.leiti.org.lr/uploads/2/1/5/6/21569928/act.pdf>



of shrines and sacred sites in the name of development, project-affected communities have also suffered the loss of important livelihood sources, including scarcity of safe drinking water and lack of access to forest products for food, medicinal and other purposes.

Perhaps the most contentious aspect the Liberia's mineral extraction regime has been the issue of unfair land grabbing by multinational corporations. Numerous reports and independent investigations revealed the practice of communal land acquisition without full consent. Such practice, if left unabated without adequate redress, will pose serious threats to peace and security in post-war Liberia.

Thus, although the Government of Liberia retains legal authority to institute compulsory land acquisition, it must refrain from exercising such power solely for economic development projects, including mineral extraction, which pose significant risks to community livelihood and environment safety. And such development projects must proceed only with the free, prior and informed consent of the affected communities.

## **1.1. Summary of the Findings**

Among other findings from the review and consultation, the following are key highlights:

1. The lack of value chain approach in the extractive sector is an important missing link in the revenue appraisal scheme;
2. Community consent and the rights to free, prior and inform consent have been downplayed in the granting of concessions, including land allocations for large-scale agriculture and mining. Government of Liberia has largely failed to negotiate mining agreements which clearly benefit affected communities and the larger population, amounting to a failure in resource management policy;
3. Very limited public consultations involving affected communities are leading to the effective exclusion of these communities in the awarding of concessions. Such public engagements are crucial to providing communities with full information on the likely economic, social, environmental and human rights implications of concessional activities; and to ensuring that effective monitoring mechanisms are derived that will help to address the potential for disagreements and tensions.

4. In the extractive sector, low wages and poor conditions of service continue to be key sources of disagreements and tensions. Hence, a critical rethinking of the current approach to natural resource governance represents an important part of the search for peace and stability in Liberia.
5. Very limited transparency exist throughout the entire process of awarding concessions in natural resource-related agreements which affect the public interest;
6. The lack of a clear, consistent, and secured property rights regime is resulting into frequent clashes between statutory and customary land tenure systems that often turn violent. Swift efforts by the Land Commission and other relevant stakeholders are needed to finalize the process of harmonizing land right policies to help stave off open conflicts. The passage of the new Act against the Criminal Conveyance of Land is a step in the right direction.
7. There is a need to promote and sustain capacity building (i.e. training and knowledge-sharing) in natural resource management for key but vulnerable stakeholders, such as community and civil society leaders. This can be achieved through training courses in land resources and management, as well as collaborative networking with community leaders, pro-poor institutions and workers' unions.

## 2. INTRODUCTION

Many studies have cited poor natural resource governance as a key source of conflict in Liberia (Liberia's Truth & Reconciliation Commission Report 2009; UN Environmental Programme 2009; Global Witness, 2011). In pre-war Liberia, it was common practice for government, especially the Executive and Legislative branches, to arrange and sign concession agreements without consultation with inhabitants of the concession areas. The result has been involuntary dislocation of inhabitants from hereditary and sacred lands, river pollutions, destruction of forestlands, and the conscription of cheap labour. A classic example is the operation of the natural rubber plantation industry in which the American company Firestone is the lead player (Kieh 2008). These and other socio-economic grievances formed the backdrop upon which opposition politicians, in league with military operatives, seized the national stage to justify a military coup in 1980, and an armed insurrections subsequently in 1989 which lasted for 14 years, and claimed over 150,000 lives (Ellis 2007). This section of the report aims to examine the impact of natural resource governance on Liberia's contemporary peace, human rights and human security environment.

### 3. CONTEXTUAL ANALYSIS

The history of the extractive sector in West Africa, and in Liberia and Sierra Leone specifically, is filled with examples of how resource exploitation has fuelled conflicts and exacerbated problems of weak governance and corruption.<sup>3</sup> These developments, in turn, have led to heavy losses of innocent lives, and have undermined faith in public institutions and private enterprise.

Liberia is rich in natural resources, including gold, diamond, iron ore, as well as forest and marine products.<sup>4</sup> But its history of wanton misuse of resource rent by Government institutions inspires little confidence.<sup>5</sup> The misuse, abuse and mismanagement of resource revenues have placed Liberia on the list of nations afflicted by 'resource curse', where poverty, corruption and resource-related violence hold political stability and national development hostage. Experts and civil society organizations have suggested more open and accountable approaches to natural resource governance that could achieve mutual benefits for investors and local communities.<sup>6</sup> However, the Liberian government seems indifferent to suggestions for greater transparency and accountability in resource policies that seek to reduce endemic poverty and delivers basic social services.

This failure has, for example, recently led to community resistance to multinational investment initiatives in several parts of Liberia. Peasant resistance to land grabbing which has become commonplace with the coming of palm oil companies to Liberia better illustrates this point. In Western Liberia, for example, the displacement of indigenous inhabitants in Grand Cape Mount County by the Indonesian conglomerate Sime Darby triggered resistance to the company in nearby Gbarpolu County<sup>7</sup>. In Sinoe County, reported violations of the citizen's fundamental rights to traditional livelihoods like farmland, natural water (i.e. for drinking, fishing, bathing), vegetable gardening and forest hunting, has led to local opposition to the conglomerate, Golden Veroleum Liberia (GVL).<sup>8</sup>

<sup>3</sup> Le Billon (2001). "Fueling War: Natural Resources and Armed Conflicts"; Shafer (1986). "Undermined: The Implications for Mineral Export Dependence for State Formation in Africa"; Global Witness (2011).

<sup>4</sup> New Mining Policy in Liberia [http://www.molme.gov.lr/doc/Microsoft%20Word%20-%20Mineral%20Policy%20-%20Published\\_1.pdf](http://www.molme.gov.lr/doc/Microsoft%20Word%20-%20Mineral%20Policy%20-%20Published_1.pdf), LEITI 2014 (accessed October 2014)

<sup>5</sup> See United Nation's Mission in Liberia Human Rights Report (2006). "Human Rights in Liberia's Rubber Plantations: Tapping into the Future", Monrovia.

<sup>6</sup> Position Statement (by Liberian civil society) to EITI Board Chair Dr. Peter Eigen on natural resource governance in Liberia: <http://www.publishwhatyoupay.org/sites/pwypdev.gn.apc.org/files/PWYP%20Liberia-Final%20Position%20Statement%20for%20Dr%20Peter%20Eigen%20Oct09.pdf>

<sup>7</sup> <http://www.forestpeoples.org/topics/palm-oil-rspo/publication/2011/letter-complaint-roundtable-sustainable-palm-oil-rspo-members>

<sup>8</sup> <http://www.forestpeoples.org/topics/palm-oil-rspo/news/2012/10/letter-complaint-roundtable-sustainable-palm-oil-rspo-indigenous>, Golden Veroleum Liberia: <http://www.veroleum.com/>

In connection to this wave of protest actions, the Sinoe County police force on Friday, 14 December 2013, arrested Butaw community members Calvin Bloh, Dexter Gleeka, and Anna Tue without charge. The three were later released a day after, according to the community's legal advisor, Mr. Alfred Brownell.<sup>9</sup> Benedict Manewah, another community member, who lost his home to the GVL plantation, was also arrested without warrant or a formal charge filed.

The ensuing conflict continued despite these arrests. As a result, the palm oil companies could not undertake the process of transplanting young palm seeds that had germinated in their numerous nurseries. Eventually, new rounds of negotiation started that involved the palm company, the Government of Liberia, community people of Butaw and Green Advocates International, a civil society organization.<sup>10</sup> In a related development, community resistance to the expansion of another palm oil company, Equatorial Oil, spiralled into open protests in which 17 community members were beaten, pepper-sprayed and jailed by the Police Support Unit (PSU).<sup>11</sup> As the evidence suggest such resistance and tension will continue to grow as long as contracts are awarded without consultation with and consent of residents of affected communities.

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<sup>9</sup> Interview with Francis Colee, Green Advocate 2014

<sup>10</sup> [http://www.rightsandresources.org/documents/files/doc\\_5665.pdf](http://www.rightsandresources.org/documents/files/doc_5665.pdf)

<sup>11</sup> Community complaint against Equatorial Oil Palm [http://www.forestpeoples.org/sites/fpp/files/news/2013/10/Community%20Complain\\_LiberiaGrandBassaCounty\\_Oct2013.pdf](http://www.forestpeoples.org/sites/fpp/files/news/2013/10/Community%20Complain_LiberiaGrandBassaCounty_Oct2013.pdf), <http://www.fern.org/node/5747>

## 4. NATURAL RESOURCES AND CONFLICT: A THEORETICAL OVERVIEW

The role of natural resources in igniting and sustaining civil wars and micro-level violence has been well examined, and often posited within a 'greed vs grievances' discourse. Conflict scholars, utilizing political science theories, have argued that large scale rebellions and civil wars (usually yielding 1000 battle deaths per year) are predominantly driven by political and ethno-cultural grievances, whereby such grievances, when acute, buoy into open violence and rebellion against the state.<sup>12</sup> Within this strand of discourse, we find allusions to the century long exploitation and exclusion of Liberia's indigenous population by the Americo-Liberian political class as the leading cause for the bloody overthrow of the Tolbert Government in 1980<sup>13</sup>. The conflict dynamics triggered by that overthrow resulted subsequently into the outbreak of a rebellion by the National Patriotic Front of Liberia (NPFL) in 1989.

The "growth without development" indictment, which the Presidency of William V.S. Tubman suffered after years of massive Foreign Direct Investment (FDI), mainly in the mining and extractive sectors, has been cited as the result of economic exploitation by the America-Liberian political class, and hence a cause of the Liberian conflict<sup>14</sup>. The coup plotters of 1980, led by Master Sergeant Samuel K. Doe, also cited economic exclusion, social marginalization and corruption as reasons for their coup<sup>15</sup>. They voiced deep dissatisfaction over the unequal distribution of the national wealth which at the time accrued largely from extraction and export of iron ore and natural rubber.

The 'greed' dichotomy of the debate, on the other hand, is rooted in economic theory literature which considers rebellion and civil war as a kind of industry that generates profit from material loot. Herein, insurgents are viewed as nothing more than economic agents, or "bandits and pirates"<sup>16</sup>.

<sup>12</sup> See for example Paul Collier & Anke Hoeffler (2001). "Greed and Grievances", the World Bank, Washington DC.; David Keen (2000). "Incentives and Disincentives for Violence".

<sup>13</sup> George Kieh, Jr. (2008), Amos Sawyer (1992), Stephen Ellis (2007), and the Liberian Truth & Reconciliation Commission Final Edited Report (2009).

<sup>14</sup> See for example Robert W. Clower et al (1966), *Growth without Development: An Economic Survey of Liberia*, Northwest University Press; Kieh (2008).

<sup>15</sup> Amos Sawyer (1992).

<sup>16</sup> H. I. Grossman (1991), "Kleptocracy and Revolutions". *Oxford Economic Papers* 51:267- 283; p. 269. See also H. I. Grossman (1991), "A General Equilibrium Model of Insurrections", *American Economic Review*, 81, 912-21.

Hence, it is believed that civil wars are motivated by greed and economic incentives, which evolve sufficiently to a point where they propel actors to employ violence as a means to economic opportunity, profit and loot. Hence, rebellion is thought of as driven not necessarily by socio-political grievances, but by “the atypical circumstances that generate profitable opportunities”<sup>17</sup>.

The availability of finance through primary commodity exports is also identified as a risk factor that substantially increases the chances of conflict outbreak<sup>18</sup>. The greed argument has been invoked to explain certain actions by the NPFL in the course of Liberia’s conflict. Trade in timbers, diamonds and iron ores were deeply pronounced during Taylor’s leadership of NPFL, and similar exploitative motives have been cited for the NPFL’s leader’s involvement in the 11 years armed conflict in Sierra Leone which ended in 2002<sup>19</sup>.

The ‘greed vs grievance’ debate makes an important contribution to the discourse on the causes of civil wars and violent conflicts. However, no side in the debate provides sufficient causal explanation for the Liberian conflict, although they offer some useful theoretical frames for understanding important aspects of the natural resources and conflicts dynamics broadly, and the Liberian conflict more specifically. Importantly, however, the debate helps us to predict potential outcomes of simmering tensions in the natural resource sector that may lay below the macro level conflicts. As tension between extractive industry leaders and local communities mount over claims of human rights violations, exploitative labour practices and other unfair compensation by concessionaires,<sup>20</sup> escalation of tension and violent confrontation can be expected. And for a poor nation like Liberia recovering from years of conflict which was fuelled partly by natural resource rent, any tension within the sector demand serious and urgent attention.

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<sup>17</sup> Collier & Hoeffler (2001).

<sup>18</sup> Ibid.

<sup>19</sup> Stephen Ellis. *The Mask of Anarchy: The Destruction of Liberia and the Religious Dimension of an African Civil War*, 2<sup>nd</sup> Edition.” NYU Press, Sept. 2006. See also See Special Court for Sierra Leone Sentencing Judgment of former Liberian President Charles Taylor: <http://www.rscsl.org/Documents/Decisions/Taylor/1285/SCSL-03-01-T-1285.pdf>

<sup>20</sup> Silas Siakor (2012). “Uncertain Future: The Impacts of Sime Darby on Communities in Liberia.”

## 5. RESEARCH GOAL AND OBJECTIVES

The aim of this research is to explore the link between natural resource governance and conflict dynamics in the Mano River Countries, from the perspective of civil society advocacy. Liberia is explored as a case study.

The objectives are to:

1. Deepen micro-level understanding of the root and structural causes of conflicts in extractive communities in Liberia;
2. Assess the dynamics and core issues for conflict prevention and peacebuilding in Liberia;
3. Generate knowledge on the linkages between natural resources and conflict, and
4. Contribute to the expansion of civil society engagement and dialogue in the area of natural resources and the environment in conflict management approaches.

### 5.1. Methodology

The study employs a case method, and includes key informant interviews and focused group discussions with community members, as well as desk-reviews of relevant studies and reports. Individuals interviewed included representatives of civil society organizations, government agencies and community leaders.

The Liberian study also reviewed natural resource governance challenges in other post-war economies which are discussed in the recent publication by Enrico Carisch and Loraine Rickard-Martins titled *Sanctions and the Effort to Globalize Natural Resource Governance*<sup>21</sup>. The review was to follow the link between natural resource governance and sanctions. UN sanctions on natural resources are among the most consistent forms of coercive actions in support of international norms, including humanitarian laws and rights, in maintaining and restoring global peace and security. Liberia once experienced UN Sanctions.

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<sup>21</sup> <http://library.fes.de/pdf-files/iez/global/09578.pdf>



## 6. HISTORY OF INVESTMENT IN LIBERIA'S NATURAL RESOURCES

Foreign direct investment in Liberia's natural resource exploitation is not new. As far back as 1926, the American multinational company, Firestone Rubber Company, signed a concession agreement with the Government of Liberia to grow and export rubber plants in response to U.S. and global demands<sup>22</sup>. For six American cents per acre, the agreement granted Firestone one million acres of land for ninety nine years. At the time, the government of Liberia felt no obligation to include local inhabitants as party to the agreement. Hence, it has been reported that indigenous owners of the land were forcibly displaced to make way for concessional operations.<sup>23</sup> The forceful extraction of labourers by traditional chiefs and elders for the purpose of plantation work for Firestone is also well documented<sup>24</sup>. Meanwhile, corrupt Liberian government officials were selling labour to the cacao plantation owners on the Spanish island of Fernando Po<sup>25</sup>.

Later in the second half of the 20<sup>th</sup> century, beginning with the launch of the Open Door Policy in 1944 under President William VS Tubman, various iron ore mining companies gained concessional rights to operate in Liberia.<sup>26</sup> By the close of the last century, about four major iron ore companies had invested in Liberia, with the two largest being, the Liberia-Swedish American Mineral Corporation (LAMCO), which is now operated by Arcelor Mittal,<sup>27</sup> and the Bong Mining Company, which is engaged and soon to start operations under the management of China Union Company. Under President Tubman's Open Door Policy, Liberia was opened up to massive foreign capital inflow and exploitation of its natural resources. Over US\$1 billion in Foreign Direct Investment (FDI) reportedly poured into Liberia by 1980, generating an unparalleled economic growth (GDP per capital of US\$1,765) and yielding immense revenues for the Liberian government<sup>28</sup>.

<sup>22</sup> Clower et al (1966).

<sup>23</sup> Kieh 2008

<sup>24</sup> Fernando Po Crisis in Liberia: <http://fernandopocrisis.weebly.com/forced-labor.html>

<sup>25</sup> League of Nations Inquiry into the Fernando Po Crisis: <http://fernandopocrisis.weebly.com/the-league-of-nations-commission-of-inquiry.html>

<sup>26</sup> History of iron ore mining in Liberia: <http://www.liberiapastandpresent.org/ODP/IronOre/IronOreC.htm>

<sup>27</sup> Arcelor/Mittal Liberia: <http://corporate.arcelormittal.com/news-and-media/multimedia-gallery/video-gallery/arcelor-mittal-in-liberia>

<sup>28</sup> See Marinelli, 1964; Clower et al, 1966; Liberia Agenda for Transformation, 2012

This massive foreign capital flow however failed to produce development, just as the impact of contemporary growth on overall development and poverty reduction has proved relatively small and difficult to discern<sup>29</sup>. But the consequences on governance are also impossible to ignore. Allegations abound of corruption and nepotism<sup>30</sup>.

Numerous reports speak of tension between mining and agricultural concessionaires on one hand, and local communities on the other, over land/forest areas<sup>31</sup>. Concerns are also mounting over adverse impacts on the environment<sup>32</sup>.

There are also concerns regarding iron ore exploitation in Liberia, including for example, the Putu Mountain area between Grand Gedeh and River Gee counties.<sup>33</sup> Like diamond and gold mining since the end of the civil war in 2003, mineral exploration licenses which can be acquired at relatively low cost, have been issued to local and foreign companies who never proceed to acquire actual mining licenses<sup>34</sup>. Instead, these actors go on to trade their concessional rights to other investors at higher price<sup>35</sup>. Diamond and gold mining are an important source of export revenue for the Liberian Government. While illicit and mechanized mining have not displaced local population on such a large scale as compared to the plantation and other agro-industries activities, water pollution and diversion have negatively affected the water and food sources of local inhabitants.

Revenues from mining activities have historically constituted a key source of government revenue growth.<sup>36</sup> However, such growth has had a far less impact on the lives of local community members. In other cases, arrangements are negotiated and signed to give greater advantage to government authorities, but less benefits to citizens. Civil society advocates have cited the Government of Liberia's agreement with the China Union as an example. The agreement has granted China Union concessional rights to the old site of the Bong Mining Company. But the processes toward the granting of the contract have generated questions about who really benefits from the arrangements.<sup>37</sup>

<sup>29</sup> Clower et al, 1966; Liberia's Poverty Reduction Strategy Report, 2012.

<sup>30</sup> See Dwyer, 2012.

<sup>31</sup> See Global Witness Report, 2011.

<sup>32</sup> See Siakor, 2012; Sillah, 2012.

<sup>33</sup> Putu Iron Ore Project in Liberia: <http://www.mining-technology.com/projects/putu-iron-ore/>

<sup>34</sup> Exploration license in Liberia: [http://www.molme.gov.lr/doc/Microsoft%20Word%20-%20Mineral%20Exploration%20Regulations-Published\\_1.pdf](http://www.molme.gov.lr/doc/Microsoft%20Word%20-%20Mineral%20Exploration%20Regulations-Published_1.pdf)

<sup>35</sup> Divestment at Putu Iron Company: <http://afferro-mining.com/investors/news/afferro-divests-interest-in-the-putu-iron-ore-project-for-minimum-us11.5-million-cash>

<sup>36</sup> Agenda for Transformation (Aft), 2012.

<sup>37</sup> Analysis of China Union Contract Fiscal Framework, Revenue Watch Institute and Columbia University, February 25, 2009

## 7. METHOD OF NATURAL RESOURCE GOVERNANCE IN LIBERIA

Natural resource governance in Liberia has never repudiated the practice of a) exploitation by foreign companies; b) corruption and accumulation of wealth by government officials; c) infringements of workers' rights and people in affected communities; and d) the neglect of development concerns in the localities and regions of concessional operation.<sup>38</sup> Too often, agreements are agreed upon and signed without consultation with or involvement of affected communities.

Corruption and graft associated with resource revenues have prevented widespread development that benefit affected communities. But in recent times, growing awareness about community rights, corporate social responsibility, the Kimberly Process, Extractive Industries Transparency Initiative (EITI),<sup>39</sup> Free Prior and Informed Consent (FPIC) and the Roundtable on Sustainable Palm Oil (RSPO), are helping to influence national priorities and bring greater international demands for the protection of human rights and improvement in human security.

Both the Kimberly Certification Process and the Extractive Industry Transparency Initiative (EITI) processes (like other recent international initiatives) respect the tripartite arrangement whereby government, the industry and civil society work together to ensure that benefits accruing from extractive industries are transparently managed and used as a tool for development, not a threat to peace.<sup>40</sup> However, the logic upon which the disregard of community rights is based is firmly established in national legal instruments. In recognizing the ownership of minerals, for example, section 2.1, Chapter 2 of the Mineral Laws of the Republic of Liberia provides that minerals on the surface of the earth or in the soil or subsoil, rivers, streams, watercourses, territorial waters and continental shelf of Liberia are the property of the Republic and anything pertaining to their exploration, development, mining and export shall be governed by this law.<sup>41</sup>

<sup>38</sup> The Preamble of the LEITI Act of 2009 states that: "WHEREAS, the exploitation of Liberia's forest and mineral resources for many decades has not had adequate or meaningful beneficial impact on the national economy or the livelihood of Liberians, but has led to deprivations and conflict due largely to the lack of transparency and accountability in the operations and regulation of logging, mining, oil and related companies and the persistence of opportunism in the award and performance of concessions/licenses for exploitation of these resources": <http://www.leiti.org.lr/uploads/2/1/5/6/21569928/act.pdf>

<sup>39</sup> See IETI (2014). <http://eiti.org/> (accessed October 2014)

<sup>40</sup> See Creation of the Precious Minerals and Kimberly Process Oversight Platform, Liberia. This citation is incomplete.

<sup>41</sup> Section 2.1, Chapter 2, New Mineral and Mining Law of the Republic of Liberia, Part 1, Title 23, Liberian Codes of Laws Revised, 2000.

However, erroneous interpretation of such legal language can generate conflict; as the Republic also comprises citizens other than government administrators who have the tendency to arrogate national property rights for self-interest<sup>42</sup>.

As has been highlighted, human rights violations have historically occasioned mineral exploitation in Liberia and the Mano River Basin. Such violations have included forced disappearances, infringements of the right to a clean environment, arbitrary detention and torture, loss of ancestral land and livelihoods without negotiation and adequate compensation, forced resettlement, the desecration of shrines and sacred places without compensation, and labour rights violations.<sup>43</sup>

Whatever level of due consideration now given to community rights to Free, Prior and Informed Consent (FPIC), it must be credited largely to fierce international and local civil society advocacy. Hence, extractive industry leaders and financial institutions are increasingly recognizing the importance of ensuring social acceptance for mining projects which they finance. Additionally, FPIC considerations are increasingly incorporated into corporate policies.

As more and more investment and fund managers begin to recognize the benefits of FPIC norms, they soon accept that respect for such norms make good business sense. Hence, FPIC compliance becomes a less challenging outcome.<sup>44</sup> In Liberia, a local civil group, the Green Advocates,<sup>45</sup> together with its partners, have assisted several project affected communities to file complaints with the Roundtable of Sustainable Palm Oil (RSPO) for the violation of community rights to FPIC in the cultivation of oil palm<sup>46</sup>. Complaints have been filed, for example, against Sime Darby and Golden Veroleum<sup>47</sup>.

<sup>42</sup> US 2013 Human Rights report on Liberia: [http://photos.state.gov/libraries/liberia/328671/pdfs/human\\_rights\\_2013.pdf](http://photos.state.gov/libraries/liberia/328671/pdfs/human_rights_2013.pdf)

<sup>43</sup> Africa Mining Vision (2012). [http://www.africaminingvision.org/amv\\_resources/AMV/ISG%20Report\\_eng.pdf](http://www.africaminingvision.org/amv_resources/AMV/ISG%20Report_eng.pdf)

<sup>44</sup> Axfam USA. <http://www.oxfamamerica.org/static/media/files/community-consent-in-africa-jan-2014-oxfam-americaAA.PDF>

<sup>45</sup> <http://www.greenadvocates.org/> (accessed in September 2014).

<sup>46</sup> Community complaint to the RSPO <http://www.forestpeoples.org/topics/palm-oil-rspo/publication/2011/letter-complaint-roundtable-sustainable-palm-oil-rspo-members>

<sup>47</sup> Community complaint to the RSPO <http://www.forestpeoples.org/topics/palm-oil-rspo/news/2012/10/letter-complaint-round-table-sustainable-palm-oil-rspo-indigenous>

Despite emerging regional trends, most African countries are yet to develop legislations regulating FPIC in national law. Interestingly, FPIC compliance is provided for in the Community Rights Law (CRL)<sup>48</sup> with Respect for Forest Lands. With respect to forest lands, the CRL explicitly establishes FPIC as a guiding principle. The law recognizes local communities as the owners of all forest resources on community forest lands, and states that “any decision, agreement, or activity affecting the status or use of community forest resources shall not proceed without prior, free, informed consent of the said community.” The law also calls for the promotion of community-based forest management and for public participation in forest resource regulation, protection, management, and development.

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<sup>48</sup> <http://loggingoff.info/sites/loggingoff.info/files/Lib%20Act%20to%20establish%20comm%20rights%20law%202009.pdf>

## 8. NATURAL RESOURCES AS CONFLICT SOURCE

Natural resource governance in Liberia follows a similar pattern in all sectors and has usually contained seeds of conflict. In discussing the status of forest ownership in Liberia, Liz Alden Wily observes that:

*The status of forest ownership under national law is unclear and is contradictory with customary law. People and the state are at odds as to who owns the forests and how the use of forests should be regulated. The stage is set for a classical natural resource conflict. This will not go away on its own – it needs to be resolved.*<sup>49</sup>

In essence, investment in natural resources has continued to be a source of conflict in Liberia. At the first level, Government's failure to involve affected communities in decision-making related to extraction is increasing tension between the Government and communities on one hand, and mining companies and communities on the other. These tensions flare out into the community when parties are unable to reach amicable agreements to disputes.

At another level, corrupt local and state officials deprive affected communities of development benefits that could serve to mitigate conflict. Committed to protecting the interest of concession, government authorities are quick to order police actions to suppress descent<sup>50</sup>, usually resulting into brutal handling of matters of civil unrest.

Meanwhile, spreading knowledge of community rights through workshops and other awareness programs has become a vocation of some committed civil society organizations and NGOs. It is therefore not unusual for officially approved concession agreements to meet resistance on the ground. This is causing problem for government and investors who are also at loss in the event of stiff resistance from local people. Community resistance in such situations is likely to increase pressure for reform and lead to improvements in natural resource governance methods in Liberia. Nevertheless, there is an eventuality which all efforts should be made to avoid – the introduction of armed rebellion as a pretext for improving the approach to natural resource governance.

<sup>49</sup> Liz Alden Wily, 'So Who Owns the Forest': An Investigation into the Forest Ownership and Customary Land Rights in Liberia, Sustainable Development Institute, 2007.

<sup>50</sup> US 2013 Human Rights report on Liberia: [http://photos.state.gov/libraries/liberia/328671/pdfs/human\\_rights\\_2013.pdf](http://photos.state.gov/libraries/liberia/328671/pdfs/human_rights_2013.pdf)

Apparently, issues of poor natural resource governance are a feature of authoritarian governments who concentrate power and wealth at the centre of government rather than pay attention to the welfare of ordinary citizens. Thus, when political agitators raise interest in the building of democracy and improved governance, mass support for their advocacy is easily generated because of the experience of suffering that communities situated in localities of resource extraction experience in their everyday life. As the Liberian experience illustrates, this can spiral into incredible crisis of uncertain consequences.

In Liberia, poor natural resource governance was at once part of the causes for the fourteen year civil war as well as a source for the fanning of the war<sup>51</sup>. When the Liberian state collapsed in 1990, control over natural resource rich areas by various warring factions was crucial for the continuation of fighting. Also, the transitional government of 2003-2005, headed by Chairman Gyude Bryant, was accused of selling iron ore stockpiles located in Buchanan, the capitol of Grand Bassa County, and diverting proceeds thereof to personal use.<sup>52</sup>

So investment in natural resource can constitute a source of conflict, mainly when the interests and concerns of affected communities are neglected and when the signing of concessions aim only at benefiting foreign business interests and corrupt government officials. This trend can and should be reversed for the purpose of constructing the peace and guaranteeing stability.

Some encouraging improvements have been observed in natural resource legislations, but the problem of enforcement remains. Relevant Government ministries and agencies have so far proved unable to effectively implement reforms regarding resource-based conflicts.

Section 3.2e, of the LEITI Act mandates the LEITI Multi-Stakeholder Steering Group (MSG) to “promote better public understanding of the non-renewable nature of most extractive resources; the causes of resource-based conflicts; and the benefits of transparent and prudent resource governance”.

<sup>51</sup> United Nations Expert Panel Group meeting on Natural Resources and Conflict in Africa: [http://www.un.org/africa/osaa/reports/Natural%20Resources%20and%20Conflict%20in%20Africa\\_%20Cairo%20Conference%20ReportwAnnexes%20Nov%2017.pdf](http://www.un.org/africa/osaa/reports/Natural%20Resources%20and%20Conflict%20in%20Africa_%20Cairo%20Conference%20ReportwAnnexes%20Nov%2017.pdf)

<sup>52</sup> GAC report on sale of iron ore—2004 to 2006: [http://www.gacliberia.com/doc/on\\_sale\\_of\\_iron\\_ore.pdf](http://www.gacliberia.com/doc/on_sale_of_iron_ore.pdf)

Liberians have seen increased awareness on “the benefits of transparent and prudent resource governance” but very little on the “public understanding of the non-renewable nature of most extractive resources and the causes of resource-based conflicts”.

Due diligence requirements to protect investors and project affected communities are provided for during contract or concession negotiations, but Government negotiators often lack legal, financial and other expertise necessary for attaining the best possible deals, leading in some cases to concessions and contracts being awarded in violations of applicable laws.

Section 117 of the Public Procurement and Concessions Act calls for the development of a form of contract for negotiations: “The form of contract for each Concession Agreement shall be developed by the Concession Entity in collaboration with the Ministry of Justice and endorsed by the Inter-Ministerial Concessions Committee prior to negotiations”. The appointment of the “Negotiation Team comprising of technocrats and relevant experts co-opted as necessary for the conduct of the negotiation with the highest ranked bidder” has not been fully followed. The Negotiation Team often lacks legal and financial expertise, as required by the PPCC Act, to negotiate more favourable terms for Government and its people<sup>53</sup>. Section 118 of the PPCC Act states that: “Within fourteen (14) days after the approval of the evaluation report by the Inter-Ministerial Concessions Committee, the Inter-Ministerial Concession Committee shall constitute a Negotiation Team comprising of technocrats and relevant experts co-opted as necessary for the conduct of the negotiation with the highest ranked bidder”.

Some actions have already been taken in response to contract transparency and monitoring. Several concessions already awarded in 2005 were re-negotiated in 2006 because they were found to be flawed and not in Liberia’s best interest.<sup>54</sup>

Upon its establishment, the Governance and Economic Management Assistance Program (“GEMAP”) which the National Transitional Government of Liberia (“NTGL”) signed in September 2005 with Liberia’s international partners and donors; undertook, among other things, a review of all contracts signed by the NTGL between 2003 and 2006.

<sup>53</sup> [http://ppcc.gov.lr/doc/PPCA%20\\_Sept%2013%202010%20\\_FINAL.pdf](http://ppcc.gov.lr/doc/PPCA%20_Sept%2013%202010%20_FINAL.pdf)

<sup>54</sup> [http://www.opensocietyfoundations.org/sites/default/files/liberia\\_20090302.pdf](http://www.opensocietyfoundations.org/sites/default/files/liberia_20090302.pdf)



Under GEMAP, the Mittal Steel Holdings N.V. ("Arcelor Mittal") and Firestone Natural Rubber Company LLC ("Firestone") concession agreements, signed in 2005 by the NTGL, were both subject to review by Liberia's Public Procurement and Concession Commission ("PPCC"). President Ellen Johnson Sirleaf took special interest in the independent fast-track review of the Arcelor Mittal and Firestone contracts, Liberia's two largest concession agreements. The fast-track review and negotiation practice adopted by the Liberian Government resulted in amended agreements with both Arcelor Mittal and Firestone that provided significant new avenues for increased revenue, greater responsibility for community support, and safeguards for the environment. These amended provisions far exceeded those of the original concession agreements signed by the NTGL.

Recalling her experience during the exercise, the President noted that:

*Among many competing demands, and with uncertainty in some quarters about the likelihood of success for our efforts, we dedicated ourselves to a critical examination of our largest investment contracts, and undertook the process of renegotiating those agreements we believed could be revised to better serve our country. In the contracts covered by this report, we were able to, through our negotiation efforts to secure stronger fiscal terms, increased revenues to the government, and additional employment opportunities for our people. In one contract, we were able to negotiate the transfer of ownership of the Buchanan port, an important piece of our national infrastructure, back to government while retaining investor commitment to rehabilitate the port.<sup>55</sup>*

In May 2013, a post-award audit report<sup>56</sup> of the extractive sector was published upon the request of the LEITI Multi-stakeholder Steering Group (MSG) in accordance with Section 4.1 of the LEITI Act 2009. The Act stipulates that LEITI is entitled to perform "appropriate audits and/or investigations of the process by which each material concession, contract, license, and other rights have been awarded in respect of forestry, mining, oil, agriculture and other designated resource sectors of Liberia in order to determine whether each concession, contract, license, and similar right was awarded in compliance with applicable Liberian laws."<sup>57</sup>

<sup>55</sup> Open Society Foundation (2024). [http://www.opensocietyfoundations.org/sites/default/files/liberia\\_20090302.pdf](http://www.opensocietyfoundations.org/sites/default/files/liberia_20090302.pdf) (accessed on 3 August 2014)

<sup>56</sup> [http://www.leiti.org.lr/uploads/2/1/5/6/21569928/leiti\\_post\\_award\\_process\\_audit\\_final\\_report.pdf](http://www.leiti.org.lr/uploads/2/1/5/6/21569928/leiti_post_award_process_audit_final_report.pdf)

<sup>57</sup> Section 4.1 of the LEITI Act 2009

The objective of the audit was to conduct a post-award assessment of the processes involved in awarding material public concessions, contracts, licenses, permits and other rights of exploitation of diamond, gold, oil, timber, and agricultural resources of Liberia from 13 July 2009 to 31 December 2011.

The Post Award Process Audit covers 68 companies operating in the oil, mining, forestry and agricultural sectors whose contracts, licenses and permits and rights were granted/amended by the Government of Liberia for the period July 13, 2009 up to and including December 31, 2011. The objective was to ascertain whether these rights and permits were awarded in line with applicable Liberian Laws. The report shows that only 6 of the 68 companies were compliant with applicable Liberian law.

## 9. ISSUES OF NATURAL RESOURCE GOVERNANCE IN LIBERIA: IMPLICATIONS FOR HUMAN RIGHTS, HUMAN SECURITY AND PEACE

When natural resources such as diamond, gold and iron ore are depleted, they cannot be replaced in the foreseeable future. This is one of the first things that any government should take into account when awarding contracts for natural resource extraction. That is specifically why government should be concerned to ensure that the current benefits coming out of the concessions should also be used to improve the living conditions of citizens. Incidentally, even exclusive emphasis on the benefits received by present community dwellers is not enough. More importantly, political authorities, company owners or managers and civil society leaders must, of necessity, consider that the interest of future generations is an important consideration when taking into account benefit sharing in so far as the operation of concessions are concern.

Secondly, greater awareness of community sensitization owing to civil society advocacy has enlightened citizens to the scale of corruption by government officials, leading to greater demands by citizens. Particularly, an increasing number of civil society, non-governmental organizations and international non-non-governmental organizations have become proactive in directing efforts at creating awareness in communities within or around concession areas. The resulting impact is significant and cannot be ignored.

Thirdly, it cannot be expected that a people potentially deprived of the means of survival, when their resources are being extracted, will remain silent. As much as possible, areas in which foreign concessions operate deprive residents and local inhabitants of the traditional ways of life that are essential to their mode of survival. Accordingly, affording new means of livelihood for community dwellers must be a paramount objective of government and concessionaires when negotiating agreements. Unfortunately, this has not been the approach in Liberia.

Accordingly, the protection of Wologizi Mountain in Lofa County has emerged as an issue of utmost concern for many Liberians at home and abroad, mainly in the United States.

The essential arguments in favour of protecting the Wologizi mountain from exploitation of its iron ore and other<sup>58</sup> mineral resources is that proceeds from exploitation should not only benefit concession owners and corrupt government officials; but must also deliver tangible benefits to the local population who inhabit concession areas. For a battle-tested people from communities in which youths have been socialized into the idea that the application of violence is a requirement for securing rights, their grievances must not be taken for granted.

In matters of human rights and human security, it is interesting to note the continuation of violence which occurred in pre-war concession operations. In its assessment of the conditions on rubber plantations, the United Nations Observer Mission in Liberia (UNMIL) has reported the lack of adherence to acceptable environmental protection and occupational health standards, poor living conditions of local populations and the complete lack of enforcement of environmental laws by the government and Plantation's Management.<sup>59</sup>

In Liberia, there is hope for progress. Corporate Social Responsibility (CRS) is gradually emerging as the norm of good corporate citizenship in Liberia. Apart from Liberia civil society, the private sector- often linked to corporate irresponsibility- has taken measures to press for compliance to CSR. BHP Biliton, Firestone Rubber Company, Sime Darby, Golden Veroleum etc. have also been prioritizing compliance to CSR.

Some development partners in Liberia are also supporting CSR. GIZ's Centre for Cooperation with the Private Sector (CCPS), for example, has endeavoured to partner with companies (both multinational and local) to promote Corporate Social Responsibility (CSR) in sub-Saharan Africa. In doing so, GIZ departs from the consideration that through socially and environmentally responsible business behaviour, the condition of the natural environment, communities and employees can be improved and thereby the sustainability of businesses can be enhanced<sup>60</sup>.

<sup>58</sup> All Africa news (2014). <http://allafrica.com/stories/201306121634.html> (accessed 2 August 2014).

<sup>59</sup> See Rubber Plantations: United Nations Observer Mission in Liberia (UNMIL) Special Report on the Environment.

<sup>60</sup> Business & Human Rights (2014). <http://www.business-humanrights.org/media/documents/shaping-csr-in-sub-saharan-africa-giz-report-dec-2012.pdf> (accessed on 23 June 2014).

A Corporate Responsibility (CR) Forum in Liberia was established in 2010 with support from GIZ<sup>61</sup>. The Forum aims to promote responsible investment, good corporate citizenship and collective action for the sustainable development of Liberia. In the year of its establishment, it inaugurated the Capacity Building for Better Business project in Liberia in a bid to strengthen the capacity of businesses to deal with contemporary business and associated social issues that are relevant to the creation of a vibrant private sector in Liberia.

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<sup>61</sup> Year-in-end report (2012) of the Corporate Social Responsibility forum in Liberia: <http://corporate.arcelormittal.com/~media/Files/A/ArcelorMittal/corporate-responsibility/publications-and-reports/archive/regi-corp-resp-reports/CR-Report-Liberia.pdf> (accessed November 2014).

## 10. POST-WAR REFORM OF NATURAL RESOURCE SECTOR

Despite some challenges, the post-war reform efforts have also improved the policy environment for the extraction of Liberia's vast natural resources. The passage of the LEITI Act in June 2009, was a turning moment in the campaign for greater transparency and accountability in the extractive sector.<sup>62</sup>

The general objective of the LEITI Act is to ensure that the benefits from the exploitation of Liberia's minerals are properly determined, verifiably paid, duly accounted for and prudently utilized for the benefit of all Liberians. The Act covers all material payments and revenues due from extractive companies to all levels of the Government for the award of concessions, licenses, permits and any other rights concerning the exploitation of agriculture, diamond, gold, oil, timber or any other forest and mineral resources in Liberia.

Along with ensuring transparency, the Act is also meant to promote the public's understanding of the non-renewable nature of most extractive resources, the causes of resource-based conflicts, and the overall benefits of transparent and prudent resource governance in Liberia.

Importantly, the Act amends the Revenue Code of Liberia to remove from its scope of confidentiality taxes and other financial information pertaining to every company operating or seeking to operate in the forestry, mining, oil and related natural resource sectors of Liberia and makes the LEITI responsible for providing public access to all concessions, contracts, licenses and similar agreements, as well as the findings of all reports publicly available. This gives the Liberian people access to information about a sector of the economy that had previously been difficult or completely unavailable.

The Public Procurement and Concession Act remains another legislation helping to address leakages in procurement and award of extractive contracts. The Public Procurement and Concessions Act<sup>63</sup> established the Public Procurement and Concessions Commission (PPCC) with oversight responsibility to regulate and monitor all forms of public procurement and concessions practices in Liberia.

<sup>62</sup> Public Procurement, Contracts and Concessions (PPCC). [http://ppcc.gov.lr/doc/PPCA%20Sept%2013%202010%20\\_FINAL.pdf](http://ppcc.gov.lr/doc/PPCA%20Sept%2013%202010%20_FINAL.pdf); [http://allafrica.com/stories/201403311046.html?aa\\_source=acrdnfo](http://allafrica.com/stories/201403311046.html?aa_source=acrdnfo) (accessed on 15 August 2014).

<sup>63</sup> <http://www.frontpageafricaonline.com/index.php/business-tech/280-taking-more-giving-less-nimbar-citizens-decry-arcelor-mittal-s-operations>

The PPCC replaced the CMC with elaborate mandates of monitoring procuring entities to comply with the Act of 2005 for all public procurement and awarding concessions, in order to ensure economy, efficiency, transparency and to promote competition so that Government gets “value for money” in using public funds.

The Act is a result of needs assessment conducted by the Government of Liberia in conjunction with the United Nations and World Bank which determined that the policy, procedures and practices for awarding contracts under public procurement and concessions were not done in the best interest of the economy, efficiency and transparency.

## 11. ARCELORMITTAL AS CASE STUDY

Arcelor Mittal operates on the old mining site of the LAMCO in Yekepa, Nimba County and exports its ores via the old Port of Buchanan, in Grand Bassa County. Like LAMCO, Arcelor Mittal has demonstrated little regards for population displacement and other forms of human rights, as a number of reports have revealed. Moreover, the business practices that place profit above reward for just and honest labour are still in place<sup>64</sup>. As long as the disregard for human rights is based upon the notion that Government and corporate actors will find it easy to suppress workers and community uprisings just as they did during the period of LAMCO operations. This situation represents a source of the potential tension; and all must be done to avert such outcome.

### 11.1. Background

On 17 August 2005, the Government of Liberia entered into a Mineral Development Agreement (MDA) with the world's largest steel company, Mittal Steel, now Arcelor Mittal to exploit Liberia's extensive reserves of iron ore. The agreement could see Arcelor Mittal investing around \$900 million USD over the next 25 years. Then on 28<sup>th</sup> December 2006 the Government of Liberia and Arcelor Mittal signed an amended contract, which was passed into law by the National Legislature in May 2007. The amended contract saw Arcelor Mittal with an investment around US\$2.7 billion.

Arcelor Mittal operates in Nimba County, north-eastern Liberia with existing assets and facilities of the former LAMCO joint venture company. Like other concessions in Liberia and other parts of West Africa, there are no new, creative or innovative arrangements in the contractual arrangements with Arcelor Mittal that provides hope for peace, human security and human rights protection.

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<sup>64</sup> <http://www.frontpageafricaonline.com/index.php/business-tech/280-taking-more-giving-less-nimba-citizens-decry-arcelor-mittal-operations>



## **11.2. Issues of Natural Resource Governance and Arcelor Mittal: Peace, Human Rights and Human Security Implications**

Currently, no steps have been taken to adopt and implement clearer policy on human rights and environmental protection across the Arcelor Mittal operation areas in Liberia that reflect international human rights standards, including the International Covenant on Economic, Social, and Cultural Rights (ICESCR).

The confidentiality clause in the Mittal Steel agreement remains unchanged and therefore commits the Government of Liberia to stringent provisions of confidentiality and non-disclosure. There should be the need for transparency in accessing natural resources and managing their exploitation, especially in post-conflict countries like Liberia, where responsible management of natural resources is a critical step towards poverty reduction, peace building and human rights protection. Technically, Mittal's state of existence can be described thus:

1. That Mittal has without the free, prior and informed consent of local communities constructed a dam near Gbapa, Nimba County and that the construction of the dam has created a serious environmental crisis in the area (i.e. flooding of local farms, erosion of the forest area around the dam);
2. That mud (and other particles) from the mountain are being thrown into drinking water sources.
3. That Mittal's earth moving equipment have been seen clearing farmlands without the free, prior, and informed consent of the affected farmers;
4. That Mittal Steel created a dumping site in a town called Karnla in Nimba County and there, the dumpsite has caused serious pollution and health hazard for the people of Karnla; and
5. That Mittal's eviction exercises is gradually displacing local community members into Guinea—the cases of old and new Yekepa

These are all human rights and human security issues that must be addressed if the peace and security of the region are to be protected. It must be noted that Liberia is not the only country in which Arcelor Mittal has been accused of environmental, health and safety impacts<sup>65</sup> which provides examples from the Bosnia-Herzegovina, the Czech republic, India, Kazakhstan, South Africa, Romania in addition to Liberia.<sup>66</sup>

### **11.3. Corporate Social Responsibility of Arcelor Mittal**

The agreement between the Government of Liberia and Arcelor Mittal calls for construction and management of health centres, education, skill and training facilities and scholarship assistance. Obviously, the risks and hazards of industrial work imply the need to give attention to the health needs of workers. In addition, skills and vocational training are required for the smooth operation of concessions. Beyond providing services that will make workers better contributors to corporate profit motives. It is necessary to pay attention to social benefits that the larger community receives from the operations of concessions. Taken on a case –by-case basis, local pollution and leaders should be consulted on their best interests to be provided by concessions.

### **11.4. From Commitment to Practice**

It is popularly acknowledged that the formulation of policies in Liberia is totally unrelated to policy implementation. Knowing this, investors do not hesitate to reach agreement with the Government of Liberia that is found on paper. However, implementation is always a problem. This is one of the problems and potential sources of conflict because government does not follow-up on implementation and local communities strive to hold them down to their documented promises.

### **11.5. Local Population Displacement**

When LAMCO constructed the site on which Arcelor Mittal now operates, it involved displacement of many numbers of the local population. To date, no remarkable improvement has been made that is directed at local community sustainability in Yekepa (the source of iron ore) or Buchanan (the Port of

<sup>65</sup> Arcelor Mittal: Going Nowhere Slowly, a report by Friends of the Earth 2009

<sup>66</sup> Arcelor Mittal Slow to Yield Benefits for Liberians. An allafrika.com publication March 13, 2009 by Rebecca Murray of IPS[Inter Press Service]

export). This was done in the period when the decisions of the Government were hardly challenged by common people. As it is normal, concession remove local populations at will with the support of government where the original arrangement that situated LAMCO to be reviewed anew, there would be settlements that the local communities that were affected by the operations of LAMCO could possibly benefit, in light of new international regulations. In addition, the recent and current eviction exercise of Arcelor Mittal virtually pushed original inhabitants of Yekepa into neighbouring Guinea<sup>67</sup>.

Arcelor Mittal Steel eviction exercises violated human rights in the context of the Universal Declaration. The act of displacement due to the force eviction violates numerous article of the Declaration, under which fall Articles 17 and 25. Starting with the violation of Article 17 which states that individual is arbitrarily deprived of his property. As a result people were displaced by force. As the displacement is being sanctioned by the government of Liberia; therefore human rights have been violated as the state is not fulfilling the role of being the protector of human rights.

Mining-induced displacement also affects people in many ways. According to some specialists, women tend to be much more affected in the aftermath of displacement. They lose land needed for crop production, medicinal purpose etc. which are important for maintaining the family. Mining activities lead to the deterioration of the economic status of women, along with malnutrition, health problems, lack of access to basic resources.<sup>68</sup>

## 11.6. Labour Practices at Arcelor Mittal

According to Stephens and Ahern (2001), mining remains one of the most perilous occupations in the world, both in terms of short term injuries and fatalities, but also due to long term impacts such as cancers and respiratory conditions such as silicosis, asbestosis and pneumoconiosis<sup>69</sup>.

<sup>67</sup> Interview Alaric Tokpa, 2014 and a report by Friends of the Earth and the CEE Bankwatch Network. Extractive Industries: Blessings or Curse.-pages 24-26)

<sup>68</sup> Contesting Women's Rights Within the Political Economy of Mining in India. (2010). Dhaatri Resource Centre for Women and Children, Secunderabad, Andhra Pradesh, India.

<sup>69</sup> Stephens, C. and Ahern, M. (2001) Worker and Community Health Impacts Related to Mining Operations: A Rapid Review of the Literature, [http://www.naturalresources.org/minerals/CD/docs/mmsd/topics/worker\\_community\\_health.pdf](http://www.naturalresources.org/minerals/CD/docs/mmsd/topics/worker_community_health.pdf)

Labour exploitation is normal in concession areas. In such multinational investments enclaves, the private motive determines attitude of management towards the reward of labour. Accordingly, labour practices at Arcelor Mittal are unfavourable to local employees. Workers report of low wages for long working hours. The workers are usually asked to report early to work and leave late, partly due to company pick up policy thereby violation Liberian Labour law. Owing to low wages, most workers prefer to perform overtime in order to augment their income. Unfortunately, they report that the company is in the habit of denying them proper overtime pay. The anger arising from this experience is severe to the extent of constituting a cause for future strike actions.

## 11.7. Environmental Impact Assessment

In Article 13 of the Amendment to the Mineral Development Agreement between the Government of Liberia and Mittal Steel, "the parties recognize that the operations may result to pollution, contamination or other environmental damage to land, water and the atmosphere within the concession area and elsewhere."<sup>70</sup> In view of this admission, it is hard to make any new environmental impact assessment of Arcelor Mittal regarding the violation of human rights and human security. Although the agreement allows for expansion of operation site, both in Yekepa, Nimba County and the Port of Buchanan, Grand Bassa County, Arcelor Mittal operates on the same grounds with facilities that were once administered by LAMCO in the 20<sup>th</sup> century.

Reports on environmental impact assessment conducted by the Environmental Protection Agency (EPA) have usually turned out to be favourable to foreign concessions. This was very troubling in the case of Firestone when persistent complaint of water pollution by residents, that was verified by independent researchers who were denied access by Firestone<sup>71</sup>.

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<sup>70</sup> Article 13, Amendment to Mineral Development Agreement between the Government of Liberia and Mittal Steel, August 17, 2005.

<sup>71</sup> <http://news.bbc.co.uk/2/hi/africa/8332851.stm>, accessed January 2015

In most instances, foreign concessions are requested by agreement to make their own report on the environmental situation. This is not a helpful approach. A better consideration found in the Mano River Union Civil Society Platform on Natural Resource Rights and Governance.

The need to work on a wide range of issues which may include but not limited to good governance, environmental and social issues related with extractive industry sector development as well as the wider environmental and social implications of extractive industry development in regional infrastructure development and economic diversification.<sup>72</sup>

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<sup>72</sup> See Mano River Union Natural Resource Rights and Governance Platform which is comprised of five collaborating civil society organizations in West Africa—Green Advocates (GA) in Liberia, Groupe de Recherche et de Plaidoyer sur les Industries Extractives (GRPIE) in Côte d'Ivoire, Network Movement for Justice and Development (NMJD) in Sierra Leone, Centre du Commerce International pour le Développement (CECIDE) in Guinea, and the Foundation for the Development of Sahel (FDS) in Mali.

## 12. INTERNATIONAL HUMAN RIGHTS INSTRUMENTS

Like national economies, both the AU and ECOWAS have been undertaking efforts to transform the mining sector away from its colonially created enclave features, but have so far seen very limited success<sup>73</sup>. The AU has proposed the Africa Mining Vision,<sup>74</sup> while ECOWAS has proposed the ECOWAS Mineral Development Policy.<sup>75</sup> Ratification and implementation of these documents remain a challenge.<sup>76</sup> The challenges include the lack of political will to sign and ratify the agreed reforms by African states, which are largely responsible for inaction in cases of human rights violations. Additional factors include the difficulties in handling revenue derived from royalties, income taxes, land taxes, lease rentals and their distribution at the local level.

Conflicts may arise from unfair distribution of mineral wealth, as well as lack of direct participation of communities in the approval of mining projects. Compensation for land and other rights can also be a source of long-term tension. In many legal systems, private and/or communal land ownership is protected from deprivation by Government without adequate, prompt and effective compensation. In Liberia's case, much is wanting.

Liberia and the Mano River Basin could borrow from other regions in the fight against illegal exploitation of natural resources. For instance, inspired by the Kimberley Process Certification Scheme (KPCS),<sup>77</sup> the International Conference on the Great Lakes Region has adopted the "Protocol on the Fight against the Illegal Exploitation of Natural Resources"<sup>78</sup>. The protocol legally binds 11 Member States to jointly tackle the illegal exploitation of natural resources through a tracking and certification system, which applies sub-regionally. Furthermore, the system has borrowed heavily from the KPCS.

<sup>73</sup> African Mining Vision (2014). [http://www.africaminingvision.org/amv\\_resources/ISGBulletin1.pdf](http://www.africaminingvision.org/amv_resources/ISGBulletin1.pdf) (accessed 15 August 2017).

<sup>74</sup> Africa's Mining Vision (2013). <http://www.mines.gov.mg/Doc/Africa%20Mining%20Vision.pdf>

<sup>75</sup> Ecowas Mining Directive (XX).[http://www.comm.ecowas.int/sec/en/directives/ECOWAS\\_Mining\\_Directives.pdf](http://www.comm.ecowas.int/sec/en/directives/ECOWAS_Mining_Directives.pdf).

<sup>76</sup> <http://www.achpr.org/instruments/charter-democracy/ratification/>

<sup>77</sup> The Kimberley Process (KP) is a joint governments, industry and civil society initiative to stem the flow of conflict diamonds – rough diamonds used by rebel movements to finance wars against legitimate governments.

<http://www.kimberleyprocess.com/en/2013-final-communique-plenary-johannesburg>

<sup>78</sup> <http://www.lse.ac.uk/collections/law/projects/greatlakes/2.%20Democracy%20and%20Good%20Governance/2c.%20Protocols/Protocol.IENR.30.11.%2006%20-%20En,%20final%20revised.pdf>

Among the important borrowed principles is that a certification system must address problems related to governance, development and ethical mining practices, prevent mineral commodities from non-certified mining areas entering controlled production streams, include independent third party audits and provide credible sanctions for non-compliance. In effect, the tracking system consists of discreet national tracking systems with national data submitted to a regional database. This African-led initiative has been endorsed internationally—for example, by the G8 Summit in 2009.

### 13. CONCLUSION

Peace in Liberia remains fragile, “threatened by the unresolved issue of who will exploit and who will benefit from Liberia’s natural resources”<sup>79</sup>. At the heart of the matter lies a range of competing interests and actors: 1) the determination of foreign multilateral corporations to continue the exploitation of Liberia’s natural resources unabated; 2) the willingness of corrupt government officials to uncritically support such ventures for personal gains; 3) the increased presence of critical civil society voices that strive to curtail impunity and foster accountability; and 4) the growing unwillingness of a disaffected population to perpetually tolerate conditions of poverty and marginalization which are associated with natural resource exploitation.

In pre-war Liberia, the exploitation of natural resources has mainly contributed to increased government revenue, and hence benefited corrupt government officials. Much needed development, i.e. roads, quality education, health services, other infrastructure, were largely neglected even in areas and regions where major concessional operations were located. As it turned out, the horrors of the Liberian civil war was based on the ability of warlords to control, exploit or trade natural resources to profit driven businesses concerns. In post-war Liberia, the awarding of concessions has been largely aimed at extracting revenues for national Government and invariably enriching government officials at the expense of the larger population.

The reorganization of natural resource administration is thus a crucial requirement for building peace and consolidating post-war democratic gains. Such reorganization must include the indispensable element of consultations with all stakeholders, including local populations and civil society organizations; and must aim to achieve sustainable development that outlasts the exploitation of currently available resources. Failure in this regard will most likely engender grievances at community levels, lead to national tensions, the re-collapse into violence and severely threaten peace and stability of the West African sub-region.

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<sup>79</sup> Fred Pearce (2012), *The Land Grabbers*, Transworld Publishers, London, p. 119-120



## 13.1. Recommendations

In view of evidence of growing social tensions in recent times, concrete actions are needed on the part of various stakeholders and duty bearers to improve on natural resource governance in Liberia in the interest of peace, human rights and human security. Hence, the following recommendations are proffered:

### ***13.1.1. TO THE GOVERNMENT OF LIBERIA (INCLUDING THE NATIONAL LEGISLATURE)***

1. Organize open public debates on the nation's priorities that tackle the question of how proceeds from extractive industries can benefit national development. Such open public debates are likely to generate consensus and public assurances that: a) Government of Liberia's development policies and expenditures are based on a shared vision of national development, and b) this shared vision/strategic framework is linked to efforts to reduce poverty and improve public service delivery;
2. Economic uses of land concessions (such as for tourism, farming, forestry, etc.) should be compared and contrasted with the social, political, and environmental consequences of extraction. Analysis of the options for land uses must therefore consider issues of job creation, revenue generation, environmental sustainability, and social implications.
3. Attention must be paid to the need for planning and instituting effective legal and other frameworks to balance and manage possible uses of land. Failure to do so may lead to conflicts regarding labour and land compensation, resettlement, land claims of indigenous peoples, and the safety of protected areas;
4. Establish mechanisms for communities in affected areas to directly participate in decision-making, and for protecting their rights to free, prior, and informed consent (FPIC). A development project or concessional contract must be required to obtain expressed community consent before Executive and Legislative approval;

5. Stop police brutality against communities that are negatively affected by natural resource extraction. Communities resisting the seizure of ancestral lands for industrial mining, logging and agriculture have often seen the deployment of armed police forces and have brutalized, arrested and detained community members. This practice must be outlawed, and culprits seriously penalized.
6. The National Legislature must begin to assert a stronger oversight role in the procurement processes for each new contract and/or license in the extractive sector by requiring that they meet a minimum public review requirement. Legislative scrutiny of the award process should include clarity on the selection process and the integrity and history of interested company (ies).
7. In Liberia, concessional contracts are ratified by the National Legislature to attain legal force. Relevant legislative committees must therefore possess sufficient understanding/information as to whether the awarding process was fair and transparent, and whether the content of the contracts are more favourable to long term development. In recent times, a number of civil society organizations have collaborated with relevant committees for this purpose. Their involvement must be encouraged through continued invitation and presence at stakeholders' reviews of concession agreements.
8. Because Executive budgets are large, complex and difficult to understand, the National Legislature must strengthen its expertise in budget analysis and monitoring. This it can achieve through the hiring on a short or long-term basis of budget experts to assist with budget analyses; or relying upon partnership with academia or civil society groups. But a more permanent and long-term approach is to build budget expertise capacity inside the Legislature itself;
9. The National Legislature should increase fiscal accountability by monitoring public expenditures and verifying the effectiveness of budget execution, through Government's Budget Performance Report. The Legislature must also strive to verify how annual spending has contributed to national development goals, and whether the budget execution is consistent with budget laws. Through assistance from budget and audit experts, the Legislature should establish an impact monitoring system that quantifies the effectiveness of public

spending. Corporate audits, value for money audits, tax audits and national exploitation company audits can help test for soundness of government's revenue collection and revenue spending;

10. In auditing public service delivery, members of the National Legislature should hold consultations and meetings with their constituents for the purpose of verifying reported infrastructural and other social-economic deliveries of commissioned projects. Such consultations will provide an opportunity to understand many of the underlying causes of failed budget execution, and should therefore serve as a basis to demand greater accountability and propose reforms to address shortfalls.

### **13.1.2. CIVIL SOCIETY ORGANIZATIONS (CSOS) SHOULD**

1. Organize regular stakeholder dialogues and/or workshops to highlight the dangers of investment practices that totally ignore community concerns and interests;
2. Undertake greater advocacy for inclusion in Government's concessions review and approval processes. When invited to participate in concession reviews, be prepared to scrutinize agreements consistent with international instruments (including communities' rights to Free, Prior and Informed Consent (FPIC); and consistent with national development priorities. Also ensure that the public's interest is championed in the planning, management, and use of revenues from the extractive sector;
3. Demand greater transparency and accountability in the uses of extractive industry revenue spending. Monitor private sector behaviour during contract negotiations, exploration and exploitation projects to curtail the tendencies of bribery and corruption. A key partner in this regard is the Liberia Extractive Industry Transparency Initiative (LEITI). Additionally, civil society organizations should ensure the Government and the private sector respect the rights of the project affected communities to Free, Prior and Informed Consent (FPIC);
4. Build capacity through short and medium-term training and knowledge-sharing as an effective means of monitoring and influencing the extractive industry and government regulatory processes.

5. Whenever concessional activities are envisaged for a particular local community, begin a consultation process that ascertains community needs and concerns; and that highlights the full range of implications for such activities. Findings from such consultations could form the basis of informed advocacy with Government and other duty bearers as to how such needs and concerns can be effectively addressed.

### **13.1.3. THE PRIVATE SECTOR SHOULD**

1. Comply with the highest international mining standards regarding issues of human rights and environmental protection, as well as norms of social-corporate responsibilities. Such standards UN guidelines of mining and multinational companies;
2. Instead of unduly asserting multinational corporate leverage in negotiating concessional agreements with fragile governments, the private sector must be more accepting of fairer terms of agreement that accord governments fairer and more just revenue benefits. The private sector should therefore welcome public review processes, and be open to the participation of affected communities on the awarding processes;
3. Demonstrate commitment to human rights and sustainable development principles, and maintain a respectful dialogue with communities. Accordingly, they should undertake human rights and environmental impact assessments, and welcome the establishment of complaints and reparation mechanisms in cases of infringements of legal and human rights;

### **13.1.4. INTERNATIONAL FINANCIAL INSTITUTIONS**

1. The World Bank and International Monetary Fund (IMF) should support only extractive projects which hold promise as 'models of development', and should reject extractive projects of poor countries which do not demonstrate clear evidence of positive and sustainable impact on poverty alleviation, with little or no damage to the environment ;
2. International Financial Institutions (IFIs) should have improved policies requiring FPIC, disclosure of payments and contracts, independent monitoring of projects and the assurance of minimum governance conditions before financing projects.

### **13.1.5. MRU, ECOWAS AND AU**

1. As continental and regional economic blocs, the AU, ECOWAS and MRU should support efforts that ensure concessional agreements of Member States to meet minimum standards of development impact for individual countries; and should provide, upon request of Member States, expert advice on extractive industry management and negotiations of agreements. They can also provide organizational leverage to ensure that Liberia and other Member States sign and ratify regional and international instruments on human rights and natural resource extraction. Such international instruments include the ECOWAS Mineral Development Policy, the African Mining Vision, and the African Charter on Democracy, Elections and Governance.

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# REPUBLIC OF GUINEA

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**Dr DIALLO Hassane**

## 1. INTRODUCTION

This report presents the results of an in-depth study commissioned by Gorée Institute aimed at contributing to deepening understanding on the relationship between poor governance and the threats to human security and conflict in the Guinean context. To do so, one was able to undertake face-to-face surveys in the target areas (three of the four regions of the Republic of Guinea), with particular attention to realities in the field.

In total, 200 people were interviewed, the majority of who were targeted in rural areas. Younger people were more actively participated in the study than elders. On the question of satisfaction, half of the respondents gave a grade of “average” concerning their satisfaction with the presence of the mining companies.

In the sample, 40 out of 200 people were mine employees, 66 were farmers or related workers, 42 were administrative personnel, whilst 52 were members of associations and cooperative groups. The causes of conflict analysed are related to: employment, the use of chemical product, socio-cultural factors, basic infrastructure and the absence of the state actors to monitor mining companies’ compliance to human rights standards.

The causes of conflicts linked to environmental questions were all treated in an in-depth, these included: vegetation, habitat, traffic accidents, availability of cultivable land and climatic problems. A literature review provided a cross-comparative account of the different work achieved, lessons learnt and models of best practices from several African countries.

## 2. BACKGROUND

The problems linked to natural resource governance have intensified in the last decade. Natural resources, corresponding to a substance or object present in nature and are used to meet the needs of humans society desires includes: water, forests, arable lands and minerals as well as fossil fuels. They are unequally distributed on the surface of the planet, and are often the source of conflicts around the world (Beaumont, 2009).

Natural capital carries a particular importance in developing countries. According to some estimates, the share of wealth per country is 26% in low-income countries compared to 13% in countries of intermediate wealth, whilst only 2% of this exists in OECD members' states in more industrialized countries (OCDE, 2009). In addition, primary production has a relatively significant role in developing countries in terms of internal and external trade, exports and national revenues. Also, activities based on natural resources create employment and significant revenues.

For many developing countries, mining is an important source of economic growth, public revenues and foreign investments. The sector employs some 22 to 25 million of people in the world, (OCDE, 2009), miners in industrial settings, as well as artisanal and small-scale miners (self-employed miners and subsistence miners often manage quite miserable lives).

In Africa, as of 1980s, international financial institutions encouraging economic growth were able to generate significant amounts of capital and to re-launch export policies for countries receiving economic assistance. This help to pay critical attention to natural resources, as a key element in their strategies to address economic and debt crises (Mazalto, 2010). This trend was then reinforced in the 1990s and 2000s years during which the International Monetary Fund (IMF) and the World Bank (WB) developed poverty reduction policies in the fight against poverty of which the mining sector had a central role to play (Mazalto, 2010).

With Canada, Australia and South America, the African continent has significant mining reserves in its soil and sub-soil in both quantity and quality. Even if they are still not evaluated in many respects, resources in the African sub-soil are an important element in world geopolitics (Orro et al., 2007). Some of the larger and richer mineral deposits in the world are found in African countries (Mazalto, 2010).

Mining represents the top export sector for many countries such as South Africa, Botswana, the Democratic Republic of the Congo, Mali, Guinea, Ghana, Zambia, Zimbabwe, Niger, Tanzania, Togo and Mauritania (Leloup, 2005). All of these countries are highly dependent on export-orientation, which make them more susceptible and vulnerable to price fluctuation on the world markets (Ross, 2002).

Natural resources have been an important factor in the initiation, financing and management of conflicts as well as weakening of peace processes. The increase in demand for natural resources, demographic growth and environmental challenges including: climatic change, risk aggravating these problems. In addition, conflicts have serious effects on the environment, which need to be addressed to preserve the health and livelihoods of the people.

The multiplication of conflicts linked to natural resources in recent years can be explained by the combined effects of world demographic pressure that brings along higher demand, the scarcity of certain resources due to a general degradation of the environment and the increase in price for raw materials at the international level, which make them inaccessible to the poorest (UNEP, 2009).

According to a recent study conducted by the United Nation Environmental Program (UNEP) in February 2009, natural resources contributed to at least 18 violent conflicts since 1990 and have been linked to at least 40% of the total conflicts that have taken place since the end of the Second World War (Beaumont, 2009).

Likewise, majority of the problems observed emerged from the combination of several factors. First of all, the conditions and modalities of the allocation and mining of resources are not always transparent. This leads to speculation and frustration, especially on the part of the communities directly affected by these activities (by environmental and safety risks, as well as social risks associated with the massive influx of foreign populations attracted by employment opportunities in the extractive sector, etc.). Secondly, the populations affected believe that their rights are not respected because the legal conditions and procedures of expropriation, resettlement and compensation are not always applied or are not equitable and impartially applied. Thirdly, transparency and equity that should guide the management of revenues during land transactions and the exploitation of mining resources are not respected.

The deregulation of extractive industries in Africa began in the 1980s with the introduction of the Structural Adjustment Programmes (SAP) that paved the way for liberalization, deregulation and greater privatization to correct failed macroeconomic disequilibria, stimulate economic recovery and create sustainable growth (CNUCED, 2005). This initial perspective progressively narrowly focused on the mining sector. The World Bank shifted away from providing its traditional supports of exploration and production activities in the 1960s to specific support for business management and privatization of state enterprises in the 1980s. Then on to capacity building, development of the private sector and promotion of foreign direct investment (FDI) in the 1990s (Liebenthal, Michelitsch et Tarazona, 2003: 2).

More recently, governance and transparency have been subjected to further strengthening, to ensure that poorer segment of the population benefit from the extractive sector. Part of this goal has also been to help minimize environmental and social risk factors and protecting the rights of affected population with investments in extractive industries (World Bank, 2004b: 2-15). The motive behind these reforms were the reorientation of public goals in the mining sector towards production of tax receipts rather than the pursuit of other economic or political objectives such as the control of resources or the improvement of employment, with privatization being the principal engine.

The differences in the distribution of resources on the planet, as well as the inequalities emerging from this very unequal division caused disputes and rivalries, and yet these conflicts can be resolved or even prevented. For this to happen, reasonable and concerted partition of resources, as well as the establishment of sustainable and responsible development are necessary.

### 3. LITERATURE REVIEW

In the mid-20th century, mining resources and natural resources more generally (oil, minerals, wood, water) became subject of increased interest due its scarcity in Europe (oil and minerals first of all). The “Scramble for Africa” at the beginning of the 20th century resulted to the process of occupation and colonization, with an eye on natural resource endowment in Africa.

Besides, economic history of various part of the world explains the primary economic role played by raw materials (Patriat L., 2000: 531-543). Just before the end of the 1980s, economic literatures showed that country endowed with natural resources or is capable of acquiring them could have economic progress. In the 1950s, for example, the geographer Norton Ginsburg (quoted by B. Higgins, 1968: 222) stated that:

*The possession of abundant and diverse natural resources constitutes a major asset for any country engaging in a period of rapid economic growth”(Mbodj, 2011).*

However, history explains that close to a century of extraction in some countries rich in natural resources could not realize what was observed elsewhere in terms of development, with the exception of South Africa and Botswana (ibid). On the contrary, these resources rather contributed to the weakening the social, political and economic structure of states thereby feeding corruption and conflicts (R. Pourtier 2006: 215-230). Benefits instead go outside the countries or to the national coffer, while mining communities suffers the consequences. The most remarkable examples are the cases of Liberia, Sierra Leone, Nigeria, Angola, Guinea, Gabon and Congo. In certain situations, African countries are not producer countries themselves, and its resources are quite simply not exploitable due to the lack of a profitable consumer market nearby (S. Guyot, 2006).

Furthermore, some of this failure lies at the heart of the “natural resource curse” theories that dominated debates on the relationships between “development” and “natural resources” at the end of the 1990s, and the beginning of the 2000s (Mbodj, 2011). Many studies support the argument that an abundance natural resources endowment leads to low economic performance, as well as the installation of a political climate that goes contrary to development (dependency brought on by economic specialization, strong inflation in production areas, bad governance, a small group of elite reaping all the

benefits and the creation of rival groups and wars) (R. Auty, 1993; J. Sachs, A. Warner, 2001; M. Ross, 2001; D. Reed, 2002).

These analyses take the negative environmental impacts of natural resource extraction into consideration, particularly the mines. These have generally resulted to degradation of natural habitats due to the discharge of chemicals, the change in geographical landscapes, the pollution of riverbeds to emissions in the air, the use of water and energy resources, different risks linked to the exposure of workers to dangerous products (C.N. Boocock, 2002; D. Reed, 2002). At the social level, mining projects have resulted to expropriations of fertile land, population displacements, mass migrations of employment seekers in the mining areas, increased income inequalities, public health problems and the abandonment of agricultural activities etc. (S. Pegg, 2003 ; S. Guyot, 2006).

The academic argument postulating that an abundance of natural resources leads to fragility is largely accepted by majority of researchers: (I. Bannon, P. Collier, 2003; X. Sala-i-Martin, A. Subramanian, 2003; G.A. Davis, et al., 2003; C. Leite, J. Weidmann, 1999; M. Sarraf, M. Jiwanji, 2001 ; J. Ishamet al., 2002; Eifert et al., 2003; Gelb and Associates, 1988), as well as by numerous NGOs (Save the Children, 2003; Oxfam, 2002) (cited by F. B. Mbodj, 2011).

The natural resources endowment without development or even economic growth without development is indeed possible (B. Conte, 2008: 3). If natural resources can act as a significant asset for an economic take-off, they have proven insufficient. Contrary to this argument, some countries have managed development without resources (Sweden, Japan and Mauritius). The positive effects that natural resources can lead to are purely a function of the benefits acquired from their use.

This usage is strongly dependent on the socio-political environment capable of promoting economic and social progress (J.R. Legouté, 2001: 17-18). Still in this sense, Amartya Sen states that:

*Development can only result from a behavioural mechanism. It needs to be framed by ethical norms whose consideration of different actors acts as a symbol.” A. Sen (1999: 55)*

In 2004, an analysis provided by P. Collier and A. Hoeffler (2004) established a correlation between greater transparency and a decrease in conflicts accompanied by better economic performance. In 2003, through a cross-comparative study in the case of Nigeria, X. Sala-i-Martin and A. Subramanian (2003) explain that the ineffectiveness of results does not come from resources themselves but from other variables such as institutions that oversee the exploitation.

Thus for most countries rich in natural resources, the principal problems lie in the absence of policies able to foster transparency in their management. Several other analyses (cited by the IMF, 2005) confirmed this argument. Among these scholars, M. Katz et al. (2004) analysed strategic questions and the general application of the code of transparency and public finance in countries with oil in Sub-Saharan Africa.

Since 1990, eighteen violent conflicts have been fed by the exploitation of natural resources (Beaumont, 2009). In fact, recent research<sup>1</sup> suggests that 40% of internal conflicts in the last 60 years were related to natural resources (Beaumont, 2009).

A number of countries are currently having development problems linked to the unsustainable management of natural resources and the distribution of natural wealth. In general, tensions are created through competitive pressure on existing natural resources. In certain cases, it is the incapacity of governance (institutions, policies and laws) to fairly resolve these tensions that leads to certain groups being disadvantaged and which, brings about conflicts. It also occurs that problems emerge from the illegal extraction of resources.

Research and observations in the field have shown that natural resources and the environment are contributing trigger factors of conflict in three ways.<sup>2</sup> First of all, a conflict can erupt owing to unfair distribution of wealth from the extraction of "high value" resources such as minerals (diamonds, gold, silver etc.), metals, stones, hydrocarbons and timber. The abundance of precious resources, combined with immense poverty or difficulty in finding other sources of revenue incite groups to resort to arm conflicts to control territories rich in resources, or by savagely expropriating them from the state as in the case of Niger Delta in Nigeria.

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<sup>1</sup> UNEP 2009

<sup>2</sup> UNEP Report, February 2009



Secondly, conflicts are also brought about by the direct use of scarce resources such as land, forests, water and wild fauna. Such conflicts arise when local demand for resources is beyond the quantities available or when the use of these resources weighs heavily on other uses. This can result either from physical scarcity, or from the type of governance or distribution problems. These situations are often worsened by demographic pressure and natural catastrophes such as droughts and floods.

Thirdly, countries whose economies are dependent on the export of a restricted number of primary commodity products are more susceptible to political fragility. Their economic situation is susceptible to prices fluctuations for these goods at the international markets and, as developing countries, it is often difficult to increase value added for these products or to create employment on a large scale for exports. In addition, governments whose budgets are fed further by commodity exports than by tax revenues tend to be cut off from the needs and expectation of citizens. The combination of problems of currency appreciation and opaque management of revenues and corruption that have developed in a number of countries that are rich in natural resources is referred to as "resource curse" (UNEP, 2009).

These three situations share the lack of capacity of states to dissipate tensions linked to resources through peaceful and fair means. A large share of conflicts having had links to natural resources and the environment are in fact the result of poor governance or a lack of capacity to monitor mining companies' compliance to human rights standards and Corporate Social Responsibility.

The demand for resources constantly rising, clearly explains the need for further investment in environmental and natural resource management. Recent studies by the United Nations system and certain African states explained that the economic performance of a country is tightly tied onto the articulation of a "triad of good government, good institutions and good political economy" (UNDP, 1995).

The development/governance dialectic is at the heart of reflections on development strategies at the national, regional and global levels. That is why, at the world conference on "Governance for sustainable human development" organized in 1997, UNDP proposed the following definition: "Governance can be seen as the exercise of economic, political and administrative authority to manage a country's affairs at all levels" (Conté, 2003).<sup>3</sup>

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<sup>3</sup> <http://conté.u-bordeaux4.fr>

Governance includes the mechanisms, processes and institutions through which citizens and groups express their interests, exercise their legal rights, and assure their obligations, and to which they come to settle their differences (Ibid). Good governance is characterized by participation and responsibility, effectiveness and fairness. Good governance guarantees rule of law and ensure that political, social and economic priorities are based on a wide consensus and that the voices of the most destitute and vulnerable can be heard in decision-making relative to the allocation of resources necessary for development (Ibid).

Good governance thus tends to establish new equilibriums and new complementarities in the respective roles of the state, private sector, civil society and the population in development processes. The state appears as a last resort of the regulating element, arbiter and advocate of this new approach that rests more on consultation and negotiation citizens.

Good governance therefore refers to a set of values, orientations and institutions that allow attaining political, social, economic and cultural objectives, thanks to the interaction between government, the private sector and civil society.

Natural resources cannot be managed effectively if there is no system in place to resolve land and resources related conflicts. Yet this problem is presented in situations where a large diversity of mediating authorities in rural areas are poorly coordinated and often competing with each another.

Governance represents a set of regulatory forms for each of the economic, social and environmental dimensions determining a given period including the exploitation of mining resources (Belem, 2009, p. 232). Since the end of the 1980s and the early 1990s, good governance has been the reference tool that is systematically associated with development programs promoted by the World Bank. In the 1990s, the international community adopted a concept that countries must comply. In countries that are subject to reforms, governance methods were established with the objective: "to refer to the presumed existence of a consensus on good management procedures proposed as universally valuable and able to serve as a model of reference" (Campbell, 2000 cité par Mazalto 2010).

With reference to the Heavily Indebted Poor Countries (HIPC) initiative, good governance has been a product of "democratic" reforms; best practices and results obtained which shows that economic condition, the renewal of

loans and the lessening of debt are determining factors. Paradoxically, the transition towards democracy seems to be imposed from the outside while being presented by international financial institutions as an endogenous mechanism for state reform and the establishment of best practices, notably through the intervention of the Poverty Reduction Strategy Paper (PRSP). Even if “good governance” is presented as a renewed vision of development inspired by a collaborative, participative and partnership driven approaches, political margins for manoeuvre that are available to the government are nonetheless reduced.

In one of the first guidance documents dating back to 1992, World Bank experts’ already identified five priority dimensions to guarantee a re-launch of development and the establishment of “good governance”: i) Rules must be known in advance; ii) Rules must be effectively applied; iii) There must be mechanisms to apply them; iv) Conflicts must be resolved based on the decisions of an independent legal authority that can be “binding;”; v) There must be procedures to amend the rules (Campbell, 2000; World Bank, 1992a, p. 30).

Certain international initiatives such as the OECD Principals of Corporate Governance, the Kimberley Process or the Extractive Industries Transparency Initiative (EITI) are also created to enforce the application of international standards of “good governance”. Companies therefore have a role to play with the state, with their governments of origin and with financiers so that their practices could correspond to the new norms of international development. Increasingly, mining companies, large consortiums in particular seeks to ensure that their practices meet Business and Social Responsibility (BSR) standards and this, even more so, in the areas of conflicts propitious to episodes of massive human rights violations.

The emergence of new governance initiatives that some call a “fourth generation”(Howell et Pearce, 2001, Daswood, 2006) of natural resource governance codes, finds its origins in the debates on corporate social responsibility, especially in the mining sector in Latin America where civil society organizations succeeded in attracting attention to possible human rights violations and environmental degradation committed by large mining companies (Sagebien and Lindsay, cited by H. Besada H. et P. Martin, 2013).

In collaboration with the state, funding agencies, civil society and mining companies have a critical role to play in the regions. They could work collectively to reconcile development objectives with the host country. Mining companies must construct infrastructure to ensure the proper functioning of mining communities (such as schools, hospitals, roads, electrification, water conveyance etc.)

## 4. STUDY OBJECTIVES

The main objective of this study is to contribute in deepening understanding of the relationship between poor natural resource governance, threats to human security and conflicts from a civil society perspective in the Guinean context.

Specifically, the objectives are as follows:

- Deepen understanding of the structural causes of natural resources related conflicts in the Republic of Guinea.
- Produce knowledge on the links between conflicts and natural resources whilst highlighting current practices, identification of risk factors, and tools for risk reduction.

Deepen understanding of the role of natural resources and environmental risk factors in conflicts from the civil society perspective.

## 5. GEOGRAPHIC SITUATION

The Republic of Guinea is located in the West Coast of West Africa bordering Guinea-Bissau and Senegal to the northwest, Mali to the northeast, Côte d'Ivoire to the east, Liberia and Sierra Leone to the south, and the Atlantic Ocean by 346 km West.

Guinea has an area of 245,857 km<sup>2</sup> and lies between the 7th and 13th parallels and the 6th and 15th west meridians.

Guinea has four major natural regions discussed below:

- Lower Guinea is situated in the coastal plains along the Atlantic Ocean and up against the Fouta Djallon massif, where temperatures vary between 21°C and 35°C. Vegetation here is made up of mangroves, palm trees and coconut trees;
- Middle Guinea (Fouta Djallon) is a mountainous region culminating of Mount Loura (1515m), where temperatures vary between 16°C and 30°C. It has a major regional waterway with sources from (the Senegal and Gambia Rivers among others), from which Guinea has its nickname 'reservoir' West Africa water.
- Upper Guinea (Malinké) is a region of wooded savannah where temperatures vary between 20°C and 33°C. The Niger River and its tributaries water, the fragment of the Malinké plateau.
- Forest Guinea (Guinean ridges) is a mountainous region covered with dense forests where temperatures vary between 19°C and 31°C. Mount Nimba rises to 1752m.

### 5.1. POPULATION, ADMINISTRATIVE ORGANISATION AND POLITICAL REGIME

As of 1997, Guinea had a population of 7.2 million residents, majority of who live in rural areas. The principal activities are agriculture, livestock farming and fishing as well as the food trade.

The official language is French, spoken by more than 15% of Guineans complemented by the principal national languages by region, which are:

- In Lower Guinea: Susu
- In Middle Guinea (Fouta Djallon): Fula
- In Upper Guinea: Maninka (Malinké)
- In Forest Guinea: Toma, Kpelle and Kissi

Several religions are practiced in Guinea, of which 85% Muslims, 10% Christians and 5% of other religions.

The country is divided into eight administrative regions: Conakry, Boké, Kindia, Mamou, Labé, Faranah, Kankan, Nzérékoré. The main cities with corresponding population sizes are stated as follows:

- Conakry (population of 1,100,000)
- Kindia (population of 288,000)
- Nzérékoré (population of 283,000)
- Kankan (population of 262,000)
- Labé (population of 250,000)

The political system is a pluralist presidential system. The President of the Republic is elected by direct universal suffrage for a five-year term, renewable once. The National Assembly, including 114 members who are elected by direct universal suffrage for five years. Since the Ouagadougou Peace Agreement, the National Transitional Council still act in the capacity of the National Assembly.

## 5.2. SUMMARY OF FACTS AND FIGURES

INDICATORS	VALUES
Population:	2000: 7,978,121 (INS) 2010: 10,952,700 (INS Estimation) 2012: 11,669,157 (INS Forecast)
Area:	245,857 km <sup>2</sup>
Principal languages and ethnicities:	Languages: French is the official language of the Republic of Guinea, but Guineans speak the languages of their communities: Susu, Fula, Maninka (Malinké), and the languages in the forest areas (Kpelle, Kissi, Tomaare in the majority). Ethnicities: Susu, Maninka, Fula and Forestiers.
Political regime (Presidential/Parliamentary):	Presidential and Parliamentary
President (name and election date):	Alpha Condé: inaugurated on 22 December 2010
General classification on the Ibrahim Index of African Governance (IIAG):	2013: 154th of 176 countries in the world and 40th of 47 Sub-Saharan African countries
Index by IIAG category:	Security and rule of law: 46.8 Participation and human rights: 45.9 Sustainable economic development: 33.5 Human development: 46.7
General classification, in the African Governance Report (AGR):	42nd of 52 African countries
General Classification Transparency International 2012	151st country out of 176
Human Development Index (HDI)	2010: HDI = 0.340 2011: HDI = 0.344 2012: HDI = 0.355



INDICATORS	VALUES
Rate of growth in the principal economic sectors at the end of 2012:	<p><b>Primary sector (3.8%):</b> This sector includes agriculture (being the main component of this sector but which finds itself behind in recent years in spite of various reforms), animal rearing, fishing and forest products and different agricultural crops including: cassava, beans, yams, sorghum, corn, millet and rice.</p> <p><b>Secondary sector (3.5%):</b> This sector includes mines, construction, electricity and water as well as manufacturing. The mining sub-sector represents close to 44.6% of the sector, thanks to two main gold mining companies and therefore drives the sector as a whole. As for the fabric industry, it remains weak and accounts for just 10% of the active population. The construction sub-sector, however, has shown significant growth and remains in the hands of individuals.</p> <p><b>Tertiary sector (3.3%):</b> Growth in the tertiary sector can be credited to the sub-sector of administration with a rate of 1.0%. Transportation and other services remain very weak. The Guinean franc has stabilised slightly thanks to new objectives that are set by the Central Bank and the government. As for tourism, it remains underdeveloped.</p>
Principal natural resources:	<p><b>Mining resources:</b> bauxite (largest proven bauxite deposits in the world), uranium, phosphate, cement, diamonds with reserves estimated at 300 million karats, iron (750 million tonnes and gold (1000 tonnes)</p> <p><b>Other resources:</b> oil, classified forests, very rich in species of fauna and flora; waterways throughout the country (the Niger river that supplies all of West Africa), wood and the most significant West African hydroelectric reserves (6,600 Mw).</p>
Annual rate of GDP growth in 2012:	3.9%

## 5.3. POTENTIAL

The country has extraordinary natural resource potential. These are briefly discussed below: resources:

### 5.3.1. FOOD PROCESSING

- Guinea has been trying to better manage its marine resources since the last decade. The country had a regular upward trend in fishing (more than 200,000 tonnes/year), and has also encouraged opening of national companies. River line fishing also makes a large contribution towards self-sufficiency close to 100,000 tonnes a year that guarantees the population a significant amount of animal protein.
- Although Guinea receives its principal resources from mining, 60% of the Guinean population depends on agricultural activities. The cultivation of corn, cassava, peanuts, rice, millet, cola nut, citrus fruit, tropical fruit and coffee brings in close to 20% of its GDP in spite of a low growth rate in 2012 (0.01%). The arable land is estimated at 7.5 million hectares with cultivable land of 3 million hectares.
- Meat production is estimated at 30,000 tonnes and does not easily cover the demands of the population. An improved framework concerning health monitoring is currently in place and new bovine races are currently being introduced.

### 5.3.2. MINERAL RESOURCES

- Mining continue to be the most active driving force of the country's economy. Guinea-Conakry has the largest proven bauxite deposits in the world (5.6 billion tonnes) with exports of more than 17 million tonnes per year (Cadrag macro-économique, Guinée, 2012). Thanks to a reform program that began in 2005, Guinea exports 550,000 tonnes of aluminium oxide, which could be regarded as an intermediary product. Other mining resources include diamonds, controlled by the state and with reserves estimated at 300 million karats, iron (750 million tonnes), and gold (1000 tonnes). The entire sector accounts for 80% of Guinea's export revenues. (Cadrag macro-économique, 2012).

- One must also note that Guinea has the most significant hydroelectric reserves in all of West Africa (6,600 Mw), which is still not being exploited to its fullest potential. The leaders do not make alternative contingency plan for shortages in the electricity supply that often create socioeconomic disturbances and, to the worse extent, often paralysis economic activities in the capital each time there are strike action in the country.

### **5.3.3. TOURISM**

Tourism in Guinea remains a kind of discovery tourism. This is a sector that is gradually developing. The sector has enormous potential with varied landscapes and preserved cultural heritage. The minimum conditions for attracting tourists have been created. There are roughly 2000 beds in acceptable hotels. Means of transportation and road infrastructure are poor, although they could be improved upon to encourage people to travel to the country sides.

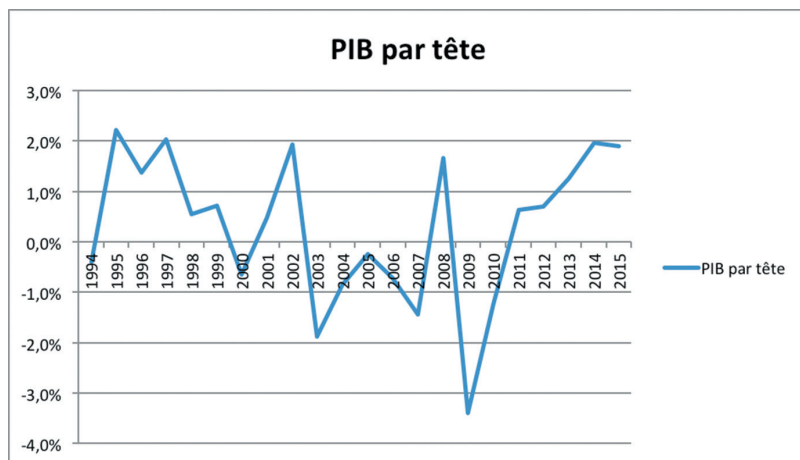
### **5.3.4. OTHER ECONOMIC POTENTIAL IN GUINEA**

- Artisanal production occupies an important sector that engages an active Guinean population that wins the essential part of its revenues from this activity. The value added by this sector is close to 45% of GDP, arts and crafts therefore account for more than 200,000 jobs (Plan Quinquenal, Guinée, 2011).
- Artisanal objects dependent on tourism for their development and are above all represented by wooden sculptures.
- Trade and services continue to be the most important engine of the economy at 40% of GDP (Plan quinquenal Guinée, 2011). The growing potential of domestic markets (for food, cigarettes, sparkling drinks, etc.) attracts investors as they are also attracted by telecommunications, transportation and services in general. However, the lack of qualified employees slows down expansion in a formal framework.
- The most important investments are concentrated to the food industry, restaurants, soda, flourmills and even bouillon cubes, followed by construction materials, tobacco and metal transformation. Industrial companies coexist with a small SME sector. The large majority of these enterprises, 80%, are in the capital city (Conakry). They are almost exclusively focused on the domestic market and make almost no contribution to exports.

## 6. ECONOMIC PERFORMANCE

Guinea has not fulfilled its economic potential since independence. Its natural resource endowment is expected to stimulate strong and sustainable economic development. However, economic development was intercepted by international isolation.<sup>4</sup> As a result, the gap between per capita income in Guinea and Sub-Saharan Africa has almost doubled since 1995. Since the 2010 Presidential elections, the country's economy has improved considerably thanks to concession and taxes paid by mining companies to the government, but also the removal of some economic sanctions by Breton Woods institutions (Rapport Economique et Financier, Ministère de l'Economie et des Finances, 2013).

**Graph 1: Rate of GDP per capita growth from 1994 to 2015<sup>5</sup>**



**Source: Data from the Ministry of Finance and Economic Planning**

<sup>4</sup> A low level of domestic funds and competencies as well as governance problems.

<sup>5</sup> With estimates for 2013 to 2015.

## 7. ANALYSIS OF POVERTY AND HUMAN DEVELOPMENT INDICATORS

Poverty could be described as a situation where an individual is lacking resources to live on with dignity in a given context and society (Sen, 1999). Insufficient resources affect food, access to drinking water, clothing, accommodation and living conditions in general (monetary poverty)(Sen, 1999). But an intangible lack of resources such as access to education, engagement in a productive activity, respect for citizens or personal development are other existing contributing factors (non-monetary poverty) (Rowntree 1901)<sup>6</sup>.

Monetary poverty concerns individuals whose standard of living is judged to be inferior to a minimum defined by the poverty line. The methodology adopted to understand this type of poverty integrates two fundamental elements: the standard of living aggregate and the poverty line. In the monetary approach, the indicator of well-being is based on consumption (DSRP, 2013). The poverty line is set at 3,217,305 GND per capita based on 2012 prices or close to 8815 GNF per person per day (DSRP, 2013). This level was determined from a 2002/2003 study and updated in 2007 and 2012<sup>7</sup> to take inflation into account.

According to data from the Poverty Reduction Strategy Paper (in French, Enquêtes Légères pour l'Evaluation de la Pauvreté, ELEP) conducted in 2007 and 2012 by the National Statistical Institute (l'Institut National de la Statistique, INS), the level of poverty nationally went from 53% in 2007 to 55.2% in 2012 with an increase of 2.2 percentage. Conversely, the severity and the degree of poverty have become more intense between these two periods, going from 17.6% to 18.4% and from 8.2% to 8.4% (DSRP, 2013) respectively. In addition, poverty is worsening and more deep-seated in rural areas than in urban areas.

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<sup>6</sup>

<sup>7</sup> See the IMF Report "Guinea: Poverty Reduction Strategy Paper" July 2013.

Non-monetary poverty takes certain number of factors into account that are not financial such as health and nutrition, education and training, social protection, justice and gender equality, employment and culture that affect the well-being of households.

In spite of these efforts, the level of human development in Guinea is largely below the average of Sub-Saharan African countries in spite of the enormous natural resource potential of the country (0.344 in 2011 as compared to 0.463 according to data from the 2011 Human Development Report from UNDP) (UNDP, 2013).

In spite of a slight increase in the indicator between 2010 and 2012 (0.340 and 0.355 respectively), the country still remains among low human development countries, which puts an absolute priority on social sectors (education and health notably).

## 8. METHODOLOGY AND APPROACHES THE STUDY

The approach adopted leading to the development of this report can be broken down into four steps:

- The definition of priorities and challenges in the framework;
- The assessment of the legal framework in terms of priorities for the study based on different codes and conventions related to good natural resource management (national, regional and international), to which the Republic of Guinea has adhered;
- The assessment of different mining zones in adherence to the terms of reference of the study vis-à-vis Corporate Social and Environmental Responsibility;
- The analysis of priorities during information collection

These four steps were realised:

- First of all, through desk review, visits and exchanges with managers of targeted institutions, web research, well as formal and informal interviews (we met with the National Confederation of Workers of Guinea, few civil society representatives, national authorities responsible for mining and several specialists on mining program).
- Secondly, through field visits with different mining companies with those particularly responsible for public relations, community and safety services, prefectural and sub-prefectural authorities, community stakeholders and presidents of different youth associations in all targeted localities.

Following a two-page questionnaire, we worked on two categories of surveys with consideration to the realities in the field:

- Questionnaire were administered with individual (one person per questionnaires);
- Focus Group Discussions were held (with several people were interviewed at the same time), including youth associations from villages hosting mining companies.<sup>8</sup>

In total 200 individuals were interviewed as follows:

- Siguiri area: 50 individuals
- Dinguiraye area: 30 individuals
- Kindia area: 30 individuals
- Kamsar area: 50 individuals
- Fria area: 40 individuals

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<sup>8</sup> Survey form developed by the consultant following the study objectives.

## 9. REVIEW OF THE DIFFERENT MINING CODES

Guinea is a fragile country with considerable risk factors that often leads to political, economic and social instability. Recent political upsets have led to donor concentration to humanitarian aid and support programs for democratic processes and governance.

Historically, mining codes have existed for more than a century in most countries (France: the Law of 21 April 1810 concerning mines and quarries; Argentina: 1887 Mining Code). Their conceptualization evidently reflects very precise historical and differentiated circumstances that depend primarily on available resources and the geopolitics of the region: importing and exporting countries or the context of colonization etc.

Codes and regulations in the mining sector have also undergone major changes in the last decades. A recent World Bank publication estimated that in the last 20 years, more than 110 countries have replaced or considerably modified their mining laws in response to the increased competition for foreign direct investment and pressure from main donors (Otto et al., 2006). In Africa, 30 states have adopted new laws between 1990 and 2000 (Hetherington, 2000) and more political changes have taken place in the last decade (Campbell, 2009). A large number of these reforms have aimed at attracting more foreign direct investments through a reduction of regulations, social policies and liberalized work and tax and property regimes that is more favourable to the private sector (Campbell, 2004; 2009)<sup>9</sup>.

According to the United Nations Conference on Trade and Development (UNCTAD 1995):

*During this period, a deteriorating financial situation forced a number of countries to reconsider the role of the state. State-owned enterprises, including in the mineral sector, have been privatized, inter alia to reduce fiscal deficit (Campbell, 2010).*

<sup>9</sup> See H. Besada, and P. Martin, « Les Codes miniers en Afrique : la montée d'une « quatrième » génération » May 2013.



It was in response to the considerable drop in mining revenues in the 1980s and 1990s that Guinea under the auspices of the World Bank and as part of a “rescue plan” that it undertook a significant review of mining laws, particularly the introduction of a new mining code in June 1995.

These reforms involved major liberalisation of policies and were presented as a means to provide new incentives to attract foreign investors. They also included regulatory reform for employment conditions and repatriation of profits. According to the advocate of these policies, they have to allow a substantial increase in quantity of bauxite and aluminium oxide produced and rapid growth in the mining of gold and diamonds in the course of the following decade.

The new laws also granted the sector and new private operators that were increasingly responsible for its renewal, a determining role in the development strategies of the country.

Mining reforms undertaken by Guinea contributed to attracting investments and to the arrival of foreign mining companies. As of the first year of the adoption of the mining code, the gold sector saw significant changes as much in terms of the intensity of production as in the composition of the companies themselves (the arrival of Société Aurifère de Guinée or SAG and Société Minière de Dinguiraye or SMD in 1995).

In addition, as of 2002, the development of the mining sector in Guinea was considered a key factor in the poverty reduction strategy in the country, particularly by helping to pursue the four objectives:

- Stimulate economic growth in Guinea with the operationalisation of large projects;
- Assist the development of basic services by contributing revenues to the central government, local community budgets and direct actions in the field;
- Helping to reduce unemployment, in particular for young graduates; and
- Increasing currency reserves in Guinea (République de Guinée 2002: 79).

Close to a decade after the adoption of reforms aiming to liberalize the mining sector, it was recognized that these reforms of the mining sector have not succeeded in producing the expected positive contribution towards the national economy (World Bank 2004: 10 and WTO, 2005: 9).

From 2002, the country entered a recession with a considerable increase in poverty. In addition, in January 2007, the degree of poverty and exasperation experienced by the Guinean population led to a very significant social mobilisation, launched and led by two important unions, the Union of Guinean Workers (l'Union des travailleurs de Guinée) and the National Confederation of Guinean Workers (la Confédération nationale des Travailleurs de Guinée). During this popular uprising, President Conté responded with a violent repression by the police and the Guinean armed forces. For the first time in the history of the country, a popular movement threatened the regime and paralyzed state activities. The confrontation led to an agreement, with a large consensus, between unions and the government that included the appointment of a new Prime Minister.

Among the changes that took place in April 2007, mining agreements signed by government and foreign companies were re-examined. After the death of President Conté in December 2008 that resulted to coup d'état, Guinea entered into a democratic transitional phase with a military junta in power. Two years after the coup d'état, the country managed to organize, under the auspices of the international community and for the first time in its history, a democratic election qualified as free and transparent, and accepted by all was conducted. The newly elected President was inaugurated in December 2010. One of the challenges with which the new government of the third republic was confronted was the review of all mining contracts as well as the adoption of a new mining code. In September 2011, the country adopted the new mining code for the following reasons:

- The proper management of land titles;
- To guarantee the principle of transparency against corruption;
- To establish a new measure towards environmental protection;
- To increase the use profits from mining activities towards the development of population and the Guinean economy;
- To collect the full payment of taxes on turnover; and
- To lead significant increase in state revenues

## 9.1. Economic Dimensions

In this section, one was able to successively analyse subsurface royalties, taxes on mining substances, taxes on profits and other taxes as well as customs duties.

**Table 2: Comparison of tax and customs regimes**

Type of contribution	1995 Mining Code	2011 Mining Code
<b>Subsurface royalties</b> - Prospection License; - Industrial mining License; - Mining concession.		10 USD/km <sup>2</sup> 75 USD/km <sup>2</sup> 150 USD/km
<b>Taxes on mining substances</b> - Iron ore of standard contents; - Standard bauxite containing 50%Al <sub>2</sub> O <sub>3</sub> - Aluminium oxide - Precious metals: Silver, gold, - Raw diamonds: tax on industrial production	3.5% 10% 5% 5% 5-10%	1.5% tariff unit (Mt) 0.55% tariff unit (Mt) 1.0% tariff unit (Mt) 5.0% tariff unit (Oz) 2.0% tariff unit (Kt)
<b>Taxes on profits and other sources</b> - Industrial and trade profits (BIC ou Bénéfices Industriels et commerciaux) - VAT - Flat-rate salary tax	35%  6%	35%  18% 6%
Exceptional tax on expatriate pay	10%	-
<b>Customs duties</b> - Import of equipment for transformation on location - Import of extraction equipment	0% 5.6%	6% (single rate) 8% (single rate)

Mt: Metric tonne; Oz: Troy ounce = 31.103477g; Ct: karat = 0.20519655 Source: 1995 and 2011 Mining Codes

Article 9 of the code is dedicated to the management of the mining sector assured by both centralised and decentralised services and structures that form the mining administration, these include:

1. National Directorate of Geology
2. National Directorate of Mines
3. National Office for Expert on Diamonds, Gold and other Precious Materials (Bureau National d'Expertise des Diamants, Or et autres Matières Précieuses, BNE)
4. Centre for Mining Promotion and Development (Centre de Promotion et de Développement Miniers, CPDM)
5. The Strategy and Research Office (Bureau d'Etude et de Stratégie, BES)
6. The Antifraud Office for Precious Metals
7. The Guinean Company of Mining Assets (La Société Guinéenne de Patrimoine Minier, SOGUIPAMI).

The attributes, composition, organization and functioning of the said services are set in decree by the President of the Republic.

The application of the new code is therefore on prospecting, research, exploitation, transportation and commercialization of mineral substances extracted in industrial and artisanal mines and quarries. The code defines, in addition, administrative, financial and criminal sanctions that can be applied by the state in the case of a violation of mining regulations and code: the development of the territory is done in partnership with the private sector. Mechanisms that lead to the research, prospection and exploitation of mines require significant financial means that can be found thanks to the support of private companies.

The code presents certain number of principles of which the most important are the following: the reaffirmation of the state as owner of the soil and subsoil (Article 3) and therefore of mineral substances to be found therein and, at the same time, the recognition of the right of ownership of products from extraction in favour of the holders of a mining license. The latter principle is essential in order to attract foreign investors. Artisanal mining is reserved for nationals (Article 53). In order to "compensate" for the significance of investments required by foreign companies, the code defines advantages and tax breaks. Companies undergoing prospection are exonerated from diverse taxes, the VAT in particular. Companies that are at the mining phases benefit from tax exoneration on revenues during three years starting with their first year of mining (Chapter 5 of the code).

An element that is also of importance is the introduction of the new code, including a chapter on transparency and the fight against corruption in the mining sector where it is specified that “any natural or legal person possessing a mining permit must sign, with the Minister in charge of mines, a Code of Good Conduct specifying at a minimum:

- Their commitment to/and respect for Guinean laws including the dispositions of the present Code relative to the forbidding of payments of bribes by companies;
- Their cooperation with the Guinean Government or Parliament in any inquiry of presumed violations in the dispositions of the present Code relative to the forbidding of payment of bribes by companies;
- Their commitment to respect the twelve principles of the Extractive Industries Transparency Initiative (EITI)

Likewise, the non-signature of such a Code of Good Conduct will bring about the exclusion of the natural or legal person from any granting of a mining permit” (Article 155). So far, the new code seems to confirm the hypothesis of disengagement of the state since it is limited to a role of promoter and regulator of the mining sector.

## **9.2. Socioeconomic and Environmental Dimensions**

### ***9.2.1. SOCIOECONOMIC POLICIES FAVOURABLE TO LOCAL POPULATIONS***

The impact of liberalisation of the mining sector can be understood when compares social policies contained in the previous and new mining codes. Concerning employment, it is stated in the 1995 law that any holder of a mining permit must establish a program for training and for increased involvement of Guineans at all levels. In the new code however, the legislative framework sets a “minimal quota of Guinean employees by phases as per the evolution of the project and/or by period of exploitation by the company. It is also stated that the non-respect of the present quotas will cause the holder of the mining license to receive a financial sanction whose amounts and modalities of payment will be defined in an implementing text” (Article 108).

Companies are held to develop a development agreement with the local community residing on or in immediate proximity of the mining area or on its mining concession. The aim of this agreement is to create conditions necessary for the effective and transparent management of its contribution to local development paid by the holder of mining license, with serious consideration to the capacity building of local communities in the planning and implementation of their community development programs (Article 130). The Code also stipulates that the holders of a mining license to pay compensation for any damage or the disturbance experienced by legitimate occupants of the land.

The new code puts forward a logic of redistribution based on a transfer of funds towards decentralized institutions by encouraging taxation that takes account of the sharing of profits with local communities: 80% of revenues go to the national budget, 15% to the direct support of the local budget and all local authorities across the country, whilst 5% is allocated to mining investment funds.

In addition, "the contribution by the holders of mining license to local community development is set at one and half of one per cent (0.5%) of the turnover of the company earned with the mining license in the zone for mining substances of Category 1 and one per cent (1%) for other mining substances. The Local Development Funds (Fonds de Développement Local, FDL) will be financed by these contributions from the holders of the mining license as of the first year of mining" (Article 130).

### **9.3. Environmental Protection and Social Policy**

In the environmental domain, the new code integrates a chapter dedicated to diverse environmental policies, prior to the establishment of any mining activity, while the environmental dimension was almost absent from the earlier code. These policies represent significant advance in the search for guarantees to ensure that mining contributes towards sustainable development of country.

The Code imposes some obligations in relation to environmental protection on the holder of a mining right. Thus:

*Any extractive operation must be subject to a detailed environmental and social impact study, accompanied by an Environmental and Social Management Plan, risks assessment, a Hygiene, Health and Safety Plan as well as a Population Resettlement Plan" (Article 142).*

The Article also stipulates that the techniques and methods used must protect the environment, the safety of workers and of local populations in conformity with the environmental code and international best practices.

These measures aim to control and minimize the negative impacts of mining on the environment. These are in line with support from funding agencies, the government and companies to meet environmental standards in the sector, with consideration given to the negative consequences of mining activities on the environment and population: toxic discharge, deforestation, water, air and soil pollution, degradation of ecosystems etc.

The new Code is therefore in line with new international standards, thereby incorporating sectorial, social and environmental policies to avoid degradation or to improve the living standard of local population.

The milestones of social responsibility for development partners are therefore laid down. Nonetheless, one need to see the extent to which mining companies will agree to these new regulations; which authority responsible for defining indicators or compliance monitoring will use to ensure that mining companies truly contribute towards the improvement of the well-being of local populations.

Several questions could be asked regarding the impact of these new environmental policies including the following:

1. To what extent companies are encouraged to comply with the new social and environmental standards?
2. Which mechanisms will help to ensure that companies respect their environmental plans and safety measures, principally in the most isolated mining zones?
3. What are the possible solutions available to the state that requires companies to respect these multiple environmental and social policies, without entering into legal battles that could tarnish the principles of openness that the country is currently fostering?

## 9.4. Exploitation of Natural Resources and the Threats to Human Security

Respect for human rights and fundamental freedoms are part of the main features of a democratic society. However, MNE activities in rural areas are increasingly causing social conflicts and cycles of violence leading to abuse and violations of human rights. The OECD guiding principles (2011) stipulates that multinational companies and enterprises should:

- Respect human rights, which mean they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.
- Within the context of their own activities, avoid causing or contributing to adverse human rights impacts and address such impacts when they occur.
- Seek ways to prevent or mitigate adverse human rights impacts that are directly linked to their business operations, products or services by a business relationship, even if they do not contribute to those impacts.
- Have a policy commitment to respect human rights.
- Carry out human rights due diligence as appropriate to their size, the nature and context of operations and the severity of the risks of adverse human rights impacts.
- Provide for or co-operate through legitimate processes in the remediation of adverse human rights impacts where they identify that they have caused or contributed to these impacts.

Mining in Guinea leaves significant marks on the environment and pose a threat to human security (see table below).



**Table 3: violation of human rights and threats to human security in Guinean mining projects**

Environmental Pollution and its Impact on Public Health	<p>The extraction methods have been particularly harmful with grave consequences to the environment. It emerged in the study that, the use of cyanide by the Ashanti Goldfield Siguiri which is one of the most toxic products in the history of mining and other toxic chemicals in other mines in Guinea, as well as tons of dust in the atmosphere is transforming the whole community into yellow colour thereby causing diseases such as colds and other lung diseases.</p> <p>Owing to unethical mining practices, the water quality of rivers and streams closer to the mines are no longer adequate for human consumption. Likewise, metals contents are discharged in the stream and water resulting to the contamination of the water. This was observed in a village in close proximity with Bauxite mining site in Kindia (CBK). The people continue to complain about such unethical business behaviours, as the streams are their only source of survival.</p>
The Draining of Wetlands	<p>The extraction methods have transformed portable drinking water to a very smelly and tasty one. This is particularly evident in the gold zone BOURE (Balatou, Tintigna, Boukaria) in the region of Siguiri. In this area, out of 600 water wells that existed in 1995, approximately only 200 wells are functional today. Similar situation exist in Dinguiraye where the Mining Society Dinguiraye (SMD) operates. Meanwhile, these areas are classified at the hottest district in the whole of Guinea, with warm climate and grassland vegetation.</p>
Displacement and Destruction of Livestock	<p>Owing to the installation of extraction and / or infrastructure of the treatment plant sites, villages are being displaced or worsen destruction in Upper Guinea, where agriculture and livestock are endangered because of the scarcity of fertile land.<sup>10</sup> In Kindia, the mining of bauxite has already cause destruction of hundred acres of forest thereby threatening land used for palm crops and livestock.</p>

<sup>10</sup> Voir les images dans les Annexes

Environment Destruction	The installation of mining site has serious impact on the beliefs, values and the wellbeing of the society. The indigenous people are deprived of places of worship (mountains, where they go to worship and perform rituals, while youths who could pass on these beliefs to the next generation are more interested in employment in the mines and are less interested in cultural practices). In the Upper Guinea in particular, the study revealed that only one out of ten youths is interested in learning about fetishism, which happened to be the oldest belief system in this area. The threat also affects biodiversity of the locality. Wild animals are very rare because of mines and blasting sounds of heavy machinery and dynamites.
The Criminalization of Opponents, Militarization in Mining Sites and Other Means of Exerting Pressure Against Local Population	One was able to observe constant harassment, violence, corruption, and the use of paramilitary officers in mining areas to suppress the opposition by indigenous people for different issues; sometimes in bitter disputes owing to the advantages and disadvantages of mining. This was particularly observed between the Ashanti Goldfield and youths in Tintigna District in Siguiri, where new site was installed near the village. The actions are mostly suppressed by the security forces recruited by the companies against the local populations.
The Arrival of Foreign Workers in Mining Communities in Search of Employment has Serious Impact on Development, Economic Problems, Public Health, Prostitution and Violence	It emerged that the installation of mining companies attract job seekers from other parts of the country, and from the neighbouring countries across West Africa, which poses serious social consequences such as prostitution, displacement and delinquency because of the growing number of bars and night clubs, as well as high cost of living. Also, the very high rate of alcoholic consumption and drug abuse contribute to lower life expectancy of people in the locality. Besides the toxic chemicals that pollute the atmosphere, increase in sexually transmitted diseases also reduce life expectancy of people living in these areas.
Ignorance of Worker Rights	With over 60% of the illiterate population in the Republic of Guinea, the rights of workers union remain largely unknown, especially in remote areas where working conditions are mostly disastrous for indigenous people working on sites.

## **Balato, a village in Siguiri District surrounded by a mining site.**



These issues constitute serious violations of human rights and undermine human security in all its forms (economic, health, environmental and political). However, despite the multiple human rights violations perpetrated with serious human security implication in all mining areas, it should be noted that Guinea has never experienced armed conflicts or dispute emerging from the mining areas.

This situation can be explained by the fact that Guineans knows very little about how to claim their rights regarding mining operations (strike actions are not concise or well organized). On the other hand, the involvement of intellectuals is very low.<sup>11</sup> It should also be noted that the civil society efforts and the various trade union structures in the context of compliance of mining agreements to limit human rights abuses and violations are still insignificantly compared to expectations. It is in this sense that «most of the claims in the mining areas are organized in most cases by the peasant consisting mostly of illiterates.»<sup>12</sup>

With respect to the role of technical and financial partners (TFP) such as China, the European Union, the United States, it should be noted that its TFP combine commendable efforts in the area of conflict resolution, offering measures ranging from training to the reorientation of youth to income generating activities that are not specifically related to mining. But also organize awareness raising campaigns in relation to respect for human rights and the protection of the environment.<sup>13</sup>

<sup>11</sup> C'est une perte de temps répondent-ils lorsque nous leur avons posés ces questions.

<sup>12</sup> Nous a rapporté le chargé des relations communautaires et celui de la sécurité de Ashanti Godfield de Siguiri et de la Societe Minière de Dinguiraye.

<sup>13</sup> C'est une perte de temps répondent-ils lorsque nous leur avons posés ces questions.

## 10. ANALYSIS OF THE RESULTS OF THE FIELD SURVEY

The data presented below explained the results of the face-to-face interviews undertaken in the different target zones during the study. The aimed at measuring the popular perception of respondents vis-à-vis detail opinions on poor governance of natural resources in Guinea. To do so, one was able to interview 200 people including questionnaires administered. In tracking respondents' opinions, questions related to educational level, socio-professional category, conflict factors, environmental factors and others were embedded in questionnaires administered and semi-structure interviews.<sup>14</sup>

**Table 3: Number of subjects interviewed and languages used for the survey**

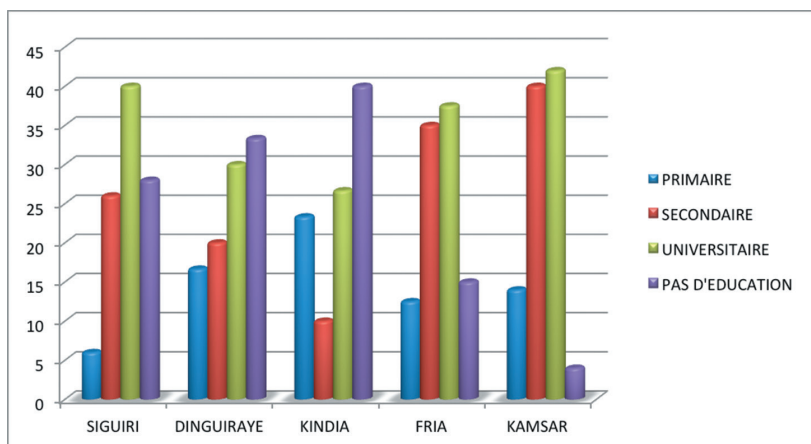
Language	Number of subjects interviewed	Percentage
French	156	78%
Local languages	44	22%

### 10.1. Educational level

In total, 27 individuals were interviewed with a primary level of schooling, 56 had gone to secondary school, whilst 73 had a university level of education. A total of 44 out of the 200 individuals in the sample had no level of education whatsoever.<sup>15</sup> The individuals with a university level of education is a good sign explaining the reliability of results, since these individuals are better equipped to explain problems linked to natural resource exploitation, at least in their respective. The graph below shows educational levels by study area.

<sup>14</sup> For more details, see the questionnaire in the annexes.

<sup>15</sup> This level is, in large part, made up of farmers who are often the most affected by the negative externalities of extractive companies.



**Source : Face-to-Face survey by the consultant, Guinea 2013**

However, the Kamsar and Fria areas show the highest levels of studies, 40% and 42%; 35% and 37.5% of individuals having secondary or university-level education. This performance can be explained by the fact that these areas are made up of mine workers and bureaucrats, whose main activities are in the mine offices and administrative positions. Whereas Kindia and Dinguiraye shows the lowest levels of secondary and university levels as follows: 10% and 26.66% for the former; and 30% and 20% for the latter respectively.

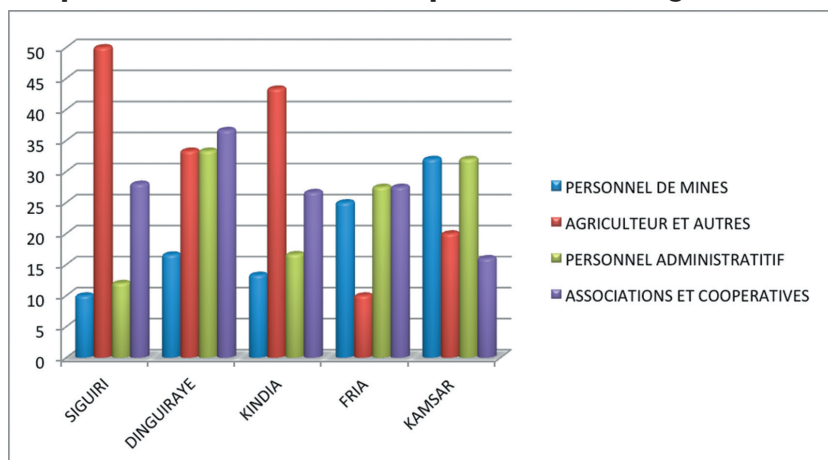
## 10.2. Socio-professional Category

Concerning the socio-professional categorisation, we have highlighted the following:

- **Mining personnel** including 39 individuals out of 200 in the sample provided information from services responsible for community issues since these services are directly targeting communities not only in order to find solutions to different conflicts against companies but to also collect information concerning community needs;
- **Farmers and related workers:**<sup>16</sup> 62 individuals out of the sample of 200 were interviewed. This group was regarded as the most affected due to negative externalities linked to the mining operations.

- **Administrative personnel** representing the state in the local areas are workers in the districts and district-headquarters. They are often working on issues concerning conflicts, demands of local people and employees, but also the contracts with different companies in order to monitor mining companies' compliance to regulations.
- **Associations and cooperatives** are essentially made up of youths from the local areas that were fortunate to have attended French schools. They are generally motivated by the realities of other areas or even countries to put their own situation in perspective in order to formalize a development model for their areas.

**Graph 3: Distribution of socio-professional categories**



**Source : Face-to-Face survey by the consultant, Guinea 2013**

The graph explains that the highest rate of participation from mining personnel was recorded in the Kamsar zone with 32% followed by Fria at 25%. This situation can be explained by the fact that these companies are accustomed to studies. On the other hand, the Siguiri and Kindia zones recorded the lowest rate of participation by 10% and 13.3% respectively, which shows the level of mistrust of workers in these areas.

<sup>16</sup> Miners working in the informal sector and small craftsmen.

Sigüiri with 50% and Kindia with 43.33% had the highest participation of farmers and related workers in the study. This can be explained by the recurrence of problems. Fria at 10% and Kamsar at 20% recorded the lowest levels because these areas are almost 100% mining zones; mining is the main activity in these cities where agriculture becomes the last resort.

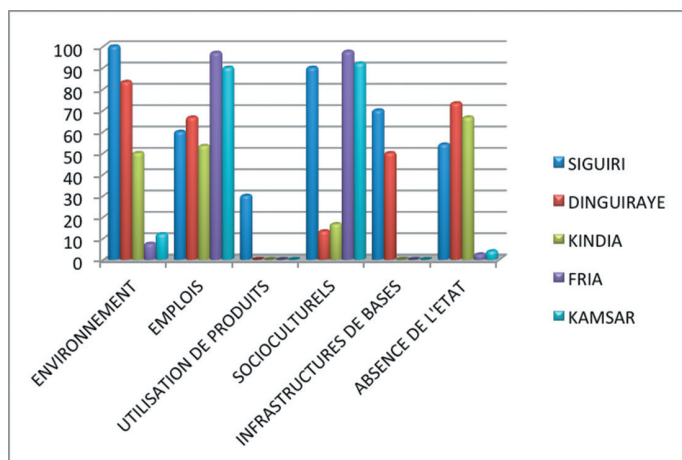
As for administrative personnel, the highest participation rates were recorded in Kamsar with 32%, Dingiraye at 33.35% and Fria slightly behind at 27.7%. Sigüiri and Kindia recorded the lowest participation rates in this area.

Overall, associations and cooperatives made efforts to respond to the questionnaires. Dingiraye recorded the highest rate at 36.66% and Kamsar the lowest at 16%.

### 10.3. Causes of Conflict

Number of elements was pre-defined to clearly explain the following: including the environment<sup>17</sup>, employment, the use of chemicals, socio-cultural relationships, basic infrastructure and the absence of the state.

**Graph 4: Distribution of conflict causes**



**Source: Face-to-Face survey by the consultant, Guinea 2013**

#### 10.3.1. ENVIRONMENT

It emerged in the study that 83% of respondents in the Siguiri area, Dinguiraye, 50%, Kindia, 12%, Kamsar and 7.5% in Fria cited the environment as a source of conflict. The high percent of respondents in Siguiri and Dinguiraye can be explained by the local people's attachment to land, vegetation, climate and habitat.

<sup>17</sup> This subject will be treated in-depth in the next section.



### **10.3.2. EMPLOYMENT**

On average, employment problem exist everywhere though Fria zone scored the highest percentage with 97% of respondents mentioning employment as a source of conflict. The justifications are as follows:

- The selection conditions are not transparent (hiring through friendship or affinity) thereby creating frustration that often end up leading to strong demands. In Siguiri, steps must be taken because a possible intra-community conflict is possible.<sup>18</sup>
- Similar situation were identified in Dinguiraye.

### **10.3.3. USE OF CHEMICALS**

On questions related to the use of chemicals, only the result acquired from Siguiri shows (30%). The respondents mentioned the use of cyanide, which is a highly toxic component that causes overflows into rivers and swamps during the raining season, thereby resulting to enormous loss of human and animal lives (cattle, fish, crustaceans etc.).

### **10.3.4. SOCIO-CULTURAL FACTORS**

The result shows that 90% of the respondents agreed that social-cultural factors cause more problems. The respondents argue that the presence of companies does not only increases alcoholism and prostitution, but also criminality in general owing to the increase number of entertaining centres (such as dancing clubs, bars and hotels).

### **10.3.5. BASIC INFRASTRUCTURE**

Only respondents in Siguiri and Dinguiraye mentioned the establishment of basic infrastructure (at 70% and 58%). Respondents are cautious of their rights to benefit from basic infrastructural development. Therefore, they ask for the construction of public buildings, electricity and water supply networks. However, the companies replied that these claims are included in the payments made to the administrative authority at the District Headquarter in their agreement.

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<sup>18</sup> The youth of Bouré demand more attention in recruiting, given that Bouré is part of the Siguiri prefecture. This has started to make rumours circulate in Siguiri.

### **10.3.6. ABSENCE OF THE STATE**

The result shows 73.33% in Dinguiraye, 66.66% in Kindia and 54% in Fria thus explains conspicuous absence of state structure or representatives in the industrial zones to monitor mining companies' compliance to contractual agreements and regulations.

### **10.3.7. ENVIRONMENTAL FACTORS**

Being one of the factors cited to explain poor natural resource governance, particular attention was paid to environmental factor. To do so, we breakdown the environment into several elements (vegetation, habitat, traffic accidents, availability of cultivable lands, and climate).

### **10.3.8. VEGETATION**

According to the graph below, vegetation was the most mentioned in the Upper Guinea (Siguiri and Dinguiraye), than in the Lower Guinea, 86% in Siguiri and 76.66% in Dinguiraye. In these areas, deforestation from mining (in the new sites) does not only brings about a reduction in wild animals, but also affects plants for domesticated animals. Reforestation programs in mining contracts are lightly regarded. Certain mines do not reforest under the pretext that future logging would take place.

### **10.3.9. HABITAT**

The habitat is threatened not only by the proximity of mining sites that are only 50 meters away from huts in certain villages (Tintingna and Balato in the Bouré district), but deforestation today brings drought to these areas (out of 600 wells in 1995 only 200 are working today). This situation drove the population to revolts against the company in several ways.

### **10.3.10. TRAFFIC ACCIDENTS**

Mining sites are found between villages while the roads linking villages to mines and nearby cities are not paved. This situation brings about major traffic accidents that often lead to very tense situations.

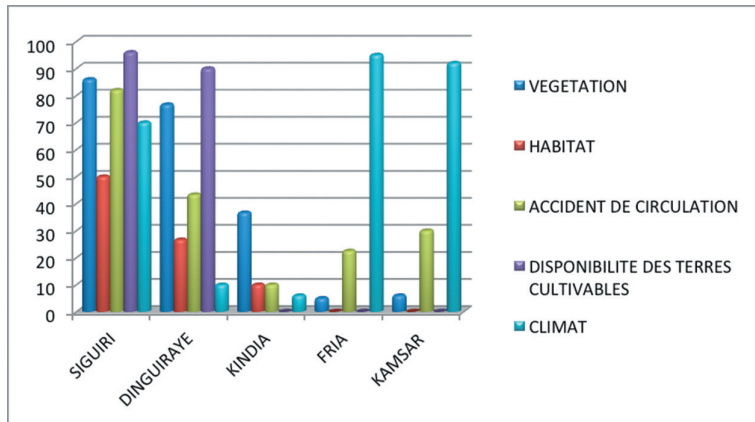
### 10.3.11. AVAILABILITY OF CULTIVABLE LAND

Local population loses more cultivable land over time. According to respondents, the lands are purchased from the local people. However, the latter hold on to the opinion that only planted trees are counted and purchased at set prices by the companies themselves. Only the Siguri and Dinguiraye surveys were interested in this subject matter with 96% and 90% responses respectively.

### 10.3.12. CLIMATE

From the observation, it is clear that the climate is not in good shape. The drought is in full swing whilst this situation is causing the advance of the desert. Diseases such as colds, headaches and malaria are frequent. All respondents were interested in this question with the highest percentage being recorded in Fria at 95% and Kamsar at 92%. These two areas were the most affected.

**Graph 5: Distribution of environmental factors**



**Source : Enquête face à face du consultant Guinée 2013.**  
**Face-to-Face survey by the consultant, Guinea 2013**

## 11. CONCLUSION

National resource governance constitutes serious violations of human rights and undermining human security in all its forms (economic, health, environmental, political...) are being thoroughly discussed. However, despite the multiple human rights violations and human rights abuses with serious human security implication to varying degrees in all mining areas, it should be noted that Guinea has never experienced armed conflicts erupting from its extractive industry. This situation can be explained by the fact that Guinea knows very little about how to claim their rights from mining companies. It should also be noted that, civil society efforts and the various trade union structures expected to advocate for compliance are still insignificant as compared to the degree of violations and abuses residents of mining communities are experiencing on a daily basis.

With reference to the role of technical and financial partners (TFP) such as China, the European Union, the United States ... it should be noted that its TFP combine commendable efforts in the direction of conflict resolution, offering measures ranging from training to the reorientation of youth to income generating activities not related to mines. But also organize awareness raising campaigns towards respect for human rights and the preservation of the environment.

## 12. RECOMMENDATIONS

- Multiple Consultations:** With respect to international best practices, the government must consult with indigenous peoples before approving any action that may have a direct impact on their lives in compliance with rights of indigenous people and territories as stipulated in (UN Declaration on the Rights of Indigenous Peoples, Article 19 and 2 of Article 32;.. Convention No. 169, Article 6 and 15). These consultations should be carried out under the conditions set by international standards, which has been analysed and recommended by the Special Rapporteur on the rights of indigenous peoples and, in some cases, include the consent of the indigenous peoples affected. In this case, when the state grants a concession to a company, regardless of the legal regime, it requires consulting indigenous people in the early stages of the project.
- Building Strong Institutions, Transparent and Inclusive:** We must not only protect the land against mining companies, because it does not only leads to recourse to justice, but to also create a network of militant organizations mastering new technologies that can lobby state actors to help monitor the activities of multinationals and communicate evidence related to unethical mining practices. International bodies should open their doors to testimony and the investigation to human rights violations and abuses perpetrated against indigenous peoples by the government and multinational corporations.
- Create Spaces for Dialogue:** It is vital to create spaces for dialogue to address the lack of specific public space, and verbal interface between mining companies and indigenous peoples. Creating a space for negotiation type green washing, which is a form of marketing approach to give a lasting image, ecologist and a responsible company, could help to bring indigenous concerns to the forefront. Such agreements should therefore be intended to repair damage in terms of reducing environmental and social impacts, economic benefits thereby ensuring the sustainability of resource management not only in the long term, but also compensation for moral prejudice, the recognition of a right to consent and consultation. This dimension is essential because it also couples with the compensation for damages suffered whether reconstitution of the destroyed environment (eg reforestation) or financing of moral harm of infringement rights.

## ANNEX 1

### DISTRIBUTION OF EDUCATIONAL LEVEL IN 200 SURVEYS

	SIGUIRI	DINGUIRAYE	KINDIA	FRIA	KAMSAR
<b>PRIMARY</b>	6%	16.66%	23.33%	12.5%	14%
<b>SECONDARY</b>	26%	20%	10%	35%	40%
<b>UNIVERSITY</b>	40%	30%	26.66%	37.5%	42%
<b>NO EDUCATION</b>	28%	33.33%	40%	15%	4%

## ANNEX 2

### DISTRIBUTION OF SOCIOPROFESSIONAL CATEGORIES

	SIGUIRI	DINGUIRAYE	KINDIA	FRIA	KAMSAR
<b>MINING PERSONNEL</b>	10%	16.6%	13.33%	25%	32%
<b>FARMERAND RELATED</b>	50%	33.33%	43.33%	10%	20%
<b>ADMINISTRATIVE PERSONNEL</b>	12%	33.33%	16.66%	27.5%	32%
<b>ASSOCIATIONS AND COOPERATIVES</b>	28%	36.66%	26.66%	27.5%	16%

## ANNEX 3

### DISTRIBUTION OF CONFLICT CAUSES

	SIGUIRI	DINGUIRAYE	KINDIA	FRIA	KAMSAR
<b>ENVIRONMENT</b>	100	83.33	50	7.5	12
<b>EMPLOYMENT</b>	60	66.66	53.33	97	90
<b>USEOF CHEMICALS</b>	30	0	0	0	0
<b>SOCIOCULTURAL ISSUES</b>	90	13.33	16.66	97.5	92
<b>BASIC INFRASTRUCTURE</b>	70	50	0	0	0
<b>ABSENCE OF THE STATE</b>	54	73.33	66.66	2.5	4

## ANNEX 4

### DISTRIBUTION OF ENVIRONMENTAL FACTORS

	SIGUIRI	DINGUIRAYE	KINDIA	FRIA	KAMSAR
<b>VEGETATION</b>	86	76.66	36.66	5	6
<b>HABITAT</b>	50	26.66	10	0	0
<b>TRAFFIC ACCIDENTS</b>	82	43.33	10	22.5	30
<b>AVAILABILITY OF CULTIVABLE LAND</b>	96	90	0	0	0
<b>CLIMATE</b>	70	10	6	95	92

## ANNEX 5

### Liste des compagnies et institutions ayant participé à l'étude

N°	Compagnies
1	Société Ashanti Godfield de Guinée (SAG)
2	Société Minière de Dinguiraye (SMD)
3	Compagnies des bauxites de Kindia (CBK)
4	Compagnies des bauxites de Guinée (CBG)
5	Rusal Guinée/Fria

N°	Institutions
1	Le Syndicat National des Travailleurs de Guinée
2	Les Organisations de la société civile de Guinée
3	Le ministère des Mine et de la Géologie de Guinée
4	L'Union Européenne
5	Les ONG internationales résidents en Guinée

## ANNEX 7

### QUESTIONNAIRE

Enquête sur la gouvernance des ressources naturelles en Afrique de l'ouest :  
paix, les droits humains et les implications de la sécurité humaine

Code

#### L'information sur l'entretien

L'enquêteur (les initiaux)

Date de l'entretien

Lieu de l'entretien

Comment l'enquêté a coopéré avec l'enquêteur ?

- ☐ Coopératif
- ☐ Un peu réticent
- ☐ Pas coopératif

#### 1. Sexe

- ☐ Masculin
- ☐ Féminin

#### 2. Quelle est votre profession ?

#### 3. Quelle est le niveau de scolarité le plus élevé que vous avez atteint ?

#### 4. Qu'en pensez-vous de la présence des sociétés minières dans votre localité ?

#### 5. Quelles sont vos attentes ?



**6. Existe-t-il des contrats de location de terre entre ces sociétés et vous ?**

- ☐ Oui  
☐ Non

**7. Avez-vous une fois formulé une quelconque plainte à l'encontre de ces sociétés ?**

- ☐ Oui  
☐ Non

Si oui à quelle occasion

**8. En tant que habitant de cette localité avez accès à l'emploi dans ces sociétés ?**

- ☐ Oui  
☐ Non

Et vos proches ont-ils accès ?

- ☐ Oui  
☐ Non

**9. A votre avis quel est l'impact de ces sociétés sur votre environnement ?**

**10. Bénéficiez- vous d'autres avantages de la part de ces sociétés ?**

- ☐ Education  
☐ Santé  
☐ Sécurité économique  
Autres

**11. Dans quelle mesure êtes-vous satisfait de la présence de ces sociétés ?**

- ☐ Satisfait  
☐ Modéré  
☐ Insatisfait  
☐ Sans Objet

Merci d'avoir complété cette enquête

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# GENERAL CONCLUSION AND RECOMMENDATIONS

# GENERAL CONCLUSION AND RECOMMENDATIONS

**Kalie SILLA**

The study has been able to deal with the problems associated with poor natural resource governance in the targeted Mano River Basin countries in West Africa. The study has been able to adopt the most relevant analytical frameworks applicable to the nature of the research as well as the gaps and challenges identifies in the respective countries. It has finally helped to set the stage for advocacy programme for the Gorée Institute and other Civil Society Organisations around poor natural resource governance and other interrelated socio-legal, economic and political problems associated with unethical mining operation in the targeted countries. General advocacy-oriented recommendations and suggestions, calling for ethical business behaviours of companies and compliance monitoring mechanism are stated in the respective country case studies.

One could regard the main outcome of the study as a significant effort in terms of promoting responsible management of natural resources from the civil society perspective. The study provided deeper understanding of the interconnected nature among issues of natural resource management, conflict and post-conflict peacebuilding in the targeted countries in Sierra Leone, Liberia and Cote d'Ivoire.

The result from the four countries shows that key state structures responsible for monitoring mining companies' compliance to mining rules and regulations are weak. Also relevant is the weakness of institutional and technical capacity of governments' oversight institutions responsible for monitoring extractive companies compliance to contracts signed and international norms and principles related to natural resource governance. The study also helped to crystallise complex and interlinking research questions from problems and gaps identified within the context of the Mano River Basin countries. In the process, data collection and analysis at the community level was undertaken from a cross comparative viewpoint in a manner that is inclusive of a wide range of stakeholders, opinions, perspectives and participations. This also helped to triangulate the existing documentations obtained from key actors and institutions on the field.



Implicitly, each case study linked the concept and the practical implication of 'human security' in different ways. Each case study also shows multi-dimensional links between poor natural resources management and negative ramification on human security and conflict in this geopolitical location. The case studies have also adhered to Abiodun Alao's central argument that for human security to be well established in the continent, crucial issues linked to the ownership, management, and control of the country natural resource endowment have to be taken into consideration and the various conflicts they have caused have to be addressed.<sup>1</sup> In this regards, the study argues that the success of the various international efforts to addressing the effective management of Africa's natural resources will only be successful if the structures for managing these resources at the local and national levels are reorganized and made to appreciate the multiplicity of factors underlining various layers of governance in each of the countries targeted.

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<sup>1</sup> Abiodun Alao "Natural Resource Management and Human Security in Africa"  
In Ademola Abass "Protecting Human Security in Africa" Oxford University Press (2010)

## GENERAL RECOMMENDATIONS

The study is recommending that the international community should support the government-led process of developing minimum standards for natural resource governance; enhance governmental and civil society capacity for natural resource management, including the strengthening of monitoring and enforcement mechanisms; involving the private sector as a partner in post-conflict reconstruction and development activities; and strengthen existing regulatory mechanisms, including the Extractive Industries Transparency Initiative (EITI). Several recommendations are stated herein in the form of prescriptive thinking towards the promotion of durable peace and sustainable human rights in the targeted geopolitical axis of West Africa.

- The international, Regional and Sub-regional Organization should help the countries to set up an effective monitoring and regulatory mechanism with a view to developing a framework for harnessing their natural resource wealth for rebuilding political, social and economic structures of the countries, and for poverty eradication and sustainable development.
- There is a need for a regional approach trickling down to a national perspective in order to address the regional implication of poor natural resource governance, including issues such as the link with land grabbing with peace and human security challenges that often threaten peace and security of states and its neighbours;
- There is a need for coordination, cooperation and partnership with state and non-state actors. It is imperative that the targeted states address the problem in a sustainable manner through a partnership driven process. There is also a need to build upon existing structures and mechanisms and to fully utilize complementarities between regulatory mechanisms, such as the Kimberley Process, and the Extractive Industries Transparency Initiative (EITI) and governance mechanism such as the African Peer Review Mechanism;
- There is a need to augment information gathering and sharing, as well as for more analytical work to be conducted on information already gathered, including through the work of the several UN Expert Panels set up to investigate specific cases of natural resources exploitation in West Africa;

- There is a need for greater support to be provided by the international community to enhance administrative and technical capacities of governments to regulate exploitation of natural resources, particularly in post-conflict situations in Sierra Leone, Liberia and Cote d'Ivoire;
- Extractive Companies must be encouraged to exercise greater Corporate Social Responsibility (CSR); and the role to be played by the international community, specifically the United Nations, in incorporating UN monitoring mechanisms for the exploitation of natural resources.
- Create and enhance partnerships with civil society, stakeholders in affected communities, the private sector, and international partners to develop and implement natural resource governance strategies and policies that will contribute to peace and sustainable development through equitable access to natural resource wealth.
- Incorporate natural resource exploitation into national security and development plans (e.g. Poverty Reduction Strategy Papers (PRSPs), with special attention to youth unemployment.
- Monitor and enforce minimum standards for effective natural resource governance to ensure that they are linked to other regional priorities such as infrastructure development, youth employment, environmental protection, and food security, amongst others.
- Governments must be held accountable for compliance with international standards and norms related to resource governance, human rights, labour and the environment.
- Support the work of the UN Secretary-General's Special Representative on Business and Human Rights, including the definition of the roles and responsibilities of the private sector with respect to human rights, and delimitation of their spheres of influence.

## SPECIFIC RECOMMENDATIONS

### GOVERNMENTS

- Governments must ensure that all extractive companies develop a sustainable development plan, through a participatory and consultative process involving the government, civil society and affected communities, before granting to them licenses or concessions. The plan should delineate the responsibilities of each actor and incorporate benchmarks and indicators to monitor its implementation. These plans must incorporate technology transfer, skills development, value addition and linkages to the local economy. The environmental, social and conflict-related impact of extractive operations must also be assessed prior to licensing.
- Governments should domesticate and implement regional, continental and international standards and develop mechanisms and institutions to monitor compliance. Moreover, they should forge partnerships with the private sector and civil society to ensure that the management and exploitation of natural resources benefit the entire populations.
- Governments must be encouraged to hold companies accountable for their actions including through prosecution or other punitive measures.
- Government should develop relevant laws and regulatory frameworks, models, benchmarks, codes of conduct and standards of practice to regulate investment, distribution of benefits, ownership, production, consumption, trade, and environmental and social liability and responsibility.
- Government should deploy resources and assistance to help countries mainstream natural resources development into poverty reduction strategies and other national development frameworks.
- Create knowledge on the nexus between natural resources and conflict, with documentation of practices, identification of risk factors and tools for risk reduction, and establish mechanisms to disseminate the knowledge created.

## **CIVIL SOCIETY**

- Civil Society should complement the efforts of government to review domestic laws on the exploitation of natural resources with a view to determining their conformity with the relevant international instruments and legal norms.
- Share local knowledge, lessons learned and models of best practices in natural resource governance with other civil society groups, and input into national and policy processes.
- Forge partnerships between NGOs from within and outside of Africa, to promote capacity building and incorporate local knowledge into international campaigns.
- Consumer groups and shareholders must put pressure on companies to comply with international standards and norms.

## **EXTRACTIVE COMPANIES**

- Share lessons learned and models of best practices from operating in conflict areas and from implementing various guidelines and standards with all relevant stakeholders.
- Develop and implement sustainable development plans that involve local capacity building, skills and technology transfer, value addition and local content.
- Align all contracts with sub-contractors to the principal contract with the government and ensure that they comply with the same standards, and eliminate the practice of secret clauses.
- Ensure broad-based, active and visible involvement of affected communities in approval, planning, implementation and monitoring of natural resource exploitation. In so doing, comply with international standards on the environment, labour, human rights and conflict-sensitivity.





This research has contributed to enhancing understanding of the relationship between poor natural resource governance, its human rights and human security implications. The report has provided evidence of field engagement with communities directly affected by the operation of mining companies in the targeted countries in West Africa. It provides a clear understanding on how basic human rights of host communities living around mining sites are abused and violated by governments and mining companies. It found out that though obligations are stated in the respective legal framework and policies governing mining activities in these countries, the study identified breaches of such laws and policies from which property rights; corporate social responsibility and environmental protection are deduced. This equally explains that political rhetoric and promises by governments and mining companies to communities prior to signing mining agreements hardly reflect at the community level in the absence of effective monitoring and oversight framework in place to track and prosecute unethical mining behaviour. Already, the repercussions of unethical business behavior are evident in these countries in the form of land dispossession, forceful eviction and displacement of local population, food insecurity and deep-rooted poverty of mining communities. This has thereby lead to intermittent tensions between extractive companies, host communities and local employees of extractive companies. This therefore calls for urgent action by regional, state and non-state actors to help address such '*negative culture*' and '*conspiracy*' of silence surrounding poor natural resource governance in the targeted West African states.



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